CONSOLIDATED FINANCIAL STATEMENTS

SALI LITHIUM CORP.

An Exploration Stage Company

FOR THE YEARS ENDED 28 FEBRUARY 2025 AND 29 FEBRUARY 2024

STATED IN CANADIAN DOLLARS

DMCL
DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

dmcl.ca

Independent Auditor's Report

To the Shareholders of Sali Lithium Corp.

Opinion

We have audited the consolidated financial statements of Sali Lithium Corp. (the "Company"), which comprise the consolidated statement of financial position as at February 28, 2025, and the consolidated statements of comprehensive loss, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at February 28, 2025, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting ("IFRS") Standards as issued by the International Accounting Standards Board ("IASB").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements, which describes events or conditions, that indicate a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters, that in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter described in the Material Uncertainty Related to Going Concern section, we have determined that there are no other key audit matters to communicate in our report.

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320 - 730 View St.
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Other Matter

The financial statements of the Company for the year ended February 29, 2024, were audited by another auditor who expressed an unmodified opinion on those statements on March 25, 2024.

Other Information

Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS as issued by the IASB, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Barry Hartley.

DMCL.

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC

June 30, 2025

MANAGEMENT'S RESPONSIBILITY

To the Shareholders of SALI LITHIUM CORP.:

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with International Financial Reporting Standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded, and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information presented. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and the external auditors.

The Audit Committee has the responsibility of meeting with management, and the external auditors to discuss the internal controls over the financial reporting process, auditing matters and financial reporting issues. The Board is also responsible for recommending the appointment of the Company's external auditors.

We draw attention to note (1) in the consolidated financial statements which indicates the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

"Dustin Nanos"	*"Grant T. Smith"*
Dustin Nanos, CEO	Grant T. Smith, CFO

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at	
	28 Feb 2025	29 Feb 2024
Assets		
Current Assets		
Cash and cash equivalents	**$ 323,774**	$ 682,344
Amounts receivable (note 7)	**28,328**	19,604
Related party amounts receivable (note 11)	**-**	15,000
Prepaid amounts and deposits (note 8)	**8,500**	300,000
	360,602	1,016,948
Non-current Assets		
Exploration and evaluation assets ("E&E") (note 9)	**2,081,571**	2,320,938
	$ 2,442,173	$ 3,337,886
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities (note 10)	**$ 140,303**	$ 110,535
Related party amounts due (note 11)	**112,302**	84,090
Promissory notes (note 12)	**17,231**	-
	269,836	194,625
Equity		
Share capital (note 13)	**9,602,544**	4,135,428
Subscriptions received (note 13)	**-**	240,874
Contributed surplus (note 15)	**1,741,383**	1,712,400
Deficit	**(9,461,160)**	(3,221,363)
	1,882,767	2,867,339
Non-controlling interest ("NCI") (note 16)	**289,570**	275,922
	2,172,337	3,143,261
	$ 2,442,173	$ 3,337,866

Nature of operations and going concern (note 1) Subsequent events (note 21)

These consolidated financial statements were approved and authorized for issuance on behalf of the Board of Directors on 30 June 2025.

"Dustin Nanos"
Dustin Nanos, Director

"Ken Booth"
Ken Booth, Director

CONSOLIDATED STATEMENT OF COMPREHENSIVE LOSS

For the year ended		28 Feb 2025		29 Feb 2024
Expenses				
Exploration and Evaluation				
Exploration expenses	$	**81,263**	$	116,311
General and Administrative				
Listing expenses (note 17)		**5,344,618**		-
Share-based compensation (note 9, 13, 15)		**126,000**		1,712,400
Professional fees		**197,739**		-
Management and consulting fees (note 11)		**122,800**		414,506
Foreign exchange (gain)		**(55,513)**		(70,301)
Rentals		**36,141**		68,668
Office and administration		**63,698**		69,397
Travel		**35,321**		81,395
Insurance		**18,829**		-
Investor relations		**5,575**		8,583
Bank charges and interest		**2,742**		-
Bad debt (note 8)		**-**		328,315
Interest (income) (note 8)		**-**		(30,000)
		5,897,950		2,582,963
Other items				
Write off of value added tax		**17,057**		-
Mineral property impairment (note 9)		**243,527**		-
Net loss and comprehensive loss for the year		**6,239,797**		2,699,274
Loss and comprehensive loss attributable to:				
Shareholders		**6,239,797**		2,685,626
Non-controlling interest		**-**		13,648
	$	**6,239,797**	$	2,699,274
Basic and diluted loss per share	$	**0.13**		0.10
Weighted average shares – basic and diluted		**47,137,288**		26,124,107

