POWER METALLIC MINES INC.

(FORMERLY POWER NICKEL INC.)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

THREE MONTHS ENDED MARCH 31, 2025

(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, 2025	December 31, 2024
ASSETS		
Current		
Cash	**$ 48,547,551**	$ 6,611,380
Sales tax receivables	**1,173,594**	548,041
Prepaid expenses	**356,999**	473,199
Due from related party (note 10)	**159,628**	158,913
Total current assets	**50,237,772**	7,791,533
Non-current assets		
Equipment (note 3)	**12,568**	13,588
Total assets	**$ 50,250,340**	$ 7,805,121
LIABILITIES		
Current		
Accounts payable and accrued liabilities (notes 10 and 12)	**$ 2,853,700**	$ 2,028,240
Flow-through liability (note 12)	**20,398,434**	1,187,852
Advances from shareholders (note 10)	**7,000**	7,000
Total liabilities	**23,259,134**	3,223,092
SHAREHOLDERS' EQUITY (DEFICIENCY)		
Issued capital (note 6)	**129,612,517**	99,522,339
Contributed surplus (note 7)	**5,814,678**	4,799,574
Warrants (note 8)	**6,616,860**	6,898,017
Deficit	**(125,293,977)**	(106,637,901)
Non-controlling interest	**10,241,128**	-
Total shareholders' equity (deficiency)	**26,991,206**	4,582,029
Total liabilities and shareholders' equity (deficiency)	**$ 50,250,340**	$ 7,805,121

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

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, 2025	2024
Operating expenses		
Administration fees (note 10)	$ **942,500**	$ 87,500
Amortization (note 3)	**1,020**	474
Accretion, bank and interest (income) fees	**(97,449)**	1,889
Exploration expenditures (note 4)	**3,568,422**	2,374,413
Foreign exchange loss (gain)	**29,857**	7,906
Investor relations	**2,334,908**	711,796
Office and miscellaneous	**60,127**	30,554
Professional fees (note 10)	**413,443**	68,823
Share-based payments (note 7)	**1,301,730**	-
Transfer and regulatory	**107,839**	29,395
Travel, promotion and mining shows	**103,764**	-
Total expenses before other items	**(8,766,161)**	(3,312,750)
Other items		
Flow-through liability amortization	**295,718**	1,054,369
Net loss and comprehensive loss for the period	$ **(8,470,443)**	$ (2,258,381)
Net loss and comprehensive attributable to:		
- Non-controlling interest	$ **(92,400)**	$ -
- Shareholders of the Company	**(8,378,043)**	-
	$ **(8,470,443)**	$ 2,258,381
Net loss and comprehensive loss per share		
- basic and diluted (note 9)	$ **0.05**	$ 0.02
Weighted average number of common shares outstanding		
- basic and diluted (note 9)	**175,461,228**	130,488,597

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, 2025	Three months ended March 31, 2024
Operating activities		
Loss for the period	**$ (8,470,443)**	$ (2,258,381)
Items not affecting cash:		
Amortization	**1,020**	474
Share-based payments	**1,301,730**	-
Flow-through liability amortization	**(295,718)**	(1,054,369)
Changes in non-cash working capital items:		
Sales tax receivables	**(625,553)**	434,162
Prepaid expenses	**116,200**	179,767
Accounts payable and accrued liabilities	**825,460**	1,136,450
Due to related parties	**(715)**	(16,291)
Net cash used in operating activities	**(7,148,019)**	**(1,578,188)**
Financing activities		
Proceeds from private placements	**49,999,800**	-
Share issuance costs	**(2,429,534)**	-
Subscription receipts	**-**	2,000,000
Exercise of options	**850,366**	98,000
Exercise of warrants	**663,558**	-
Net cash provided by financing activities	**49,084,190**	**2,098,000**
(Decrease) increase in cash	**41,936,171**	519,812
Cash, beginning of period	**6,611,380**	216,365
Cash, end of period	**$ 48,547,551**	$ 736,177

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 (Deficiency)
(Expressed in Canadian Dollars)
(Unaudited)

