POWER METALLIC MINES INC.

INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS - QUARTERLY HIGHLIGHTS

THREE MONTHS ENDED MARCH 31, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS - QUARTERLY HIGHLIGHTS

The following Interim Management's Discussion and Analysis ("Interim MD&A") of Power Metallic Mines Inc. (Formerly Power Nickel Inc.) (the "Company") for the three months ended March 31, 2026 is dated as of June 1, 2026 and has been prepared to provide material updates to the business operations, liquidity and capital resources of the Company since its last annual management discussion & analysis, being the Management Discussion & Analysis ("Annual MD&A") for the fiscal year ended December 31, 2025. This Interim MD&A does not provide a general update to the Annual MD&A, or reflect any non-material events since the date of the Annual MD&A.

This Interim MD&A has been prepared in compliance with section 2.2.1 of Form 51-102F1, in accordance with National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the unaudited condensed consolidated interim financial statements of the Company for the three months ended March 31, 2026 in addition to the audited annual consolidated financial statements for the years ended December 31, 2025 and 2024, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The Company's unaudited condensed consolidated interim financial statements and the financial information contained in this Interim MD&A are 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"). The 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. Information contained herein is presented as of June 1, 2026, unless otherwise indicated.

For the purposes of preparing this Interim MD&A, Management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of the Company's common shares; (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

The Company's shares are listed on the TSX Venture Exchange ("TSX-V") and Santiago Stock Exchange, Venture Market. Further information about the Company and its operations can be obtained from the offices of the Company or from www.sedarplus.ca and the Company's website www.powermetallic.com.

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This Interim MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or statements that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this Interim MD&A speak only as of the date of this Interim MD&A or as of the date specified in such statement. The following table outlines certain significant forward-looking statements contained in this Interim MD&A and provides the material assumptions used to develop such forward-looking statements and material risk factors that could cause actual results to differ materially from the forward-looking statements.

Forward-looking statements	Assumptions	Risk factors
Potential of the Company's properties to contain economic deposits of any precious and base metals discovered	Financing will be available for future exploration and development of the Company's properties; the actual results of the Company's exploration and development activities will be favourable; operating, exploration and development costs will not exceed the Company's expectations; the Company will be able to retain and attract skilled staff; all requisite regulatory and governmental approvals for exploration projects and other operations will be received on a timely basis upon terms acceptable to the Company, and applicable political and economic conditions are favourable to the Company; the price of precious and base metals and applicable interest and exchange rates will be favourable to the Company; no title disputes exist with respect to the Company's properties	Price volatility of precious and base metals; uncertainties involved in interpreting geological data and confirming title to acquired properties; the possibility that future exploration results will not be consistent with the Company's expectations; availability of financing for and actual results of the Company's exploration and development activities; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic and political conditions; the Company's ability to retain and attract skilled staff; availability of permits
The Company has no source of revenue and it will require additional cash resources to meet its administrative overhead and maintain its mineral investments for the next twelve months, starting from March 31, 2026 The Company expects to incur further losses in the development of its business and will need to raise additional financing to meet its financial requirements	The operating and exploration activities of the Company for the next twelve months and beyond, starting from March 31, 2026, and the costs associated therewith, will be consistent with the Company's current expectations; debt and equity markets, exchange and interest rates and other applicable economic conditions are favourable to the Company	Changes in debt and equity markets; timing and availability of external financing on acceptable terms; changes in the operations currently planned; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic conditions
The Company's ability to carry out anticipated exploration and maintenance on its property interests and its anticipated use of cash	The exploration and maintenance activities of the Company for the year ending December 31, 2026, and the costs associated therewith, will be consistent with the Company's current expectations; debt and equity markets, exchange and interest rates and other applicable economic conditions are favourable to the Company	Changes in debt and equity markets; timing and availability of external financing on acceptable terms; increases in costs; changes in the operations currently planned; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic conditions; receipt of applicable permits
Sensitivity analysis of financial instruments	Foreign exchange rates will not be subject to change in excess of plus or minus 1%	Changes in exchange rate fluctuations

Plans, costs, timing and capital for future exploration and development of the Company's property interests, including the costs and potential impact of complying with existing and proposed laws and regulations	Financing will be available for the Company's exploration and development activities and the results thereof will be favourable; actual operating and exploration costs will be consistent with the Company's current expectations; the Company will be able to retain and attract skilled staff; all applicable regulatory and governmental approvals for exploration projects and other operations will be received on a timely basis upon terms acceptable to the Company; the Company will not be adversely affected by market competition; debt and equity markets, exchange and interest rates and other applicable economic and political conditions are favourable to the Company; the price of precious and base metals will be favourable to the Company; no title disputes exist with respect to the Company's properties	Price volatility of any mineral discovered, changes in debt and equity markets; timing and availability of external financing on acceptable terms; the uncertainties involved in interpreting geological data and confirming title to acquired properties; the possibility that future exploration results will not be consistent with the Company's expectations; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic and political conditions; the Company's ability to retain and attract skilled staff; availability of permits; market competition
Management's outlook regarding future trends, including the future price of any precious and base metals discovered and availability of future financing	Financing will be available for the Company's exploration and operating activities; the price of applicable minerals will be favourable to the Company	Price volatility of any precious and base metals discovered; changes in debt and equity markets; interest rate and exchange rate fluctuations; changes in economic and political conditions; availability of financing
Prices and price volatility for precious and base metals	The price of precious and base metals will be favourable; debt and equity markets, interest and exchange rates and other economic factors which may impact the price of precious and base metals will be favourable	Changes in debt and equity markets and the spot price of precious and base metals, if available; interest rate and exchange rate fluctuations; changes in economic and political conditions

Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Company's ability to predict or control. Please, in addition, also make reference to those risk factors referenced in the "Risk Factors" section below. Readers are cautioned that the above chart does not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements, and that the assumptions underlying such statements may prove to be incorrect. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this Interim MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

CORPORATE GOVERNANCE

Management of the Company is responsible for the preparation and presentation of the unaudited condensed interim consolidated financial statements and notes thereto. Additionally, it is Management's responsibility to ensure the Company complies with the laws and regulations applicable to its activities.

The Company's Management is held accountable to the Board of Directors ("Directors"), each member of which is elected annually by the shareholders of the Company. The Directors are responsible for reviewing and approving the financial statements and the Interim MD&A. Responsibility for the review and approval of the Company's financial statements and Interim MD&A is delegated by the Directors to the Audit Committee, which is composed of three directors. Additionally, the Audit Committee pre-approves audit and non-audit services provided by the Company's auditors.

The auditors are appointed annually by the shareholders to conduct an audit of the financial statements in accordance with generally accepted auditing standards. The external auditors have complete access to the Audit Committee to discuss audit, financial reporting and related matters resulting from the annual audit as well as assist the members of the Audit Committee in discharging their corporate governance responsibilities.

DESCRIPTION OF BUSINESS

Power Metallic Mines Inc. (formerly Power Nickel Inc.) is a resource exploration company involved in exploring for Nickel Copper, Cobalt, PEG group metals, gold, and silver on its various properties located in Chile, and Canada (Quebec & British Columbia). Power Metallic Mines Inc., owns 50% of Chilean Metals Inc. and has the following wholly-owned subsidiaries: Consolidated Gold and Copper Inc. (British Columbia), SPN Metals Exploration Ltd. (British Columbia), TDO Metals Exploration Ltd. (British Columbia), Pintada Minerals Inc. (British Columbia), Pintada Holdings Inc. (British Columbia), Palo Negro Mining Inc. (British Columbia), Palo Negro Holdings Inc. (British Columbia), Verna Explorations Ltd. (British Columbia), Verna Holdings Ltd. (British Columbia), Minera Tierra de Oro Ltda. (Chile), Minera Palo Negro Ltda. (Chile), and Minera Sierra Pintada Ltda. (Chile).

Exploring in Chile is done through Minera IPBX Limitada ("IPBX"), Minera Tierra de Oro Limitada, Minera Palo Negro Limitada and Minera Sierra Pintada Limitada ("Power Metallic Subsidiaries").

OVERALL PERFORMANCE

As at March 31, 2026, the Company had assets of $15,261,218 and shareholders equity of $1,469,224. This compares with assets of $24,413,375 and shareholders equity of $5,866,327 at December 31, 2025. At March 31, 2026, the Company had $16,730,442 of current liabilities (December 31, 2025 – $18,547,048).

At March 31, 2026, the Company had working deficiency of $1,867,988, compared to working capital of $5,473,149 at December 31, 2025, a change of $3,605,161 (see "Liquidity Section" for more details). The Company had cash of $10,659,972 at March 31, 2026, compared to cash of $21,118,155 at December 31, 2025, a decrease of $10,458,183.

The Company needs to secure additional financing to carry on business activities for the twelve months ending March 31, 2027 (See below).

Qualified Person Joseph Campbell, P.Geo. (OGQ #AS-10828, PGO #0135), Vice-President Exploration of Power Metallic, and Qualified Person under NI 43-101, has reviewed and approved the technical content of this Interim MD&A.

EXPLORATION

Nisk Property

On December 22, 2020 (the "Effective Date") the Company entered into an option agreement with Critical Elements Limited ("Critical") to acquire a 50% interest in the Nisk property (the "First Option"). Upon completion of the terms of the First Option the Company also has a Second Option to increase its interest from 50% to 80% by incurring or funding additional work in the amount of $2,200,000 including a Resource Estimate for a period of four years from the effective date of completion of the First Option. On February 24, 2021 ("Closing Date") the Company closed the option acquisition transaction.

Under the terms of the agreement, the requirements to exercise the First Option are:

- (a) Make cash payments totaling $500,000 to Critical on or before the dates set out below:
  - (i) A non-refundable amount of $25,000 on the date of execution of the agreement; (paid)
  - (ii) An amount of $225,000 within a delay of five (5) Business Days following the Effective Date; and (paid)
  - (iii) An amount $250,000 within a delay of six (6) months from the Effective Date; (paid)
- (b) issue 12,051,770 Shares within a delay of five (5) Business Days following the Effective Date. (issued)
- (c) incur an aggregate of $2,800,000 of Work Expenditures on the Property on or before the dates set out below:
  - (i) $500,000 in Work Expenditures on or before the date that is one (1) year from Closing Date; (completed)
  - (ii) $800,000 in Work Expenditures on or before the date that is two (2) years from Closing Date; (completed) and
  - (iii) $1,500,000 in Work Expenditures on or before the date that is three (3) years from Closing Date; (completed)

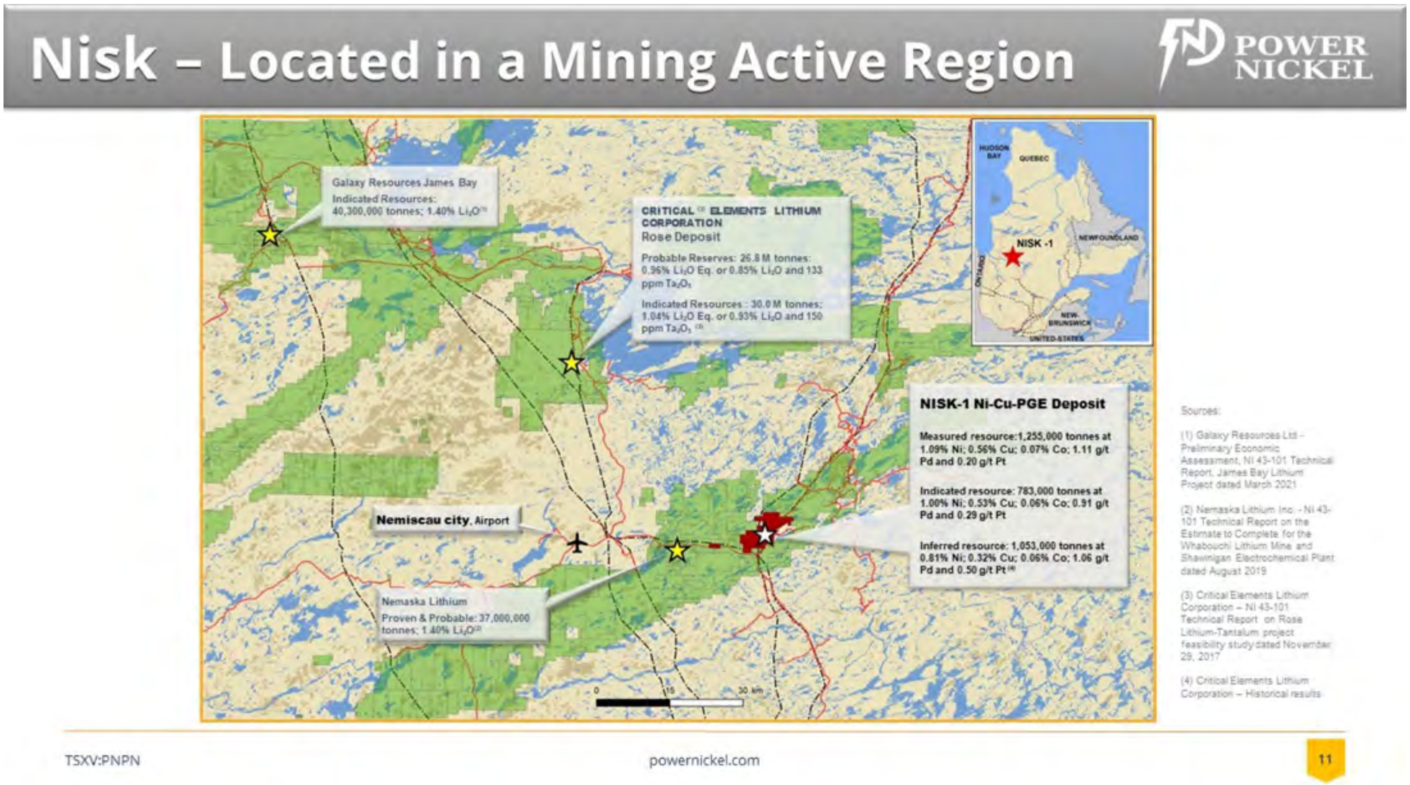
In connection with closing of the Nisk property agreement, the Company issued to Paradox Equity Partners Ltd a finders fee of 668,377 shares on February 24, 2021.