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the years ended		28 Feb 2025		29 Feb 2024
Common share capital				
Balance opening	$	**4,135,428**	$	1,325,559
Private placements (note13)		**260,000**		2,484,133
Shares issued on RTO (note 17)		**4,934,700**		-
Units issued for exploration and evaluation assets (note 9),13,15)		**300,000**		500,000
Share issuance costs (note 13)		**(27,584)**		(174,264)
Balance closing	$	**9,602,544**	$	4,135,428
Subscriptions received				
Balance opening	$	**240,874**	$	632,500
Reclassification on closure of private placement		**(240,874)**		(632,500)
Subscriptions received		**-**		240,874
Balance closing	$	**-**	$	240,874
Contributed surplus				
Option reserves opening	$	**1,712,400**	$	-
Units issued for exploration and evaluation assets (note 9, 13, 15)		**(300,000)**		-
Share-based payments		**328,983**		1,712,400
Balance closing	$	**1,741,383**	$	1,712,400
Accumulated deficit				
Balance opening	$	**(3,221,363)**	$	(535,737)
Net loss		**(6,239,797))**		(2,685,626)
Balance closing	$	**(9,461,160)**	$	(3,221,363)
Non-controlling interest				
Balance opening$	$	**275,922**	$	-
Allocation to non-controlling interest		**-**		289,570
Loss attributable to non-controlling interests		**-**		(13,648)
Adjustment to non-controlling interest		**13,648**		-
Balance closing		**289,570**		275,922
Total Equity	$	**2,172,337**	$	3,143,261

CONSOLIDATED STATEMENT OF CASH FLOWS

For the years ended	28 Feb 2025	29 Feb 2024
Operating Activities		
Net loss for the year	**$ (6,239,797)**	$ (2,699,274)
Items not affecting cash		
Listing expense	**5,300,942**	-
Share-based payments	**126,000**	1,712,400
Interest expense (income)	**79**	(30,000)
Bad debt	**-**	328,315
Impairment	**243,527**	-
	(569,249)	(688,559)
Net change in non-cash working capital		
Amounts receivable	**(3,011)**	(4,335)
Prepaids amounts and other assets	**(5,000)**	-
Accounts payables & accrued liabilities	**(98,142)**	34,197
Due to related party	**-**	84,090
Due from related parties	**-**	22,502
Note payable	**28,212**	-
Proceeds from Alchemia settlement	**300,000**	-
	222,059	136,454
	(347,190)	(552,105)
Investing Activities		
Cash assumed on RTO	**1,238**	-
Acquisition of exploration assets	**(4,160)**	(1,191,638)
	(2,922)	(1,191,638)
Financing Activities		
Subscription received	**-**	240,874
Share issuance costs	**(27,584)**	(145,194)
Proceeds from private placement	**19,126**	1,851,633
	(8,458)	1,947,313
Net change in Cash	**(358,570)**	203,570
Cash position – beginning of year	**682,344**	478,774
Cash Position – End of Year	**$ 323,774**	$ 682,344
Cash	**323,774**	652,768
Cash equivalents	**-**	29,576
Non-cash investing and financing activities		
Share issuance costs included in accounts payable	**-**	29,070
Shares issued for exploration and evaluation assets	**300,000**	500,000

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1) NATURE OF OPERATIONS AND GOING CONCERN