	Common Shares						
	Number	**Amount**	**Contributed Surplus**	**Warrants**	**Deficit**	**Non-Controlling interest**	**Total**
Balance, December 31, 2023	**149,873,243**	**$ 77,376,535**	**$ 2,648,929**	**$ 3,304,353**	**$ (85,875,865)**	**$ -**	**$ (2,546,048)**
Exercise of options	700,000	169,190	(71,190)	-	-	-	98,000
Net loss for the period	-	-	-	-	(2,258,381)	-	(2,258,381)
Balance, March 31, 2024	**150,573,243**	**$ 77,545,725**	**$ 2,577,739**	**$ 3,304,353**	**$ (88,134,246)**	**$ -**	**$ (4,706,429)**
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 (note 5)	-	-	-	-	(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**

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, 2025, the Company incurred a net loss of $8,470,443 (three months ended March 31, 2024 - $2,258,381). As at March 31, 2025, the Company has incurred significant losses since inception totaling $125,293,977 (December 31, 2024 - $106,637,901). As at March 31, 2025, the Company has a working capital of $26,978,638 (December 31, 2024 - $4,568,441); 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

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (“IASB”) and interpretations issued by the International Financial Reporting 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, 2024, 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, 2024. Any subsequent changes to IFRS that are given effect in the Company’s annual financial statements for the year ending December 31, 2025 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 May 30, 2025, 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). These consolidated financial statements include the indirectly 100% owned 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 reoganization 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)

These consolidated financial statements include the accounts of the Company, 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. (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).

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

During the three months ended March 31, 2025, the Company adopted a number of new IFRS standards, interpretations, amendments and improvements of existing standards. These new standards and changes did not have any material impact on the Company’s unaudited condensed consolidated interim financial statement.

New standards not yet adopted

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2026. 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, 2023	**$ 16,342**	**$ 83,278**	**$ 126,697**	**$ 226,317**
Additions	-	-	9,368	9,368
Disposals	-	-	(3,721)	(3,721)
Balance, December 31, 2024 and March 31, 2025	**$ 16,342**	**$ 83,278**	**$ 132,344**	**$ 231,964**

Accumulated amortization	Automobiles	Field Equipment	Furniture and office equipment	Total
Balance, December 31, 2023	**$ 11,067**	**$ 82,950**	**$ 125,985**	**$ 220,002**
Additions	1,584	100	372	2,056
Disposals	-	-	(3,682)	(3,682)
Balance, December 31, 2024	**12,651**	**83,050**	**122,675**	**218,376**
Additions	277	17	726	1,020
Balance, March 31, 2025	**$ 12,928**	**$ 83,067**	**$ 123,401**	**$ 219,396**

Net book value	Automobiles	Field Equipment	Furniture and office equipment	Total
Balance, December 31, 2024	**$ 3,691**	**$ 228**	**$ 9,669**	**$ 13,588**
Balance, March 31, 2025	**$ 3,414**	**$ 211**	**$ 8,943**	**$ 12,568**

4. Mineral exploration expenditures

Exploration and acquisition costs for the three months ended March 31, 2025 and March 31, 2024 are as follows:

	Zulema	Nisk	Golden Ivan	Total
Claim costs	$ 1,709	$ -	$ -	$ 1,709
Drilling	-	1,232,702	-	1,232,702
Field costs	93,354	141,184	-	234,538
Geophysics and geological	86,960	818,504	-	905,464
Three months ended March 31, 2024	**$ 182,023**	**$ 2,192,390**	**$ -**	**$ 2,374,413**

	Zulema	Nisk	Golden Ivan	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**

4. Mineral exploration expenditures (continued)

(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.

(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") 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:

(1) 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 five (5) Business Days following the Effective Date; and (paid)
    (iii) An amount $250,000 within six (6) months from the Effective Date; (paid)
(2) issue 12,051,770 Shares within five (5) Business Days following the Effective Date. (issued)
(3) incur an aggregate of $2,800,000 of exploration expenditures on the Property on or before the dates set out below:
    (i) $500,000 in exploration expenditures on or before the date that is one (1) year from the Closing Date; (completed)
    (ii) $800,000 in exploration expenditures on or before the date that is two (2) years from the Closing Date; (completed)
    (iii) $1,500,000 in exploration expenditures on or before the date that is three (3) years from Closing Date;

Following the exercise of the First Option Critical will receive 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%.