The 12,720,147 common shares issued during the year ended December 31, 2021 in connection with this property option agreement were valued at $3,943,246 based on the trading price of the Company's shares on the date of issuance.

Following the exercise of the First Option, Critical will receive a 2% net smelter return from the extraction and production of only lithium products, the amount of which Power Metallic may, following the payment of $2 million in cash, reduce to 1%.

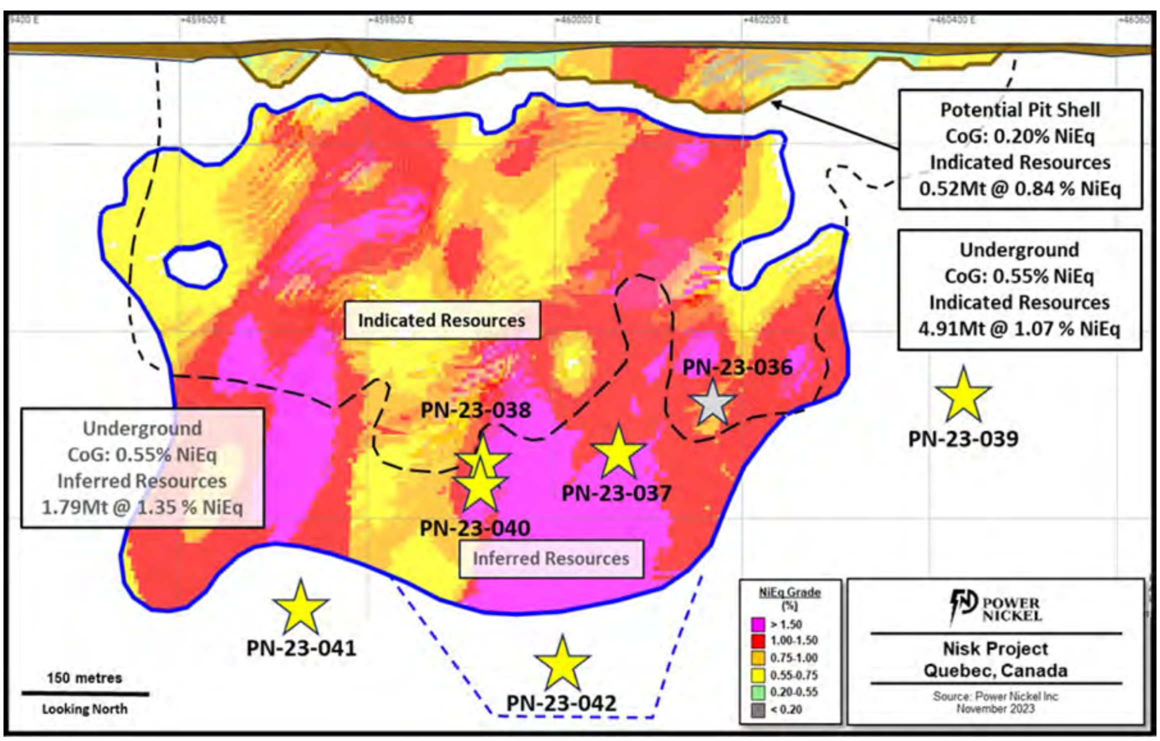
Power Nickel exercised its option to increase its interest to 80% of the Nisk Project, and subsequently the mineral claims have been transferred over in Power Metallic's name

The NISK property comprises a large land position (20 kilometres of strike length) with numerous high-grade intercepts. The Company is focused on confirming and expanding its current high-grade, nickel-copper PGE, Gold and Silver mineralization



In late Q4 2023 Power Metallic produced a Technical report outlined below.

The figure below presents a longitudinal view of the 2023 Mineral Resource Estimate.

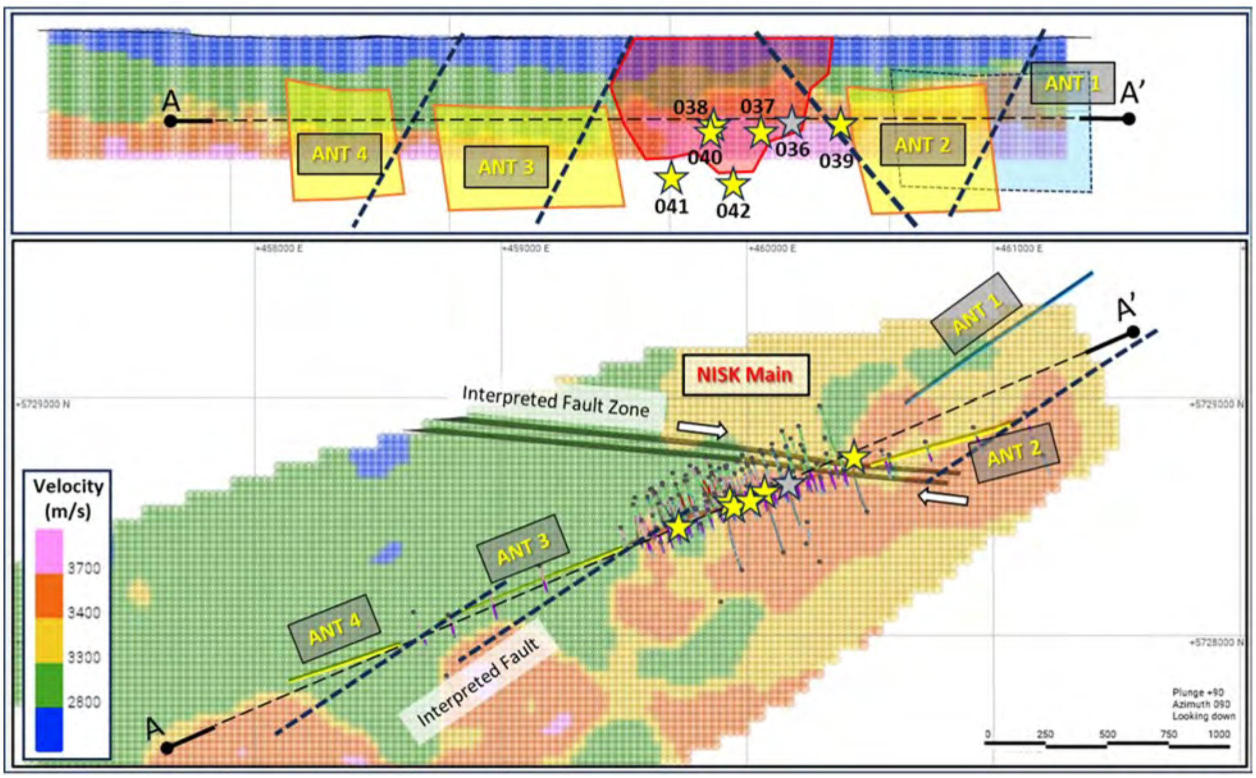


The information presented above is derived from the Technical Report titled: ***"Amended and Updated NI 43-101 Technical Report and Updated Mineral Resource Estimate for the Nisk Project, Eeyou Istchee James Bay Territory, Québec"; Duncan Studd, Pierre-Luc Richard, Gordon Marrs and Jeffrey Cassoff; January 19th, 2024.***

The Technical report represents a snapshot in time of our historic exploration work as it relates to resource size. The Company has significant further exploration programs ongoing and planned.

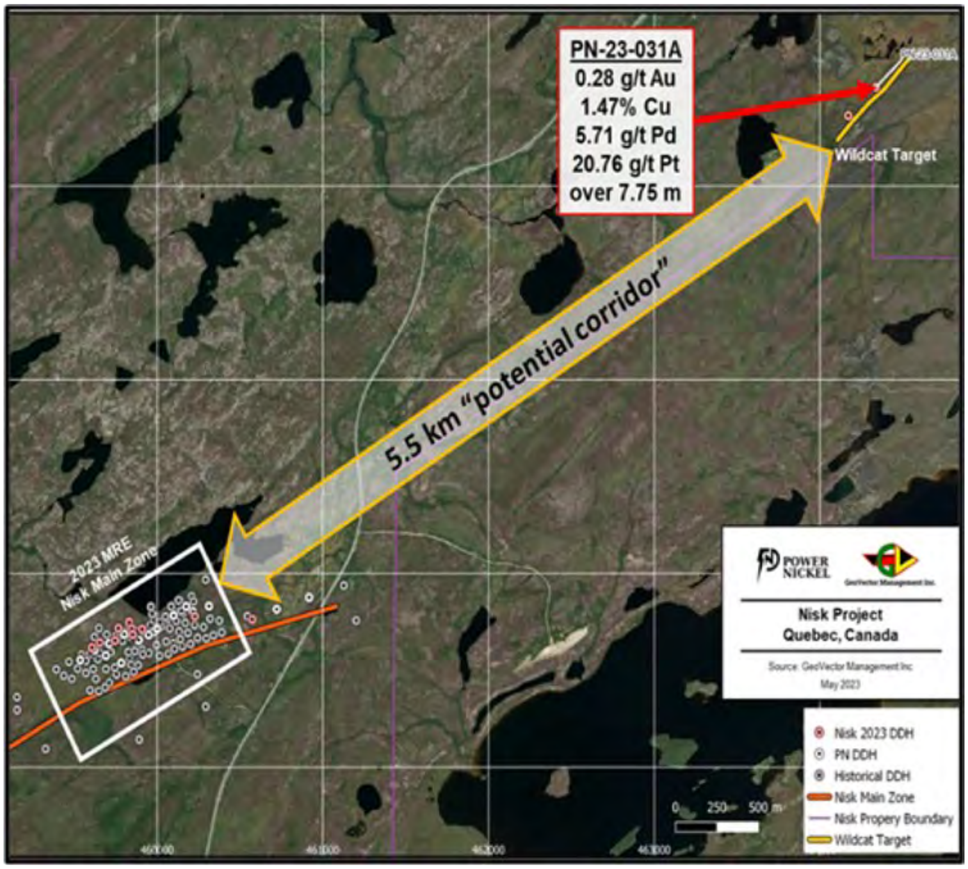
The Company employed Fleet Space Technologies and their Ambient Noise Tomography technology to assist in better evaluation of its land package in search for additional resources. The search was focused in two areas. Around our current resource, what we refer to as Nisk Main, and around an exploration result we obtained about 5.5 Kilometres North and East of Nisk main. This was a project historically referred to as Wildcat but whose name has subsequently been changed to the Lion Zone.

Below are targets labelled ANT 1-4 outlining our intent to explore these areas in pursuit of additional Nickel Sulfide mineralization.