On 17 May 2024, the Company (then "Pursuit Gold Corp.", previously listed on the Canadian Securities Exchange ("CSE") under the symbol PUGS) ("Pursuit") acquired all of the outstanding shares of 1477445 B.C. Ltd. (formerly South American Lithium Corp, an Alberta corporation) by way of a three-cornered amalgamation, pursuant to which a wholly-owned subsidiary of Pursuit ("1477430 B.C. Ltd." or "Subco") amalgamated with 1477445 B.C. Ltd. to create the amalgamated company and surviving entity 14841799 B.C. Ltd. On 17 May 2024, the name was changed to "SALi Lithium Corp." (the "Company") and on 4 June 2024, the Company resumed trading on the CSE under the symbol "SALi". This transaction constituted a reverse acquisition ("RTO") for the purposes of Canadian securities laws (note 17). 1477445 B.C. Ltd. has been identified as the accounting acquirer, and accordingly, the Company is considered to be a continuation of 1477445 B.C. Ltd., and the net assets of Pursuit at the date of the RTO are deemed to have been acquired by 1477445 B.C. Ltd. These financial statements include the results of operations of Pursuit from 17 May 2024. The comparative figures are those of 1477445 B.C. Ltd. prior to the RTO.

The Company's consolidated financial statements are presented in Canadian dollars which is the functional currency of the Company and its subsidiaries.

At the date of these consolidated financial statements, the Company has not been able to identify a known body of commercial grade ore on any of its exploration and evaluation assets. The ability of the Company to realize the costs it has incurred to date on these exploration and evaluation assets is dependent upon the Company being able to identify a commercial ore body, to finance its exploration costs and to resolve any environmental, regulatory or other constraints which may hinder the successful development of the exploration and evaluation asset. To date, the Company has not earned revenues and is considered to be in the exploration stage.

These consolidated financial statements have been prepared on a going concern basis, which assumes the Company will continue operations for the foreseeable future and be able to realize its assets and discharge its liabilities in the normal course of business. The Company has incurred cumulative losses since inception and has negative operating cash flows. The Company's ability to continue as a going concern is dependent upon its capacity to raise additional financing, generate proceeds from asset transactions, or otherwise obtain sufficient working capital. There can be no assurance that such financing or transactions will be available in the future.

As a result, there is a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. If the going concern assumption were not appropriate, adjustments would be required to the carrying amounts of assets and liabilities, the reported expenses, and the classification of balances in the consolidated statement of financial position. Such adjustments could be material.

As at 28 February 2025 and 29 February 2024, the Company had the following negative indicators.

Rounded to 000's	28 Feb 2025	29 Feb 2024
Working capital surplus	$ **91,000**	$ 822,000
Accumulated deficit	$ **9,461,000**	$ 3,221,000
Loss and comprehensive loss	$ **6,240,000**	$ 2,699,000

2) BASIS OF PREPARATION

a) Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (IASB). The consolidated financial statements were authorized for issue by the Board of Directors on 27 June 2025.

b) Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value. In addition, the consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

c) Basis of consolidation

These consolidated financial statements incorporate the financial statements of the Company and its subsidiaries:

Name of Subsidiary	Country of Incorporation	Ownership %	Principal activity
South American Lithium S.A.	Argentina	100%	Mineral exploration
Minera Ansotana S.A.	Argentina	70%	Mining concessions

Subsidiaries are all entities (including structured entities) over which the Company has control. The Company controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are deconsolidated from the date that control ceases. All significant intercompany transactions and balances have been eliminated.

d) Currency

The financial statements of each entity are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). These consolidated financial statements are presented in Canadian dollars, which is the Company and its subsidiaries' functional and presentation currency. References to US$ represent United States dollars.

3) SUMMARY OF MATERIAL ACCOUNTING POLICIES

a) Cash and cash equivalents

Cash and cash equivalents consists of cash on deposits in banks and investment-grade short-term deposit certificates that are readily convertible into a fixed amount of cash. As at 28 February 2025, the Company has $nil in cash equivalents. As at 29 February 2024, the Company had $29,576 in cash equivalents.

b) Foreign Currencies

Transactions entered into by the Company in a currency other than the functional currency are recorded at the rates ruling when the transactions occur.