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.

(Expressed in Canadian Dollars)

4. Mineral exploration expenditures (continued)

(d) Nisk Property, Quebec, Canada (continued)

On August 2, 2023, the Company entered into a piloting and engineering study, with CVMR Corporation to coordinate the production of advanced bench scale, piloting and engineering studies on the Nisk to determine project feasibility. Under the terms of the contract the Company will make payments totaling $7,500,000 as various milestones are met.

On July 31, 2023, the Company announced that it has exercised its option to acquire 50% of the Nisk project. Further on April 24, 2044, the Company announced that it acquired an additional 30% of the Nisk project brining ownership in the project to 80%.

(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.

5. Spin-out pursaunt 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 Chielan 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. for gross proceeds of $1,000,000.

The Company completed the Plan of Arrangement that resulted in the distribution of the outstanding shares of Chilean Metals Inc. to the Company’s shareholders on the basis of one common share of Chilean Metals Inc for each twenty common share of the Company. The fair market value of these shares was equal to the equity distribution from the Company’s share capital for the assets and liabilities distributed to the shareholders of Chilean Metals Inc.

The below are the assets, liabilities and accumulated other comprehensive loss on February 3, 2025:

		February 3, 2025
Assets	$	1,022,855
Liabilities		(248,136)
Exploration and evaulation assets		19,781,347
Total	$	20,556,066
Distribution of 50% of Chilean Metals Inc. equity	**$**	**10,278,033**

In accordance with IFRIC 17, Distributions of Non-cash Assets to Owners, the Company recognized the distribution of net assets to its shareholders at fair value which approximated the carrying value of net assets disposed, except for the exploration and evaluation assets which was determined by a third party valuator.

(Expressed in Canadian Dollars)

6. Issued capital

a) Authorized share capital

At March 31, 2025, 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, 2023	**149,873,243**	**$ 77,376,535**
Exercise of options (i)	700,000	169,190
Balance, March 31, 2024	**150,573,243**	**$ 77,545,725**
Balance, December 31, 2024	**196,196,594**	**$ 99,522,339**
Private placement (vi)	21,030,000	49,999,800
Flow-through liability (vi)	-	(19,506,300)
Share issuance costs (vi)	-	(2,429,534)
Exercise of warrants (iv)	1,929,115	925,515
Exercise of options (iii)	2,969,672	1,100,697
Balance, March 31, 2025	**222,125,381**	**$ 129,612,517**

(i) During the three months ended March 31, 2024, 700,000 stock options with a weighted average exercise price of $0.14 and a black scholes value of $71,190.

(ii) During the three months ended March 31, 2024, - warrants were exercised with a weighted average exercise price of $0.15 and a black scholes value of $-.

(iii) During the three months ended March 31, 2025, officers and directors exercised 2,969,672 stock options with a weighted average exercise price of $0.27 and a black scholes value of $286,626.

(iv) 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.

(v) As at December 31, 2023, the Company had $2,000,000 of uncollected funds from the private placement, which were included in subscription receivables. These amounts were collected in January 2024.

(vi) 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 units ("FT Unit"), 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.

(Expressed in Canadian Dollars)

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.

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

	Number of stock options	Weighted average exercise price ($)
Balance, December 31, 2023	**12,475,000**	**0.25**
Exercised (note 6(b)(i))	(700,000)	0.14
Balance, March 31, 2024	**11,775,000**	**0.25**
Balance, December 31, 2024	**18,805,472**	**0.44**
Granted (i)(ii)(iii)	2,325,000	1.40
Exercised (note 6(b)(iii))	(2,969,672)	0.29
Balance, March 31, 2025	**18,160,800**	**0.59**

(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, 2025, the Company recorded share based compensation of $156,080 (March 31, 2024 - $nil) related to the grant in the unaudited condensed consolidated interim statement of 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, 2025, the Company recorded share based compensation of $312,920 (March 31, 2024 - $nil) related to the grant in the unaudited condensed consolidated interim statement of 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, 2025, the Company recorded share based compensation of $832,730 (March 31, 2024 - $nil) related to the grant in the unaudited condensed consolidated interim statement of loss.