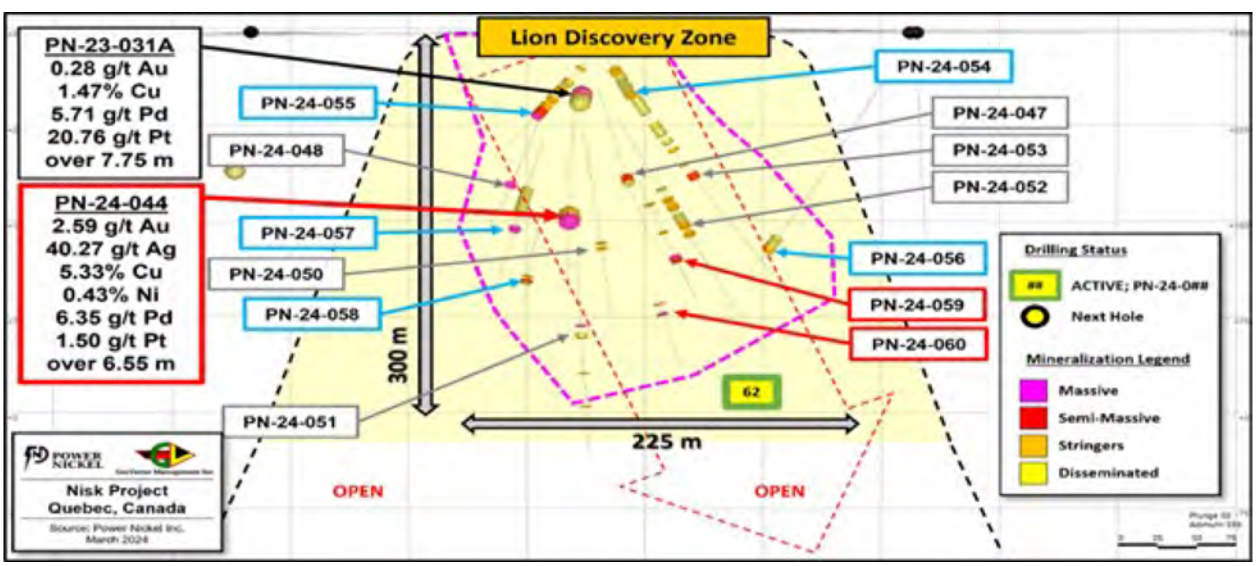


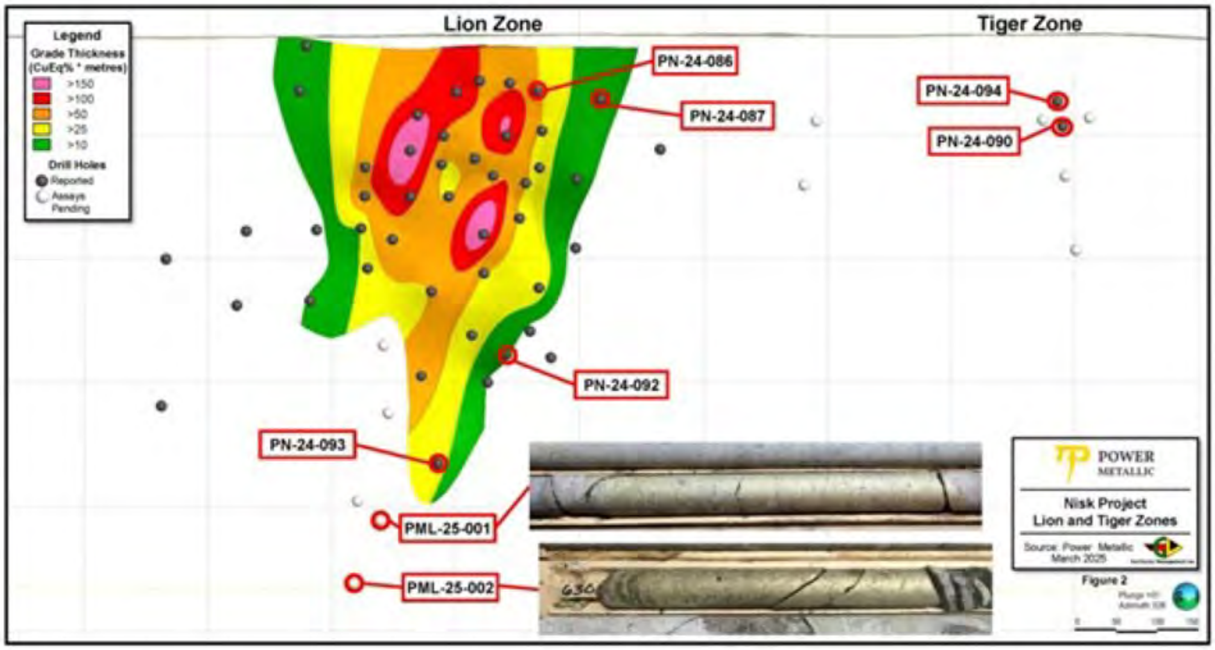
Following the Lion discovery the Company drilled a new zone 700m north-east of Lion (reported March 25, 2025) and subsequently named the Tiger Zone.

Map of the Lion and Tiger Zones with drill collar locations.



Long section of the Lion Zone with pattern of drilling up to a release issued on March 25th 2025

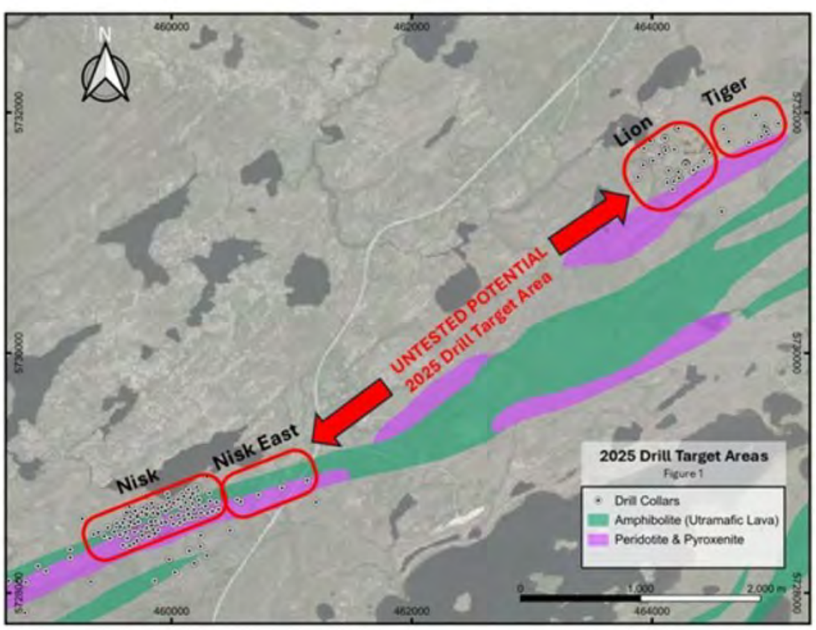




In 2024 the success of the Lion expansion drilling and the initiation of targeted exploration for polymetallic type deposits, led by advice from Dr. Steve Beresford, a leading expert in this deposit type, resulted in an expansion of exploration effort along the favourable geological trend. This resulted in the discovery of the Tiger deposit, and a revisit to the Nisk deposit as a member of the polymetallic suite of deposits. Based on work prior to 2024, including ground geophysics (magnetic, electro-magnetic, and gravity surveys) and bore hole electro-magnetic surveys (BHEM), a new target area east of Nisk (Nisk East) has been subjected to more detailed study for a Lion type poly metallic deposit.

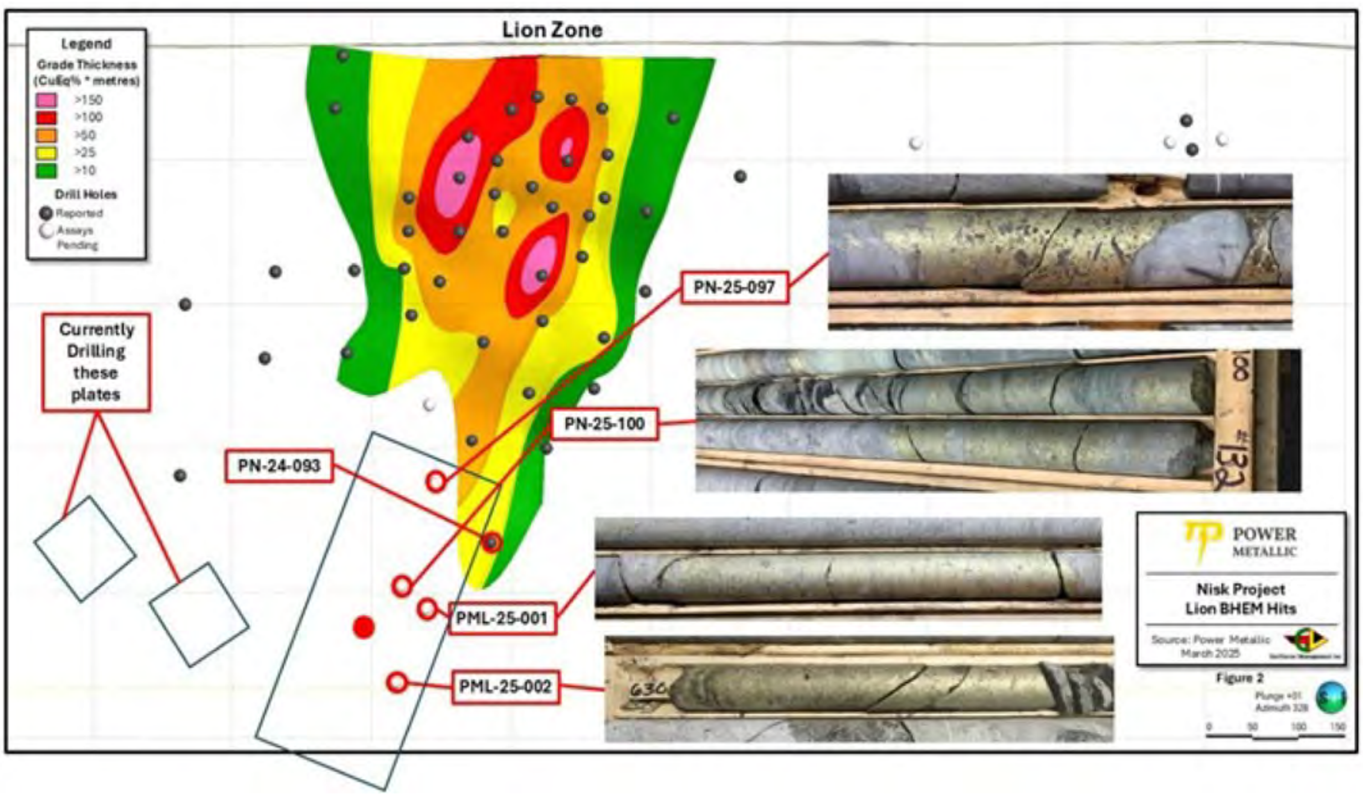
In addition to these four areas (Nisk, Nisk East, Lion, Tiger) much of the remaining favourable geology on the property is still untested.

Property scale map showing location of indicated mineralized zones



BHEM has become an essential tool for the discovery of new deposits and expansion of known deposits, such as Lion. Power Metallic has contracted the services of Matthew Penney from Hardrock Geophysics Inc. to re-interpret all previous surveys, and to refine the processing and the interpretation of new surveys. This has led to multiple identification of off-hole conductors which have to date indicated sulphide concentrations. This BHEM method will continue to be an essential tool in exploration in 2025 on the Nisk property

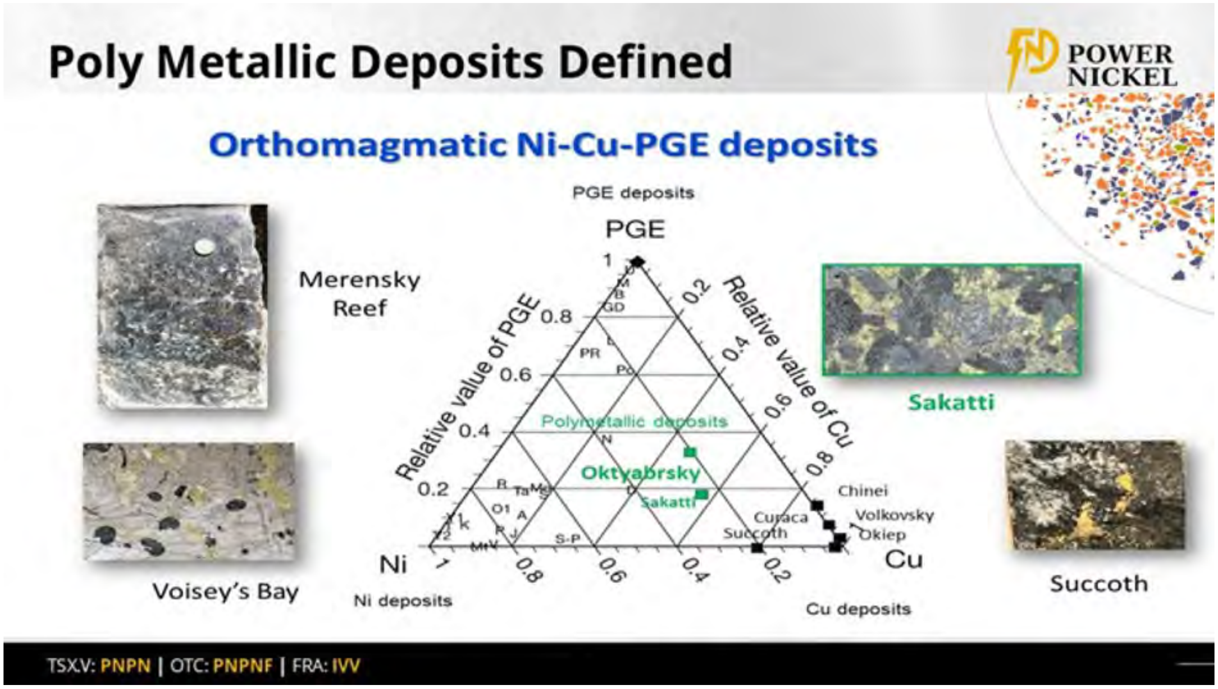
Example of BHEM off-hole anomalies from 2024 drill holes.