Foreign currency monetary assets and liabilities are translated at current rates on the reporting date with the resulting gain or losses recognized in the Consolidated Statements of Comprehensive Loss. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognized immediately in Consolidated Statements of Comprehensive Loss. Non-monetary assets and liabilities are translated using historical exchange rates. Non-monetary assets and liabilities measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value is determined.

c) Exploration and evaluation

The Company is in the exploration stage with respect to all its mineral interests. Exploration and evaluation (“E&E”) costs include:

- License acquisition costs,
- Costs incurred to explore and evaluate properties, and
- The fair value of mineral properties acquired in a business combination or asset acquisition.

Exploration and evaluation expenditures are expensed as incurred, except for acquisition costs arising from business combinations or asset acquisitions, which are capitalized. Acquisition costs are capitalized only when directly attributable to an area of interest and when recovery through development or sale is considered likely. Development costs are capitalized once management has determined that commercial development is probable.

From time to time, the Company may acquire or dispose of mineral interests under option agreements. As these options are exercisable at the optionee’s discretion, related amounts are not recognized until paid or received. The Company does not accrue costs to maintain mineral interests in good standing.

d) Impairment of non-financial assets

Indicators of impairment of exploration and evaluation assets are assessed at each reporting period. If an indicator of impairment exists to suggest that the technical feasibility and commercial viability of the E&E is in question, and facts and circumstances suggest the carrying amount exceeds the recoverable amount, the carrying value of the exploration and evaluation assets will be written down to the estimated recoverable amount.

e) Share-based payments

The Company grants stock options to buy common shares of the Company to directors, officers and consultants. The Board of Directors grants such options for periods of up to five years, with immediate vesting upon grant. The exercise prices equal to or greater than the closing market price on the day preceding the date the options were granted.

The fair value of the options is measured at grant date, using the Black-Scholes option pricing model, and is recognized in the period that the options are earned. The fair value is recognized as an expense with a corresponding increase in equity. The amount recognized as expense is adjusted to reflect the number of share options expected to vest. When stock options are forfeited prior to vesting, the Company ceases recognizing stock-based compensation expense related to those options from the date of forfeiture onward. However, any expense previously recognized in respect of the forfeited options is not reversed.

Share-based payments to consultants are measured at the fair value of the goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, are recorded at the date the goods or services are received.

The Company uses the Black-Scholes option pricing model to estimate the fair value of stock options granted. While the model is widely accepted for financial reporting purposes, it relies on several assumptions, which may not fully reflect the economic realities of junior issuers such as the Company. These include assumptions about expected volatility, risk-free rates, and the absence of dividends. In the context of a low trading volume, low share price, and an early-stage business model with no history of dividends and ongoing operating losses, these assumptions may introduce estimation uncertainty and result in values that are not directly observable or readily comparable to market-based pricing.

f) Income taxes

Income tax expense comprises current and deferred tax and is recognized in the consolidated statement of comprehensive loss, except to the extent it relates to items recognized directly in equity.

Current tax is the expected tax payable on taxable income for the year, based on tax rates and laws enacted or substantively enacted at the reporting date, and includes adjustments for prior periods.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and their tax bases. Deferred tax assets and liabilities are measured at the tax rates expected to apply when the assets are realized or the liabilities settled, based on rates enacted or substantively enacted at year-end.

A deferred tax asset is recognized only to the extent it is probable that future taxable income will be available to utilize the asset. Deferred tax assets are reduced to the extent that recovery is no longer probable.

Deferred tax assets and liabilities are offset when the Company has a legally enforceable right to offset current tax assets against liabilities, and the deferred taxes relate to the same taxation authority and entity intending net settlement.

g) Loss per share

Basic loss per share is calculated by dividing the net loss attributable to common shareholders by the weighted average number of common shares outstanding during the reporting period.