(Expressed in Canadian Dollars)

7. Stock options (continued)

The following table reflects the stock options issued and outstanding as of March 31, 2025:

Expiry Date	Exercise Price ($)	Remaining Contractual Life (years)	Number of Options Outstanding	Number of Options Vested (Exercisable)
May 15, 2025	0.27	0.12	600,000	600,000
October 9, 2025	0.14	0.53	650,000	650,000
October 22, 2025	0.75	0.56	265,800	265,800
February 25, 2026	0.31	0.91	3,850,000	3,850,000
March 18, 2026	1.63	0.96	1,475,000	1,475,000
May 24, 2026	0.64	1.15	470,000	470,000
July 2, 2026	0.82	1.25	1,000,000	1,000,000
August 16, 2026	0.66	1.38	300,000	300,000
November 27, 2026	0.78	1.66	600,000	600,000
January 14, 2027	0.99	1.79	350,000	350,000
February 9, 2027	0.25	1.86	1,150,000	1,150,000
November 28, 2027	0.20	2.66	450,000	450,000
January 15, 2028	0.99	2.79	500,000	500,000
June 15, 2028	0.25	3.21	1,600,000	1,600,000
July 26, 2029	0.66	4.32	4,300,000	4,300,000
September 9, 2029	0.66	4.45	600,000	600,000
	0.59	**2.23**	**18,160,800**	**18,160,800**

8. Warrants

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

	Number of warrants	Weighted average exercise price ($)
Balance, December 31, 2023 and March 31, 2024	**40,590,030**	**0.24**
Balance, December 31, 2024	**36,162,976**	**0.52**
Exercised (note 6(b)(iv))	(1,929,115)	0.34
Balance, March 31, 2025	**34,233,861**	**0.53**

The following table reflects the warrants issued as of March 31, 2025:

Expiry Date	Exercise Price ($)	Remaining Contractual Life (years)	Number of Warrants Outstanding	Grant date Fair Value ($)
October 12, 2025	0.20	0.53	12,250	10,708
December 21, 2025	1.25	0.73	265,727	127,690
December 29, 2025	0.50	0.75	1,880,000	128,497
October 23, 2026	0.50	1.56	2,000,000	249,850
November 14, 2026	0.50	1.62	1,310,000	180,700
June 10, 2027	0.80	2.19	250,000	95,570
June 21, 2027	1.25	2.22	8,024,999	4,288,060
November 22, 2027	0.20	2.65	17,000,000	902,803
March 30, 2028	0.50	3.00	634,885	324,307
April 25, 2028	0.50	3.07	1,650,000	373,817
May 4, 2028	0.50	3.10	516,000	120,015
August 14, 2028	0.25	3.38	800,000	96,000
	0.53	**2.37**	**34,343,861**	**6,898,017**

(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, 2025 was based on the loss attributable to common shareholders of $8,470,443 (three months ended March 31, 2024 - $2,258,381) and the weighted average number of common shares outstanding of 175,461,228 (three months ended March 31, 2024 - 130,488,597). Diluted loss per share did not include the effect of 18,160,800 options outstanding (three months ended March 31, 2024 - 11,775,000 options outstanding) or the effect of 34,233,861 warrants outstanding (three months ended March 31, 2024 - 40,590,030 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, 2025 and December 31, 2024, 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, 2025	Three months ended March 31, 2024
Administration expense	(i)(iii)	**$ 942,500**	$ 87,500
Accounting expense	(ii)	**$ 29,208**	$ 21,704

(i) For the three months ended March 31, 2025, the Company incurred consulting fees from companies controlled by an officer and a director of $487,500 (March 31, 2024 - $56,250) recorded in administration fees.

(ii) For the three months ended March 31, 2025, the Company incurred accounting expenses from companies related to an officer of $29,208 (March 31, 2024 - $21,704) recorded in professional fees.

(iii) For the three months ended March 31, 2025, the Company incurred consulting fees from directors of $455,000 (three months ended March 31, 2024 - $31,250) recorded in administration fees.