Power Metallic drilled 55 holes totaling 21,9000 metres on the Nisk project. A large percentage of these holes were also surveyed with BHEM. The Company has used the services of veteran Geoscientific consulting team GeoVector to manage the day-to-day drill program execution and to assist our inhouse team on overall exploration planning.

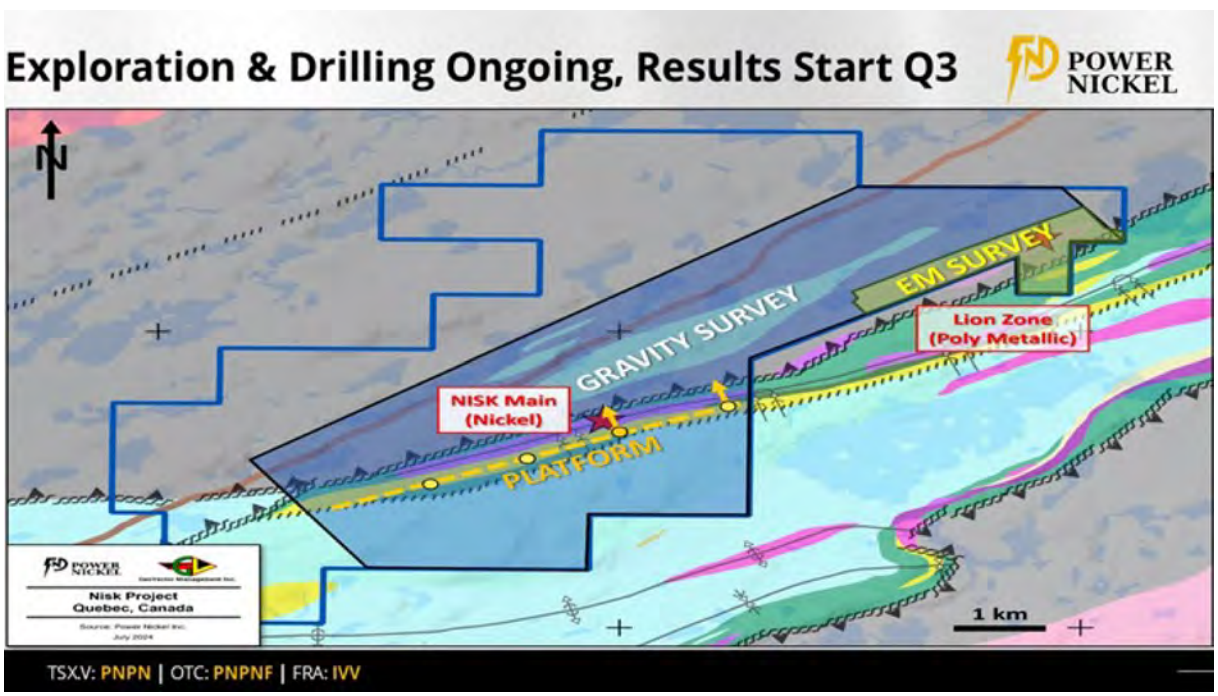
With the impressive success of the Lion Zone and its emerging High-Grade Cu, Platinum, Palladium, Gold and Silver discovery the Nisk project has transformed from a traditional Nickel Sulfide to a Poly Metallic deposit. This has dramatically altered the Company's focus. The Company's engagement with global Poly Metallic deposit expert Doctor Steve Beresford, who has joined the Company's Board, has transformed the exploration strategy for Poly Metallic deposits on the Nisk property. Steve brings a wealth of experience to the project from previous work as Chief Geologist at First Quantum, then Chief Geologist at MMG and lastly Chief Scientific Officer at IGO.

Doctor Beresford’s focus is on a particular type of Poly Metallic deposit. The Ortho Magmatic Deposit type which is Ni, Cu and PGE dominant. Below is an image from our corporate presentation illustrating the type of deposit we believe we have discovered at Nisk.



Work in 2025 included extensive studies on mineralogy of the Lion deposit to understand the habit of the economic elements, including the high value precious metals (Pb, Pt, Au, Ag) associated with the copper mineralization.

In addition, studies will be carried out on rock samples to collect absolute age dating of the host rocks to the Nisk and Lion deposits. This will help in refining the current understanding of the stratigraphy hosting the deposits, and the timing of the mineralization and subsequent mobilization into the poly metallic deposits.



In Q1 Power Metallic initiated a multi-drill program (initially one drill, then up to three). A total of twenty-six (26) holes were drilled totaling 10,756 m. Meterage was distributed over several targets reflecting Power Metallics approach to expand the project on multiple fronts as noted below:

- Lion - 7,018m (16 holes)
- Tiger - 1,710m (6 holes)
- Nisk - 2,028m (4 holes)

An integral part of the Q1 2025 program was the utilization of down hole EM or BHEM which served to generate both in-hole and off-hole conductors. A total of twenty (20) holes were surveyed which include some holes that had been drilled in previous campaigns. The surveys were completed by TMC Géophysique (based in Val D'or), with interpretations done by Matt Penney of Hardrock Geophysics (based in Montreal).

While the program was ongoing, the team at Hardrock Geophyiscs did a review of previously completed surveys in order to potentially generate targets for future drill programs. This included the 2023 airborne survey (Prospect air), 2023 BHEM surveys (TMC), 2024 Ground EM (TMC), and 2024 BHEM surveys (TMC).

Lastly, Power Metallic initiated some preliminary baseline Environmental work including a desktop study, as well as the collection of seven (7) water samples. These works were carried out by Nemaska Resources a group associated with Group DesFor.

On February 3, 2025, the Company completed the above described spin-out transaction via a Plan of arrangement for the mining properties it controls in British Colombia (Golden Ivan) and including certain assets located in Chile.

In Q2 Power Metallic reported results from its winter drilling program, including the final holes of the campaign, on June 4, 2025.

The Company expanded its core facility and began ramping up drilling from two rigs on June 6, 2025, with plans to increase to four rigs during the summer program, supported by new core logging units and upgraded site infrastructure. This program represents the Company’s largest exploration effort to date, combining step-out drilling at the Lion, Nisk, and Tiger trends with extensive mapping, prospecting, and airborne EM surveying.

On June 9, 2025, the Company executed a definitive agreement and, as of mid-July, completed the acquisition of 313 mineral claims (167 km²) from Li-FT Power Ltd., expanding the Nisk–Lion–Tiger polymetallic project area by over 300% to approximately 212.9 km² and securing an expanded strike length of roughly 50 km across basin margins. Consideration for the acquisition included a $700,000 cash payment, issuance of 6 million common shares (subject to hold periods), and a retained 0.5% NSR by Li-FT.

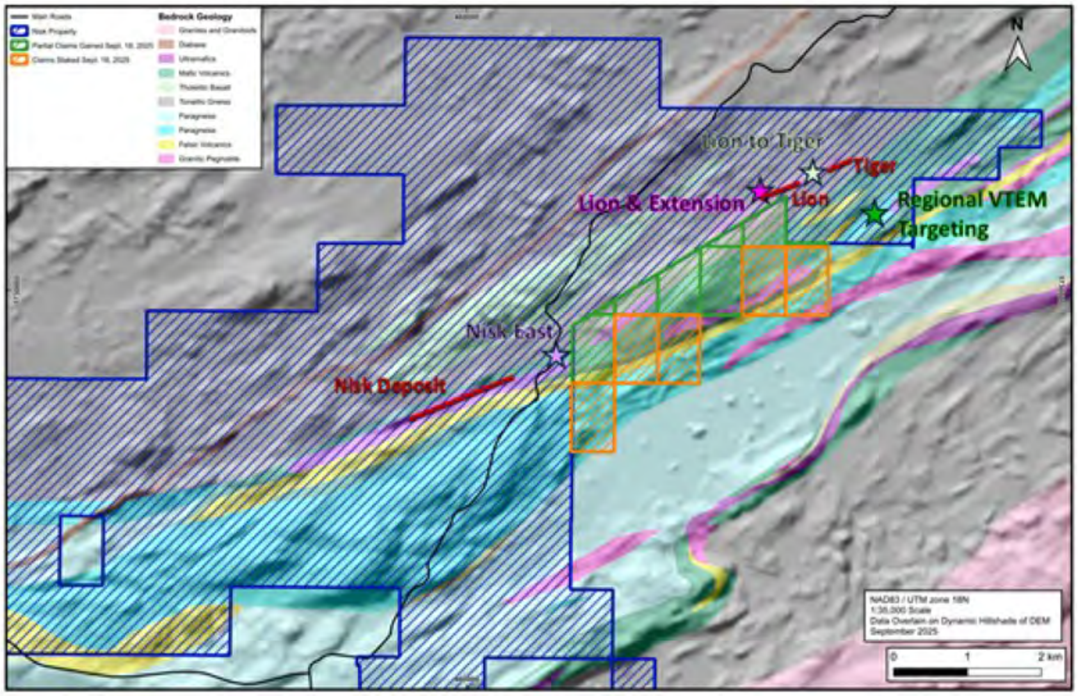
The Company is advancing a comprehensive geophysical and mapping program, including ongoing borehole EM surveys by TMC, localized ground EM follow-up, and a large-scale airborne EM/magnetic (AEM) survey by Geotech, approximately one-third complete by the end of June. These efforts are complemented by detailed field mapping across newly acquired ground and a LiDAR survey by LSI, which will provide high-resolution topography and imagery to refine target generation and optimize drill site placement.

The summer drill program is targeting the following meters of drilling by location:

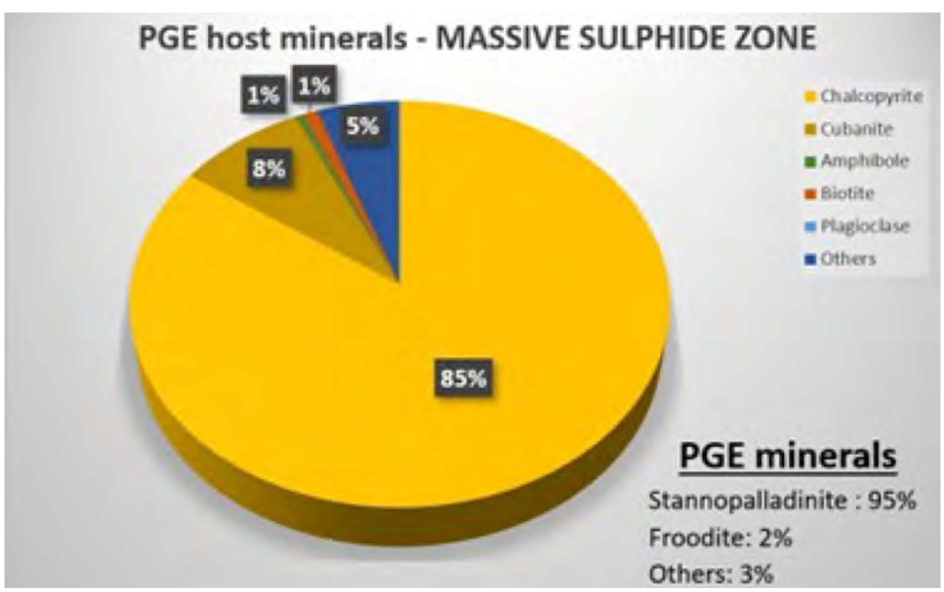
- 10,000–12,500 meters at Lion
- 5,000–6,250 meters at Tiger
- 5,000–6,250 meters at Nisk Main, Nisk West, and Nisk East

In addition, the Company intends to opportunistically test the recently acquired claims, subject to results from the ongoing AEM survey, ground mapping programs, and receipt of drilling permits.

On July 10th, Power Metallic closed on it’s acquisition of 313 claims (167 km²) from Li-FT Power Ltd. on July 13, 2025, tripling its project size to 212.86 km² with a $700,000 payment, 6 million shares, and a 0.5% NSR retained by Li-FT.