Diluted loss per share is calculated by adjusting the weighted average number of shares outstanding to assume the exercise of all potentially dilutive instruments, including stock options and warrants, using the treasury stock method. However, under IAS 33, potential common shares are excluded from the calculation of diluted loss per share when their effect would be anti-dilutive. As such, in periods where the Company reports a loss, diluted loss per share is equal to basic loss per share.

h) Comprehensive loss

Comprehensive loss includes the Company's net loss as well as other items that affect the value of shareholders' equity but are not part of regular operations. These items include, for example, unrealized gains or losses on investments measured at fair value through other comprehensive income (FVTOCI), certain gains or losses on derivatives, and foreign exchange differences from translating the financial statements of self-sustaining foreign operations. Comprehensive loss is shown in both the Consolidated Statement of Comprehensive Loss and the Consolidated Statement of Changes in Equity.

i) Provisions for restoration and rehabilitation

The Company is engaged in mineral exploration activities and, as at 28 February 2025 and 29 February 2024, has determined that it does not have any material legal or constructive obligations requiring a provision for site restoration or environmental rehabilitation.

This assessment is based on the Company's current stage of operations, which consists solely of early-stage exploration activities such as mapping, sampling, and limited drilling. These activities do not involve significant ground disturbance or long-term environmental impact that would give rise to a present obligation under IAS 37, *Provisions, Contingent Liabilities and Contingent Assets*.

The Company will continue to monitor its activities and regulatory environment. A provision will be recognized when it becomes probable that restoration or rehabilitation costs will be incurred and a reliable estimate of those costs can be made.

4) NEWLY ADOPTED AND UPCOMING STANDARDS

In October 2022, IASB issued amendments to IAS 1, Presentation of Financial Statements – Non-Current Liabilities with Covenants. The aim of amendments was to improve the information provided about liabilities with covenants and to provide additional information to stakeholders. The amendments clarify that liabilities should be classified as non-current where a company has a right to defer settlement for at least 12 months after the reporting period. These amendments were adopted effective 01 March 2023 and did not have any effect on the Company's consolidated financial statements.

Accounting standards issued but not yet effective

In April 2024, IASB issued IFRS 18, Presentation and Disclosure in Financial Statements, to replace IAS 1, Presentation of Financial Statements. The aim of IFRS 18 is to set out requirements for presentation and disclosure of financial statements to ensure the entity provides relevant and accurate information about its assets, liabilities, equity, income and expenses. IFRS 18 is effective for the fiscal years beginning on or after 01 January 2027.

In May 2024, the IASB issued Amendments to IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial Instruments. These amendments updated classification and measurement requirements in IFRS 9, Financial Instruments, and related disclosure requirements in IFRS 7, Financial Instruments: Disclosures. The IASB clarified the recognition and derecognition date of certain financial assets and liabilities, and amended the requirements related to settling financial liabilities using an electronic payment system. It also clarified how to assess the contractual cash flow characteristics of financial assets in determining whether they meet the solely payments of principal and interest criterion, including financial assets that have environmental, social and corporate governance ("ESG")-linked features and other similar contingent features. The IASB added disclosure requirements for financial instruments with contingent features that do not relate directly to basic lending risks and costs and amended disclosures relating to equity instruments designated at fair value through other comprehensive income. The Amendments are effective for the fiscal years beginning on or after 01 January 2026.

The Company is currently assessing the impact on its consolidated financial statements.

5) CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES ESTIMATION UNCERTAINTY

In applying the Company's accounting policies, management is required to exercise judgment and make estimates and assumptions regarding the carrying amounts and classifications of assets and liabilities when objective evidence is not readily available; these estimates, which are based on historical experience and other relevant factors, may differ from actual outcomes. Management reviews these estimates on an ongoing basis and recognizes revisions in the period they occur (or in both the current and future periods when applicable). The following critical judgments and areas involving significant estimates have been identified by management as having the most substantial effect on the amounts recognized in the consolidated financial statements.

a) Critical judgments in applying accounting policies

Going Concern Assessment

Management exercises significant judgment in determining whether this assumption remains appropriate, particularly in light of the Company's exploration-stage status, history of operating losses, and reliance on equity financings or asset transactions for funding.