(iv) As at March 31, 2025, the Company has a receivable of $159,628 (December 31, 2024 - outstanding of $40,168) from an officer and director. This amount is unsecured, non-interest bearing and due on demand.

(v) As at March 31, 2025, included in accounts payable and accrued liabilities is $264,000 (December 31, 2024 - $54,000) due to directors and key management, these amounts are unsecured, non-interest bearing, and due on demand.

(vi) As at March 31, 2025, included in accounts payable and accrued liabilities is $nil (December 31, 2024 - $51,000) due to these family members. As at March 31, 2025, included in prepaid deposits is $63,417 (December 31, 2024 - $63,417) paid to these family members.

(vii) As at March 31, 2025, the Company has a balance outstanding to shareholders of $7,000 (December 31, 2024 - $7,000). This amount is unsecured, due on demand, and non-interest bearing.

(viii) See note 6, 7 and 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.

(Expressed in Canadian Dollars)

11. Segmented information

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

March 31, 2025	**Canada**	**Chile**	**Total**
Equipment	$ -	$ 12,568	**$ 12,568**

December 31, 2024	**Canada**	**Chile**	**Total**
Equipment	$ -	$ 13,588	**$ 13,588**

Three months ended March 31, 2024	**Canada**	**Chile**	**Total**
Operating expenses			
Administration fees	$ 87,500	$ -	**$ 87,500**
Amortization	-	474	**474**
Accretion, bank and interest (income) fees	1,732	157	**1,889**
Exploration expenditures	2,192,390	182,023	**2,374,413**
Foreign exchange loss (gain)	8,275	(369)	**7,906**
Investor relations	711,796	-	**711,796**
Office and miscellaneous	8,651	21,903	**30,554**
Professional fees	65,288	3,535	**68,823**
Transfer and regulatory	29,395	-	**29,395**
Total expenses	(3,105,027)	(207,723)	**(3,312,750)**
Other items			
Flow-through liability amortization	1,054,369	-	**1,054,369**
Net loss and comprehensive loss for the period	$ (2,050,658)	$ (207,723)	**$ (2,258,381)**

Three months ended March 31, 2025	**Canada**	**Chile**	**Total**
Operating expenses			
Administration fees	$ 942,500	$ -	**$ 942,500**
Amortization	-	1,020	**1,020**
Accretion, bank and interest (income) fees	(97,621)	172	**(97,449)**
Exploration expenditures	3,504,703	63,719	**3,568,422**
Foreign exchange loss (gain)	16,148	13,709	**29,857**
Investor relations	2,334,908	-	**2,334,908**
Office and miscellaneous	49,177	10,950	**60,127**
Professional fees	410,722	2,721	**413,443**
Share-based payments	1,301,730	-	**1,301,730**
Transfer and regulatory	107,839	-	**107,839**
Travel, promotion and mining shows	103,764	-	**103,764**
Total expenses before other items	(8,673,870)	(92,291)	**(8,766,161)**
Other items			
Flow-through liability amortization	295,718	-	**295,718**
Net loss and comprehensive loss for the year	$ (8,378,152)	$ (92,291)	**$ (8,470,443)**

(Expressed in Canadian Dollars)

12. Commitments and contingencies

Consulting

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.

Flow-through

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 ($)	Flow-through indemnification ($)
Balance, December 31, 2023	$ 4,032,096	$ 7,155,365
Recognition of flow-through liability	1,650,439	20,262,497
De-recognition of flow-through liability	(4,494,683)	(13,028,511)
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	(295,718)	(3,504,704)
Balance, March 31, 2025	$ 20,398,434	$ 50,886,697

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. The Company has not fully met all of its expenditure commitments for previous flow-through financings. 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 is 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.

12. Commitments and contingencies (continued)

Property taxes

As at March 31, 2025, the Company has unpaid property tax for various mineral exploration property claims totaling approximately 154,298,974 Chilean Pesos ($235,923) (December 31, 2024 - 154,298,974 Chilean Pesos ($222,365)) which has been included in accounts payable and accrued liabilities as at March 31, 2025. 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 2025 fiscal year is 135,310,276 Chilean Pesos ($206,889).