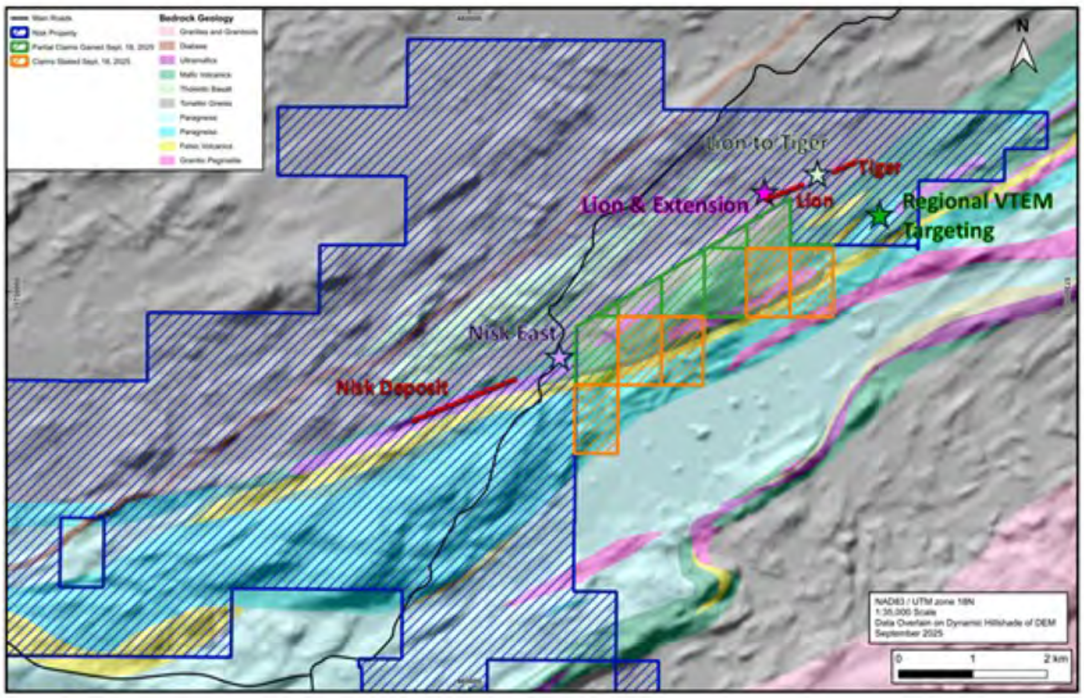


On July 23rd, 2025, Power Metallic provided an update on its mineralogy scans program showing PGE enrichment predominately associated with Chalcopyrite and Cubanite. Overall, the character of the mineralization and the host sulphides suggest that good recoveries of both the copper minerals and the PGEs can be expected in conventional sulphide concentration recovery methods.



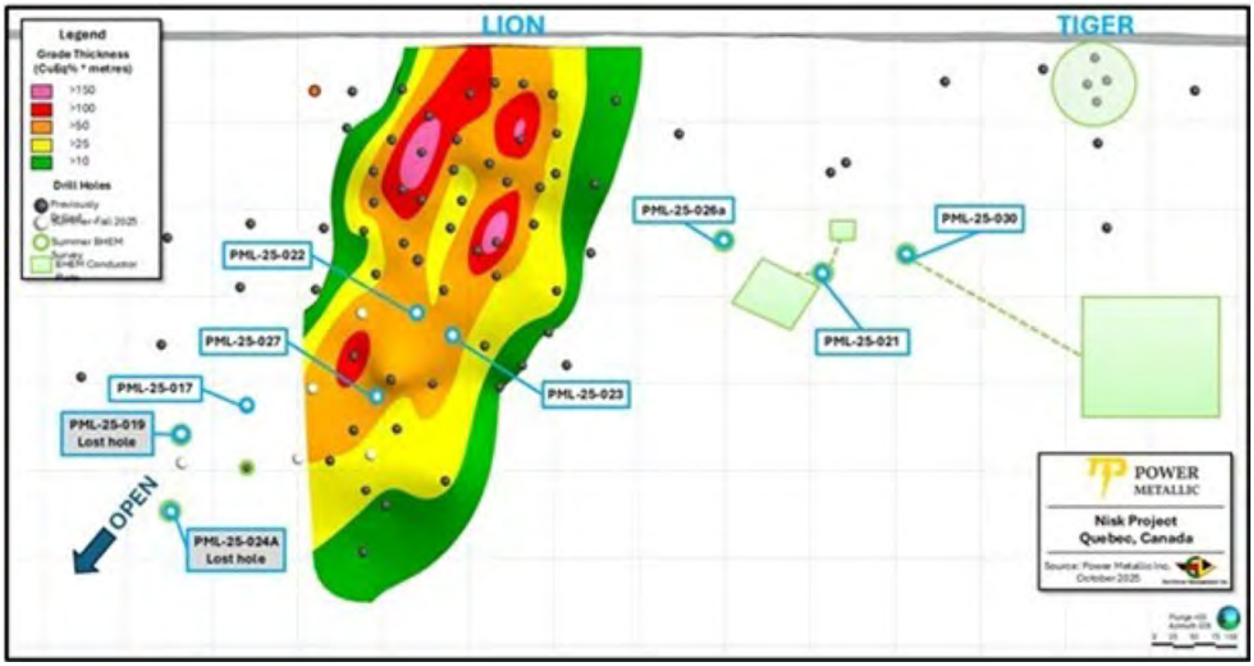
On August 26th, 2025 Power Metallic appointed former federal Minister Seamus O'Regan to its board, bringing expertise from his tenure as Canada's Minister of Energy & Natural Resources and Minister of Indigenous Services. O'Regan's background in critical minerals policy and Indigenous affairs positions him to support Power Metallic's advancement of the Nisk polymetallic project in Quebec.

On September 22nd, 2025 Power Metallic announced initial results from the summer program. The summer program completed 17,250 meters of drilling from 34 holes, which include holes 25-015, 28m of 4.28% CuEQ and 25-020, 22.66m of 4.57% CuEq. In addition to the announced drill results, Power Metallic added acreage directly south of the Lion Zone trend, internally referred to as the Hydrolands. A map of the Hydroland additions can be seen below.



On October 16th, 2025, Power Metallic announced the initiation of our preliminary metallurigical studies being performed by SGS Canada Ltd at its laboratories based in Quebec City, QC and Lakefield ON. Completion of this preliminary metallurgical testing will allow the company to report a NI 43-101 resource. While testing is expected to take approximately 14 weeks, final reports are not expected until Q1 2026.

On November 4th, 2025 Power Metallic announced further results from the summer program, including 25-022, 6.85m of 13.15% CuEq and 25-023, 5.9m of 10.43% CuEq.   In addition to drill results, Power Metallic drilled 3 BHEM holes targeting deeper structures between Tiger and Lion. A BHEM response found in 25-030 identified one of the larger BHEM panels to date.



Dec. 2, 2025 – Power Metallic reports that Hole 25029b at the Lion Zone returned 4.40 m of 12.18% Cu (14.34% CuEqRec) within a broader interval of 20.40 m of 2.91% Cu (3.58% CuEqRec) and confirms a large offhole BHEM anomaly by extending hole PN24064. The offhole conductor panel lies in front of several previously mineralized holes and along a structurally important fold hinge, defining a highpriority target area for further CuNi mineralization.

Jan. 19, 2026 – Power Metallic announces initial Lion Zone metallurgical results from SGS Canada, highlighted by a 25.8% Cu concentrate with recoveries of 98.9% Cu, 93.9% Pd, 96.8% Pt, 85.0% Au and 88.9% Ag from a blended composite. The lockedcycle flotation test confirms that Lion mineralization is amenable to conventional sulphide concentration and supports using significantly higher metal recoveries in CuEqRec calculations going forward, implying an 18.2% uplift in recovered CuEq versus prior assumptions. The uplift can be seen in the table below.

		Head Grade	Old Recovered Grade	Old Recovered CuEqRec	Met Recovered Grade	Met Recovered CuEQRec
Cu - Copper	%	3.42 %	2.74 %	2.74 %	3.38 %	3.38 %
Ni - Nickel	%	0.20 %	0.16 %	0.40 %	0.15 %	0.39 %
Au - Gold	g/t	0.7	0.56	0.48 %	0.60	0.51 %
Pd - Palladium	g/t	5.37	4.30	1.90 %	5.04	2.23 %
Pt - Platinum	g/t	2.9	2.32	0.85 %	2.81	1.02 %
Ag - Silver	g/t	24.9	19.92	0.20 %	22.14	0.23 %
Total				**6.57 %**		**7.76 %**

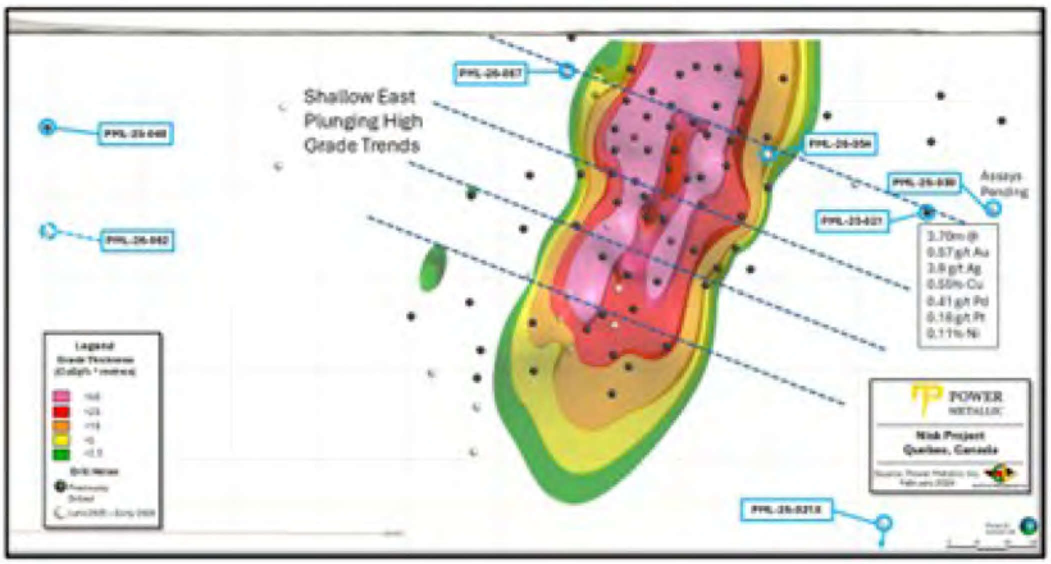
Table – Impact of Old Recovery assumptions vs Met Recovery[2,3]

Old CuEqRec represented CuEq calculated based on the following metal prices (USD): 2,360.15 $/oz Au, 27.98 $/oz Ag, 1,215.00 $/oz Pd, 1000.00 $/oz Pt, 4.00 $/lb Cu, 10.00 $/lb Ni and 22.50 $/lb Co., and a recovery grade of 80% for all commodities, consistent with comparable peers.

Current CuEqRec will be calculated based on the following metal prices and recoveries (USD): 2,360.15 $/oz Au @ 85% Rec; 27.98 $/oz Ag @ 88.9% Rec; 1,215 $/oz Pd @ 93.9% Rec; 1,000 $/oz Pt @ 96.8% Rec; 4.00 $/lb Cu @ 98.9% Rec; 10.00 $/lb Ni @ 77.1% Rec, based on recoveries consistent with initial metallurgical testing.

Feb. 18, 2026 – Power Metallic reports fall 2025 drilling at the Lion Zone, including 20.40 m of 4.11% CuEqRec in Hole 25046 (with 8.40 m of 8.05% CuEqRec) and 8.60 m of 6.34% CuEqRec in Hole 25045 (with 5.10 m of 9.86% CuEqRec). These infill and downplunge extensions strengthen the continuity of the highgrade core, highlight the polymetallic PdPtAuCu character of Lion, and support an Indicatedcategory MRE and future starterpit scenarios.
Feb. 19, 2026 – Chilean Metals Inc. announces it has commenced trading on the TSX Venture Exchange under the symbol "CMCG." The company, spun out of Power Metallic in February 2025, is focused on the Golden Ivan polymetallic property in British Columbia and a suite of earlierstage exploration projects in Chile.

March 3, 2026 – Power Metallic provides an exploration update showing that new drilling has intersected Lionstyle sulphides at Lion East (PML26054) and Lion West (PML26067), confirming a shallow easterly plunging highgrade structural trend extending from the main Lion Zone. The release also outlines multiple untested easterly plunge trends, a new highgrade gold interval of 34.6 g/t Au over 1.50 m in the newly acquired Hydro Lands.



March 10, 2026 – Power Metallic reports that Hole 25049, the first hole of the Winter 2026 campaign, returned 16.55 m at 10.08% Cu (15.11% CuEqRec), the best nearsurface copper intersection to date at Lion, while Hole 25043 delivered 7.60 m at 7.20% CuEqRec. These results significantly expand the nearsurface highgrade zone that may be amenable to early openpit extraction and further support shallow easterly plunging mineralization trends within the Lion Zone.

April 15, 2026 – Power Metallic announces Winter 2026 infill drilling results at Lion, highlighted by Hole 26050 returning 27.10 m of 2.17% CuEqRec including 4.76 m of 10.43% CuEqRec. The infill holes on the eastern portion of Lion are designed to underpin a 2026 Mineral Resource Estimate and delineate a potential starter open pit focused on the highergrade core.

May 4, 2026 – Power Metallic reported strong infill drill results from the Lion Zone winter 2026 program, with hole PML-26-094 intersecting 17.45 m at 9.47% CuEqRec (including 6.30 m at 17.91% CuEqRec) and hole PML-26-101 returning 39.00 m at 5.66% CuEqRec (including 9.20 m at 15.18% CuEqRec), both within approximately 100 m of surface. These results continue to define the high-grade core of the Lion Zone in support of a planned inaugural NI 43-101 Mineral Resource Estimate ("MRE") targeted for Q3 2026.

May 6, 2026 – Power Metallic reported that hole PML-26-095 returned the second-best intersection in the history of the Lion Zone with 22.00 m at 11.46% CuEqRec, including 6.50 m at 18.59% CuEqRec, near surface at approximately 155 m depth. Hole PML-26-069 also confirmed the down-plunge continuity of the Lion Zone at 600 m vertical depth with 6.58 m at 4.00% CuEqRec, representing the deepest high-grade intercept at Lion to date.

May 13, 2026 – Power Metallic engaged Ideon Technologies to deploy borehole muon tomography at the Lion Zone, using the Ideon REVEAL™ platform to generate a 3D density model covering over 55,000,000 m³ of rock volume over a six-to-eight month imaging program. Power Metallic will first validate the muon density signature against the existing 100-hole drill dataset at Lion, then apply the calibrated mineralization fingerprint to rank deep targets across the broader 330 km² Nisk district below the 200 m detection limit of conventional surface-based geophysical methods.

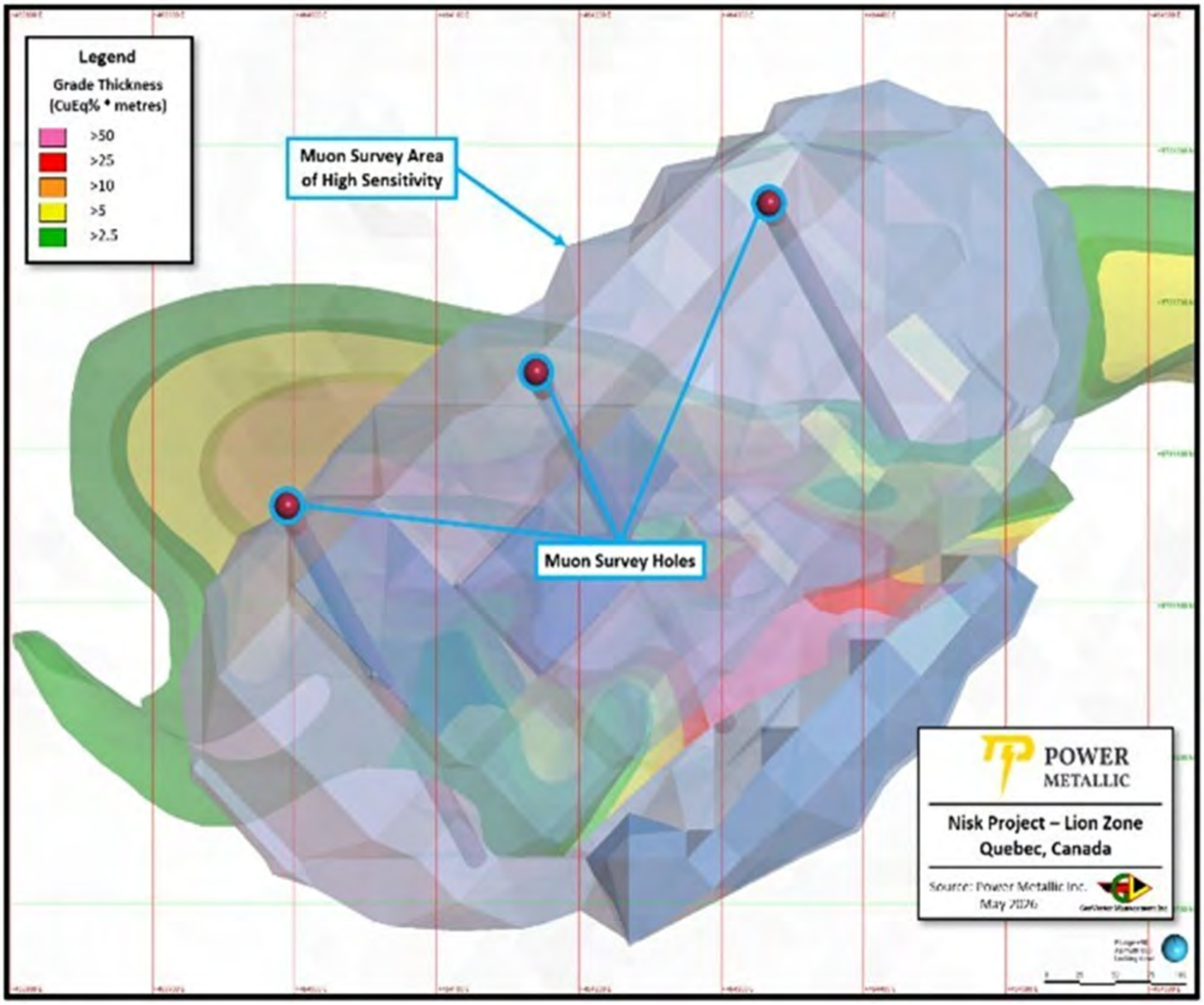


Figure – Plan view of muon survey overlain Lion (CNW Group/Power Metallic Mines Inc.)

May 26, 2026 – Power Metallic reported additional infill drill results from the winter 2026 program including 4.07 m at 8.73% CuEqRec (hole PML-26-067) and 10.30 m at 4.04% CuEqRec (hole PML-26-097), further supporting near-surface mineralization continuity ahead of the upcoming MRE. Metallurgical locked-cycle testing (LG2) of a low-low grade composite by SGS Canada confirmed copper recoveries of 98.3% at a 25.4% Cu concentrate grade, with precious metals recovering in the mid-to-high 80% range, significantly expanding the potential low cut-off grade parameters for the Lion MRE model.

Table: LG2 Locked Cycle Test – Feed, Concentrate Grade and Recovery Summary

Element	Feed Grade	Concentrate Grade	Recovery (%)
Cu	0.62 %	25.40 %	98.3
Ni	0.04 %	0.78 %	47.7
Au	0.37 g/t	12.7 g/t	83.1
Pd	0.97 g/t	38.9 g/t	89.1
Pt	0.22 g/t	7.9 g/t	84.1
Ag	6.26 g/t	271 g/t	75.9

Jabal Baudan Property, Saudi Arabia

Power Metallic's Jabal Baudan property is a 200 km² exploration license in Saudi Arabia's Jabal Sayid Mineralized Belt, the largest of seven packages offered in this belt and one of the few mining concessions held by a foreign company in Saudi Arabia. Located roughly 150 km south of Jeddah along the western Red Sea coastal plain, the project is considered highly prospective for copper, gold, and zinc in a VMS-style setting, in the same regional trend as the Jabal Sayid mine and the Umm ad Damar deposit.

The project is supported by Saudi Arabia's Exploration Enablement Program, a US$182 million initiative that can contribute up to US$2 million per exploration license, which should help de-risk and accelerate early-stage work such as mapping, geophysics, and drilling at Jabal Baudan. Power Metallic positions this acquisition as a strategic foothold aligned with Saudi Arabia's Vision 2030, aiming to leverage strong local infrastructure and a mining-friendly regime to fast-track the identification and prioritization of high-potential VMS targets on the license.

May 19, 2026 – Power Metallic entered into a strategic alliance and joint venture framework agreement with Amaar United Mining Company to jointly pursue future mining license auction rounds in the Kingdom of Saudi Arabia on a 50/50 ownership and economics basis. Under the agreement, Power Metallic will serve as technical lead and operator, while Amaar Mining provides local coordination and regulatory interface; for the first US$10 million of approved post-award work-program funding, Power Metallic will contribute US$2.5 million and Amaar Mining will contribute US$7.5 million.

Golden Ivan Property (Properties owned by Chilean Metals Inc.)

Golden Ivan is located approx. 3 kilometers to the east of Stewart, BC in the heart of the Golden Triangle. The Golden Ivan property consists of thirteen (13) mineral claims, all in good standing, for a total area of approximately 797 hectares.

On January 14, 2021, the Company announced it finalized an 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 all 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.

As a result, the Company 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.

Golden Triangle has reported mineral resources (past production and current resources) in total of 67 million ounces of gold, 569 million ounces of silver and 27 billion pounds of copper. The Golden Ivan property hosts two known mineral showings (Gold ore and Magee), and a portion of the past-producing Silverado mine, which was reportedly exploited between 1921 and 1939. These mineral showings are described as Polymetallic veins that contain quantities of silver, lead, zinc, plus/minus gold, and plus/minus copper.

In the summer of 2021, a highly successful prospecting and geologic mapping program resulted in the discovery of two new high grade gold zones yielding 16.2 grams-per-tonne (g/t) gold (Au) and 15.1 g/t Au in outcrop.

The 2021 Golden Ivan Property campaign completed during July and August 2021, included the collection of 210 surface rock samples including 7 channel samples, in addition to reconnaissance geologic mapping and whole rock geochemical analysis throughout the Property. A total of 17 of the 210 rock samples returned greater than 0.1 g/t Au, and up to 16.2 g/t Au from the newly discovered Lone Goat Showing, and 15.1 g/t Au over 0.75 metres from a channel sample at the newly discovered Molly B. East showing in addition to significant silver and base metal values **(Table 1)**.

Table 1. 2021 Golden Ivan Project 2021 Prospecting - Significant Results

Sample ID	Showing		Material	Au (g/t)	Ag (g/t)	Cu (%)	Pb (%)
P385752	Gold Zones	***Lone Goat (New)***	Talus	**16.2**	25	**1.56**	-
P385831			Outcrop	-	**47**	0.18	-
P385732			Outcrop	**3.41**	14	-	-
P385774			Outcrop	0.76	**176**	0.64	-
P385703			Float	-	**22**	**1.14**	0.15
P385691			Float	-	**31**	0.82	-
P385857		***Molly B. East (New)***	Channel (0.75 m)*	**15.1**	12	0.10	-
P385801			Outcrop	**1.43**	39	0.16	-
P385809		***Ice valley (New)***	Outcrop	0.73	**47**	0.27	-
P385760			Outcrop	0.53	5	-	-
P385840	Silver Zones	*Silverado No.4 East trend (Historic)*	Outcrop	-	**76**	-	-
P385841			Outcrop	-	**27**	-	**1.13**
P385682			Float	-	**30**	-	**0.73**
P385739			Outcrop	-	19	**1.82**	-
P385693		*Magge Sky Annex (Historic)*	Outcrop	-	**47**	0.38	-

*The approximate true width of the channel sample is 80-100 sample width

Mineralization and Alteration of New Discoveries

The Molly B. East high-grade gold showing is associated with subvertical southeast tending quartz-pyrrhotite-chalcopyrite veins hosted within andesitic volcanic rocks with fine grained sulphide halos.

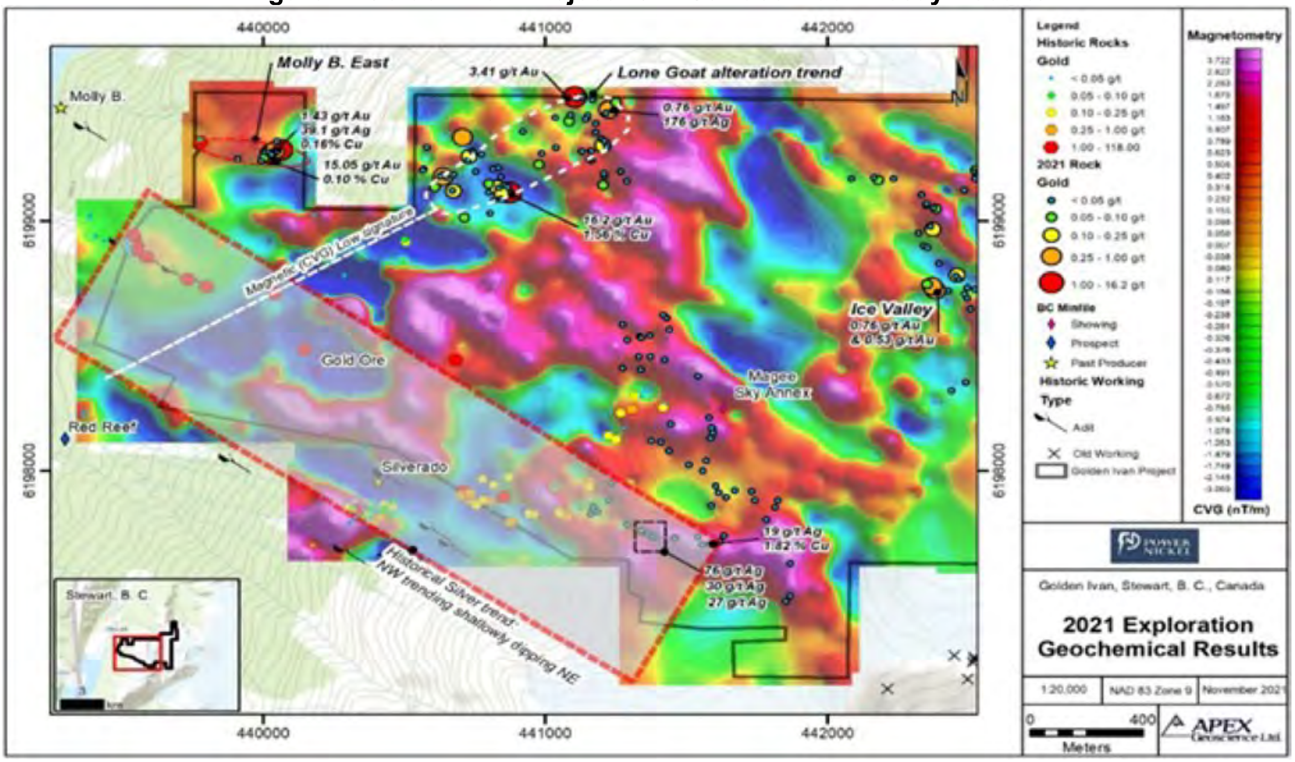
The Lone Goat high-grade gold showing comprises an approximately 700 x 200 metres NE-SW trending subvertical zone of multi-stage quartz-epidote-sericite-carbonate altered andesite that returned multiple anomalous (n=8 greater than 0.1 g/t Au) gold assays.

The newly discovered Lone Goat, Molly B. East gold showings and the historical high-grade gold-silver Molly B trend to the south are coincident with northeast and northwest trending airborne magnetic (low) lineaments respectively **(Figure 1)**.

General Geology

The results of reconnaissance geologic mapping indicate the Golden Ivan Property is underlain by a layered sequence of andesitic volcanic and volcaniclastic rocks attributed to the lower Jurassic Hazelton Group. The volcanic package is cut by late andesite dykes and rhyolite bodies, while the northeast area of the Property lies in faulted contact with interpreted Stuhini Group metasediments.

Figure 1. Golden Ivan Project 2021 Surface Rock Assay Results



Golden Ivan Historical Data Compilation

Prior to initiating the 2021 exploration, Power Metallic commissioned a digital historical data compilation with respect to the Golden Ivan Property. The compilation comprised publicly available mineral assessment reports and property files from as early as 1929 to date and as recently as 2020. Documented exploration within the Golden Ivan Property includes extensive prospecting, geochemical analysis of surface rock and chip/channel samples, trenching, small-scale underground development, and geophysical surveys (airborne magnetic, VLF-EM, multi frequency EM, and magnetic / radiometric surveys).

A total of 124 rock and rock chip/channel samples were digitized, returning an average grade of 2.45 g/t Au and 79.4 g/t Ag, up to a maximum of 118 g/t Au and 2,400 g/t Ag. Of the 124 rock samples, a total of 17 returned greater than 1 g/t Au and a total of 16 returned greater than 50 g/t Ag, including seven samples returning both greater than 1 g/t Au and 50 g/t Ag.

Several small-scale historical workings occur within the Golden Ivan claim group, comprising surface pits, trenches, and short adits. These include the Gold Ore, Eagle & Big Bell, Magee Sky Annex, and Molly-B prospects near the western claim boundary. Molly B prospect sampling returned assays up to 45.7 g/t Au and 90.2 g/t Ag, with an average grade of 9.2 g/t Au on 11 samples collected intermittently over a 750 m NW trending zone. In addition, the area between the Silverado No. 4 and Magee Sky Annex shows a northeast trend returned assays including 6.2 g/t Au, 1,300 g/t Ag and 1.4 g/t Au, 2,400 g/t Ag. The significant Silverado No. 4 workings, located to the south outside the Property, returned values up to 60 g/t Au and 90 g/t Ag.

The historical compilation results demonstrate the potential to expand and further delineate historical high-grade gold-silver mineralization with continued exploration.

Zulema, Chile (Properties owned by Chilean Metals Inc.)

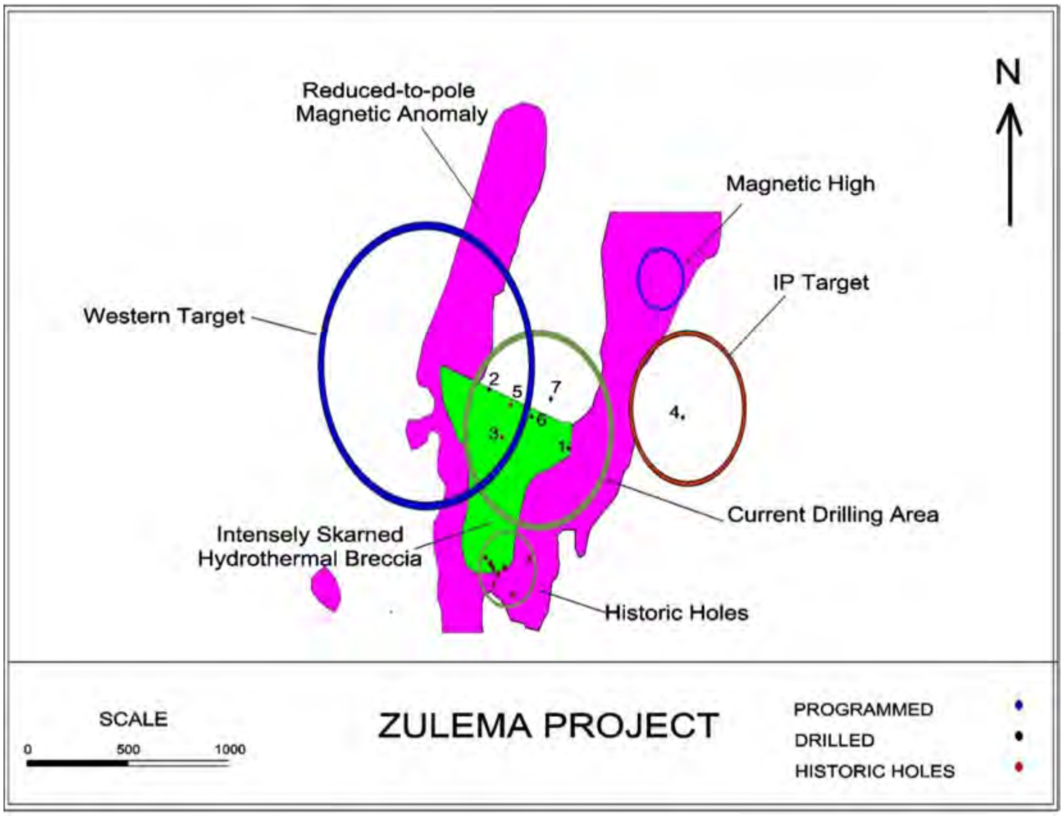
In 2013, the Company acquired 23 exploration concessions totaling approximately 2,105 hectares surrounding its five then existing Zulema mining concessions in Chile’s Third Region. In 2014, the Company acquired nine additional mining concessions totaling 724 hectares from a third party. In March 2015, the Company completed the acquisition from another third party of three additional mining concessions totaling 600 hectares. The Zulema property now consists of 4,300 hectares (10,626 acres). All concessions are held 100% by IPBX and Minera Palo Negro Ltda, with no underlying third-party royalty or net profits interest. The project is located 30 kilometres from the giant Cu Au Candelaria mine of Lundin Mining Corporation and in a very similar geological environment.

During the year ended December 31, 2017, the Company commenced drilling its Zulema project. With the Candelaria mine as a model, the exploratory drill program tested two geologically distinct targets: a 1+ square km. area of intense garnet scapolite skarn breccia (Skarn Target) and a large Induced Polarization chargeability anomaly on its eastern flank. (IP Target). The initial results released on February 27, 2017 suggested the potential that Chilean had found, IOCG style mineralization.

Drill holes 1, 6 and 7 assisted in defining the boundaries of the eastern skarn and related sulphide mineralization. Drill hole 4, targeting the IP target, was terminated before reaching bedrock. The target remains open. Hole 3 had a six meter section from 285.32 – 291.32 meters which contained 0.66% Cu, 23.6% Fe and 0.52 g/t Au. It also contained an additional intercept from 325.20 to 335.20 that assayed 0.34% Cu, 10.0 % Fe and 0.16 g/t Au. Hole 5 located 272 meters north and east of 3 also had some interesting highlights, in particular, several lenses of two and four meters in length with individual 2 meters sections assaying up to 0.43% Cu, 4.9 % Fe and 0.29 g/t Au.

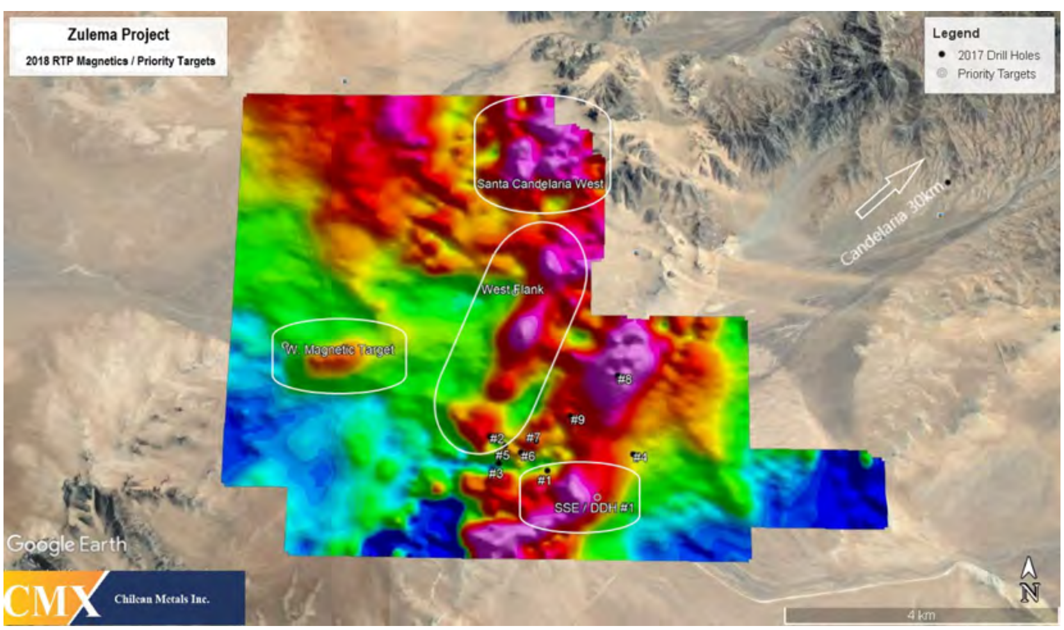
Initial drill results confirm that host rocks and alteration fit the Candelaria model. The presence of copper-bearing magnetite skarn, interbedded magnetite chalcopyrite bands, more massive chalcopyrite clots in drill hole 5, biotite magnetite alteration, potassic (K-spar), magnetite and hematite veining and local mineralized breccias suggests proximity to a larger mineralized target.

A review of the drill core has been completed with the results suggest the focus of ongoing exploration should be towards the west near drill holes 2, 3 and 5 where the skarn appears as a more receptive host for mineralization. In drill hole 2, quartz stock-work and siliceous breccia suggest proximity to a high temperature heat source / intrusion. Directly east of drill hole 2 at drill-hole 5, widespread low grade copper mineralization occurs as large 1 cm chalcopyrite clots within the skarn. Due south of 5, drill hole 3 contained wide intersections of skarn including several lenses of iron rich, IOCG style copper mineralization. Holes 2, 3, 5 assays are reported in detail in the April 3, 2017 press release.



The Company engaged Southern Rock Geophysics, a consulting firm with over 20 years experience in the Andean Region. Familiar with both the Porphyry and IOCG depositional models, Southern Rock brings the expertise required to search for a blind target in the challenging desert of Chile.

242-line kilometers of data was collected along 55 north – south survey line segments in order to assist in target selection prior to the Company's planned Phase II drill program. The results of the survey were positive, delineating 4 key target areas for detailed follow-up in 2019.



The magnetic survey delineated a 2km. wide corridor trending northeast from the southern margin of the survey area north to the Santa Candelaria workings as shown in Figure 1. A preliminary review of the data indicates there are 4 target areas that require detailed follow-up. From north to south, the targets are Santa Candelaria West, the West Flank, SW Magnetic High and SSE / DDH#1.

The Santa Candelaria target lies due west of the Santa Candelaria mine workings where Cu mineralization is characterized by chalcopyrite disseminations and veins within a magnetite / hematite calcsilicate skarn. Exposure is relatively abundant west of the workings and will be investigated prior to the commencement of a gravity survey.

The West Flank of the magnetic corridor is a priority target due to the style of mineralization encountered in drill hole #5 where coarse-grained chalcopyrite was noted at depth. Elevated magnetics northwest of Drill hole #5 in addition to a large peak along the western edge of the corridor are priority targets.

In the western portion of the project, the SW Magnetic Target is easily identifiable and located due east of a copper showing and along a NW trending lineament. The target is covered by alluvial material and will require additional ground geophysics and processing to resolve its potential.

To the southeast of drill hole #1, a magnetic high has been identified along the eastern edge of the magnetic corridor. This target is along the eastern edge of a copper bearing hydrothermal breccia that was drilled in 2017. Its location along a very sharp magnetic boundary at an interpreted intersection of the same NW trending lineament crosscutting the SW Magnetic Target makes it a priority.

The Company intends to conduct additional IP Ground work on specific Zulema targets prior to developing drilling plans.

Tierra de Oro (TDO), Chile

Tierra de Oro is an advanced stage exploration project located in Region III on the eastern flank of Chile’s Coastal Iron Oxide Copper Gold belt. The property lies about 50 kilometres south of the large Candelaria copper-gold-silver-iron mine. It consists of 5,667 hectares covering the historic Chanchero gold camp and numerous areas of historic oxide copper workings.

The Company initially became involved in the property in 1996 as a joint venture with Princeton Mining to explore for acid-soluble copper deposits. During the course of this exploration the Chanchero gold camp was re-discovered and added to the property. In 1998 the Company bought out Princeton’s interest. The property was dormant between 1999 and 2002 but reactivated in late 2003. To date the Company has conducted property-wide geological, geochemical, geophysical surveys and limited trenching and drilling. The surveys delineated five major gold bearing structure zones between 200 and 1000 metres in length. Within these zones a number of gold exploration targets were identified.

In November 2007, the Company commenced a 7,000 metre drill program to test the identified gold targets. Drill results failed to corroborate the positive gold values obtained by previous surface sampling. However, areas of significant silver-copper mineralization identified in shears and mantos within volcanic strata in the eastern sector of the property justified additional work. Highlights included drill hole RC56, which intersected 40 metres of 16 g/t silver including 13 metres of 40 g/t silver and RC58 which intersected 40 metres of 8.2 g/t silver.

On February 21, 2008, following completion of an induced polarization ('IP") survey, the Company announced the discovery of an IP anomaly in the Chanchero zone. The large near-surface anomaly is elongated northeast-southwest, the core of which measures 900 by 300 metres and is open to extension at depth. The intensity and homogeneity of this chargeability response, coincident with a strong magnetic low anomaly and coupled with the presence of an altered porphyry intrusion may indicate the presence of a large sulphide-rich system at moderate depth.

In February 2011, the Company completed an Airborne ZTEM survey over the Tierra de Oro property in areas where potential iron oxide copper gold ("IOCG") targets and mineralized zones had been previously identified by geological, geochemical and ground geophysical programs. Two magnetic anomalies of significant size were identified: one north of the Chanchero zone and another located in the area known as Las Lomitas zone and associated with copper-silver manto prospects.

In the spring and summer of 2013 a complete review and analysis of TDO was completed by Dr. Chris Hodgson. As a result, the Company has identified two potential bulk copper-gold targets that the Company believes warrant a targeted exploratory drill program.

During the year ended December 31, 2019, the Company engaged the services of Windfall Geotek (formerly Albert Mining); a leading Artificial Intelligence firm in the mining sector. Windfall used its proprietary CARDS (Computer Aided Resource Detection System) to analyze the many years of geological, geophysical and geochemical data accumulated by the Company. The data identified five areas of interest. One is the primary drilling target previously identified as Chanchero. The other four are gold copper targets.

On November 18, 2020, the Company announced that it has started on Phase 1 of drilling at its Tierra de Oro (Land of Gold) project in 3rd Region of Atacama about 75 km south of Copiapó, Chile.

The phase 1 drilling program at Tierra de Oro was focused on the Chanchero zone and further confirmed the existence of a strong hydrothermal system in the local area. Drilling demonstrated discontinuous fault bound zones of characteristic phyllic-propylitic-argillic alteration, and widespread pyrite mineralization in stockworks and veins in most of the drillholes. A total of five diamond drill holes were completed for a total of 1,500 m of recovered core, resulting in approximately 850 collected samples. Drill assay highlights include a two-metre sample at 120 m depth encountered in Hole 3 grading 716 g/t Silver and 0.453% Copper, adjacent to a highly fractured fault zone with no core recovery.

The project area is structurally controlled by the Elisa de Bordos fault, separating 2 domains; an intrusive one associated with Gold, where the Chancheros project is located, and another volcanoclastic domain associated with Copper – Silver, where the Las Lomitas and Jaqueline projects are located.

The AI study delivered targets for surface exploration at Las Lomitas where the results obtained from ground truth sampling from nine (9) rock chip samples graded between 0.77% to 3.23% Copper and 22 to 169 g/t Silver. The next step is to perform geophysics on these mineralized areas to identify new targets of drilling.

Other Chile Properties

Chilean Metals Inc. owns additional mining concessions in Chile related to the Hornitos, Palo Negro and Tabaco properties.

Property Expenditures

Costs incurred on the Company's exploration and evaluation assets for the three months ended March 31, 2026 and March 31, 2025:

	Zulema	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**
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**

RESULTS OF OPERATIONS

Three months ended March 31, 2026, compared with three months ended March 31, 2025

The Company's loss for the three months ended March 31, 2026 was $9,061,280 ($(0.04) per share), compared to $8,470,443 ($(0.05) per share) for the three months ended March 31, 2025. Significant variations are described below. Note certain comparative figures have been reclassified to conform to the current periods presentation.

	For the three month March 31,			
	2026	2025	Variance	Comments
Administration fees	$ 368,392	$ 942,500	$ (574,108)	Decrease was due to the grant of bonuses in the prior period, related to the Spin out transaction and other business matters from Directors.
Business Development and Advisory	1,235,844	862,467	373,377	During the current period the Company incurred additional business development advisory costs related to refine it's business plan.
Exploration expenditures	11,754,693	3,568,422	8,186,271	The increase was related to exploration activities at the Nisk property in the current period. See "Exploration" above for description of work done.
Investor relations	224,522	787,859	(563,337)	In the prior period consulting fees were incurred related to the Spin out transaction.
Share-based payments	220,430	1,301,730	(1,081,300)	During the current period the Company granted 250K stock options with an average exercise price of $1.5 compared to 2.325M stock options in the prior comparative period with an average exercise price of $1.40. Share-based payments will vary from period to period depending upon the share price, number of options granted and vested during a period and the fair value of the options calculated as at the grant date.
Shareholder Communications	309,764	679,167	(369,403)	During the prior period the Company engaged a number of new vendors which did not provide services in the current period.
Flow-through liability amortization	(5,688,384)	(295,718)	(5,392,666)	The Company has adopted a policy whereby proceeds from flow-through issuances are allocated between the offering of shares and the sale of tax benefits based on the difference between the quoted price of the existing shares and the amount the investor pays for the shares. A liability is recognized for this difference and is extinguished by crediting Flow-through liability amortization on a pro-rata basis as the expenditures are made.
Other expenses	636,019	624,016	12,003	Non-significant variances in other expenses items.
Total	**$ 9,061,280**	**$ 8,470,443**	**$ 590,837**	

LIQUIDITY AND CAPITAL RESOURCES

The Company finances its operations through the sale of its equity securities, bridge loans and other financing activities. The Company has no producing mineral properties. The Company expects to obtain financing in the future primarily through equity financing, loans and convertible debt instruments. There can be no assurance that the Company will succeed in obtaining additional financing, now and in the future. Failure to raise additional financing on a timely basis could cause the Company to suspend its operations and/or sell its interests in its properties.

The continuing operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing. Management believes it will be able to raise funds as required in the long term, but recognizes the risks attached thereto.

As at March 31, 2026, the Company had current assets of $14,862,454 (December 31, 2025 - $24,020,197) and current liabilities of $16,730,442 (December 31, 2025 – $18,547,048).

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. The property tax commitment for 2026 fiscal year is 146,714,392 Chilean Pesos ($220,457).

Liabilities also include a flow-through liability of $9,640,785 which is not settled through cash payments, instead this balance is amortized against qualifying flow-through expenditures. Pursuant to the terms of flow-through share agreement, the Corporation is in the process of complying with its flow-through contractual obligations to subscribers with respect to the Income Tax Act (Canada) requirements for flow-through shares. As of March 31, 2026, the Corporation was committed to incurring approximately $19,770,594 by December 31, 2026 in Canadian Exploration Expenditures (as such term is defined in the Income Tax Act (Canada)), arising from the flow-through offerings.

As at March 31, 2026, the Company had 32,442,499 common share purchase warrants outstanding that were in-the-money, representing potential gross proceeds of $16,168,732, of which 24,417,500 warrants, representing potential gross proceeds of $6,487,313 are subject to an acceleration clause under the original warrant terms and may be called by the Company within 30 days. In addition, the Company had 13,020,000 common share options outstanding, representing potential gross proceeds of $10,585,360, of which 9,770,000 options were in-the-money, representing potential gross proceeds of $5,827,860.

During the three months ended March 31, 2026, the Company had cash out flows from operating activities of $11,955,583 (three months ended March 31, 2025 – $7,148,019). Cash operating activities and used in operations consist of cash used to fund the loss of $9,061,280, the impact of non cash items of $5,465,641, and the change in non-cash working capital of $2,571,338. Non cash items of $5,465,641 consisted of depreciation of $714, share-based payments of $220,430, foreign exchange of $1,599, and offset by flow-through liability amortization of $5,688,384. Cash used for working capital purposes of $2,571,338 consisted of an increase of sales tax receivables of $943,791, an increase in prepaid expenses of $287,427, a decrease in net amounts owed to related parties of $69,222, and offset by an increase in accounts payable and accrued liabilities of $3,871,778.

During the three months ended March 31, 2026, the Company received net cash of $1,497,400 from financing activities. The Company received proceeds from a private placement that closed on February 27, 2025 of $49,999,800 and incurred share issuance costs of $2,429,534, received proceeds from the exercise of options of $1,442,400, and received proceeds from the exercise of warrants of $55,000.

ENVIRONMENTAL LIABILITIES

The Company is not aware of any environmental liabilities or obligations associated with its mineral properties. The Company is conducting its operations in a manner consistent with governing environmental legislation.

OFF BALANCE SHEET ARRANGEMENTS

The Company is not a party to any off-balance sheet arrangements or transactions.

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,	
	Notes	**2026**	**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 (three months ended March 31, 2025 - $487,500) 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 (three months ended March 31, 2025 - $29,208) 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) recorded in administration fees.
(iv) As at March 31, 2026, the Company has a receivable of $486,913 (December 31, 2025 - outstanding of $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 and key management, 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 an officer and director of the Company. As at March 31, 2026, included in prepaid deposits 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, and admin fee.

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

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

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

ACCOUNTING POLICIES

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.

TRENDS AND ECONOMIC CONDITIONS

The Company continues to monitor its spending and will amend its plans based on business opportunities that may arise in the future. Management regularly monitors economic conditions and estimates their impact on the Company's operations and incorporates these estimates in both short-term operating and longer term strategic decisions.

Material uncertainties may arise that could influence management's going concern assumption. Management cannot accurately predict the future impact of the following among many other things:

- Global gold prices;
- Demand for gold and the ability to explore for gold;
- Impact of tariffs;
- Purchasing power of the Canadian dollar; and
- Ability to obtain funding.

OUTSTANDING SHARE DATA AS OF REPORT DATE

As of the date of this Interim MD&A, the Company has the following securities issued and outstanding: (a) 236,945,816 Common Shares; (b) 32,183,499 Warrants; and (c) 12,650,000 Stock options.

SUBSEQUENT EVENTS

On April 15, 2026, the Company announced the release of assays from its Winter 2026 drill campaign.

On May 4, 2026 and May 6, 2026, the Company provide additional assays from its winter 2026 drill program.

On May 13, 2026, the Company announced an engagement with Vancouver-based Ideon Technologies ("Ideon") to activate a borehole muon tomography imaging program at the Lion Zone discovery within the Nisk Polymetallic project area in Quebec, Canada. A global leader in subsurface intelligence, the Ideon REVEAL™ solution will generate a high-resolution, three-dimensional density model of the rock composition in and around the Lion deposit. The program is structured in two stages: first, validating the Ideon density model against Power Metallic's existing 100-plus hole drill dataset at Lion; then applying the calibrated mineralization fingerprint to rank and test deep targets across the 330 km² Nisk district scale property that are below the detection limit of conventional surface-based geophysical methods (i.e., below 200 m).

On May 19, 2026, the Company announced that it has entered into a strategic alliance and joint venture framework agreement with Amaar United Mining Company ("Amaar Mining"), a Saudi Arabian company affiliated with Amaar Holding, to jointly pursue mining license opportunities in the Kingdom of Saudi Arabia.

On May 26, 2026, the Company provided an update on assays and recent testing of low-low grade composite of disseminated mineralization.

On May 27, 2026, the Company announced the expansion of its summer 2026 exploration program at the Nisk Project in Quebec. Building on the recent Muon Tomography program launched on May 13, the Company is deploying three advanced geophysical surveys to accelerate the hunt for deeper high-grade Ni-Cu-PGE mineralization.

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 C$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.

DISCLOSURE OF INTERNAL CONTROLS

Management has established processes to provide them sufficient knowledge to support representations that they have exercised reasonable diligence that (i) the consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the consolidated financial statements; and (ii) the consolidated financial statements fairly present in all material respects the financial condition, financial performance and cash flows of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the Venture Issuer Basic Certificate filed by the Company does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing such certificate are not making any representations relating to the establishment and maintenance of:

i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's generally accepted accounting principles (IFRS).

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in such certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

RISKS AND UNCERTAINTIES

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Such investment should be undertaken only by investors whose financial resources are sufficient to enable them to assume these risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect, the Company and its financial position. Please refer to the section entitled "Risk and Uncertainties" in the Company's annual management's discussion & analysis for the fiscal year ended December 31, 2025, available on SEDAR+ at **www.sedarplus.ca**.