In forming its judgment, management considers the Company's expected ability to generate cash equity financings or the divestiture of mineral property interests under its acquisition and divestiture ("A&D") model. The timing and success of such transactions are inherently uncertain and influenced by external factors such as commodity prices, investor sentiment, and capital market conditions.

While the Company has a demonstrated history of raising capital and managing its liquidity proactively, the continued ability to access financing remains a key assumption underlying the going concern basis of preparation.

Impairment of Exploration and Evaluation Assets

Exploration and evaluation assets are assessed for impairment when facts or circumstances suggest that their carrying amount may exceed their recoverable amount. Management uses judgment in determining whether indicators of impairment exist, including changes in exploration results, rights of tenure, or the Company's plans for continued exploration. The absence of active development or a market for a property may also trigger a review.

Restoration and Rehabilitation Obligations

The Company evaluates whether its exploration activities create legal or constructive obligations for environmental restoration or site rehabilitation. At the current stage, management has judged that no such obligations exist, as the Company's activities to date are limited to early-stage exploration. This assessment is revisited periodically based on the nature and extent of site disturbance and evolving regulatory expectations.

b) Key sources of estimation uncertainty

The preparation of consolidated financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income, and expenses. These estimates are inherently uncertain and could result in outcomes that differ from those anticipated. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognized in the period in which the estimates are revised and in future periods if applicable.

The following areas involve significant estimation uncertainty that could result in material adjustments to the carrying amounts of assets or liabilities within the next financial year:

Share-based compensation

The fair value of stock options granted is estimated using the Black-Scholes option pricing model. Assumptions used in the model, such as expected share price volatility, option life, forfeiture rates, and risk-free interest rates, are based on available information at the time of grant. However, due to the Company's limited trading history and development-stage status, these assumptions may not fully capture future behaviour. The Company continues to use Black-Scholes as the most practical and supportable valuation method available under IFRS but recognizes the inherent estimation uncertainty involved.

Deferred taxes

The recognition of deferred tax assets depends on management's judgment regarding the likelihood of future taxable income against which deductible temporary differences and unused tax losses can be applied. The estimation of future taxable income involves assumptions about future profitability, timing of reversals, and potential tax planning strategies. As at 28 February 2025 and 29 February 2024, no deferred tax asset has been recognized due to uncertainty regarding the timing and realization of taxable income. These estimates will continue to be reassessed as operating results evolve.

6) FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

a) Classification

The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as fair value through profit and loss ("FVTPL"). For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at fair value through other comprehensive income ("FVTOCI"). Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The following table shows the classifications:

Financial Assets	Classification
Cash and equivalents	FVTPL
Amounts receivable	Amortized cost
Financial Liabilities	**Classification**
Accounts payable	Amortized cost
Due to related parties	Amortized cost
Promissory notes	Amortized cost

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the Consolidated Statements of Comprehensive Loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the Consolidated Statements of Comprehensive Loss in the period in which they arise.

b) Fair values

Financial instruments measured at fair value on the Consolidated Statements of Financial Position include cash and cash equivalents.

c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or other financial assets.

The Company's liabilities at 28 February 2025 and 29 February 2024 as presented in the consolidated financial statements are due within 12 months of the respective reporting dates. Liquidity risk has been assessed as high.

Rounded 000's 28 February 2025	Carrying amount	Contractual obligation	Less than 12 months
Accounts payable & accrued liabilities	$ 140,000	$ 140,000	$ 140,000
Due to related parties	112,000	112,000	112,000
Promissory note	17,000	17,000	17,000
	$ 269,000	$ 269,000	$ 269,000
29 February 2024			
Accounts payable & accrued liabilities	$ 111,000	$ 111,000	$ 111,000
Due to related parties	84,000	84,000	84,000
	$ 195,000	195,000	195,000

d) Market risk

Market risk is the risk that changes in market prices will affect the Company's earnings or the value of its financial instruments. Market risk is comprised of commodity price risk and interest rate risk. The objective of market risk management is to manage and control exposures within acceptable limits, while maximizing returns. The Company has assessed market risk as low.

e) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is its bank accounts. The Company's bank accounts are held with major banks in Canada and US; accordingly the Company believes it is not exposed to significant credit risk.

f) Interest rate risk

Interest rate risk is the risk of losses that arise as a result of changes in contracted interest rates. The Company is nominally exposed to interest rate risk.

g) Commodity price risk

Commodity price risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in commodity prices. Commodity prices for minerals are impacted by world economic events that dictate the levels of supply and demand as well as the relationship between the Canadian and United States dollar, as outlined above. As the Company has not yet developed commercial mineral interests, it is not exposed to commodity price risk at this time.

7) AMOUNTS RECEIVABLE

The Company's receivables arise from other receivable and goods and services tax from government taxation authorities.

8) DEPOSITS

During the year ended 28 February 2023, the Company advanced $600,000 in funds to Alchemia LLC ("Alchemia"), a company controlled by a former director of the Company, for future exploration costs related to its exploration projects. On 01 March 2023, the Company formalized an agreement for the advances whereby the funds previously advanced would bear 10% per annum and be repaid monthly over a 12 month period beginning on 01 June 2023, primarily by way of construction services for access to the Company's exploration projects. On 8 February 2024, the Company entered into a termination agreement for the settlement of the advancement and accrued interest for the amount of $300,000. The amount was collected in March 2024. The remaining balance of the deposit and accrued interest of $328,315 was uncollectible and recorded to bad debt expense during the year ended 29 February 2024.

9) EXPLORATION AND EVALUATION

Acquisition Costs

	Latin Metals	El Quemado Project	Alsina Property	Quebec	Total
Balance: 28 February 2023	$ -	$ -	$ -	$ -	$ -
Deferred acquisition costs	69,800	-	-	-	69,800
Shares issued on acquisition	500,000	-	-	-	500,000
Cash paid on acquisition	400,080	675,665	243,527	106,248	1,425,520
Additions	36,048	-	-	-	36,048
Non-controlling interest (note 16)	-	289,570	-	-	289,570
Balance: 29 February 2024	1,005,928	965,235	243,527	106,248	2,320,938
Additions	**-**	**-**	**-**	**4,160**	**4,160**
Impairment	**-**	**-**	**(243,527)**	**-**	**(243,527)**
Balance: 28 February 2025	**$1,005,928**	**$ 965,235**	**$ -**	**$ 110,408**	**$2,081,571**

Acquisition of Latin Minerals

On 29 September 2022, the Company entered into a letter of intent with Latin Metals Inc. ("Latin Metals") and its subsidiary, Cardero Argentina S.A. ("Cardero"), for the option to acquire 100% of Cardero's interest in certain mining concessions comprising the El Quemado Project located in Salta, Argentina. In consideration for the option and exclusivity period granted, the Company paid a non-refundable amount of US$50,000 ($69,800) to Latin Metals.

On 01 March 2023, the Company, Latin Metals and Cardero entered into an agreement for the purchase of certain mining properties that form part of the El Quemado Project located in Salta, Argentina. Key terms include the following:

- $400,000 to be paid within 10 days of the period granted for acceptance of the offer (paid).
- $500,000 in units of the Company to be paid within 10 days from acceptance, as follows:
    - 1,000,000 common shares, with a fair value of $500,000 (issued) (note 13);
    - 1,000,000 common share purchase warrants exercisable at $1.00 per warrant for a 5-year term (issued) The warrant value was $nil. (note 14); and
    - Up to $150,000 for certain properties for which the Company obtains approval of an investment plan, as defined in the agreement.

In addition, the Company shall grant Latin Metals a 2% royalty over the net smelter return (the "Royalty"). Latin Metals will have the right, at any time prior to a production decision, to purchase one half of the Royalty from the Royalty Holder for US$3,000,000, in which case the Royalty will be reduced to 1%.

The Company has completed the process of having the concessions transferred.

Acquisition of El Quemado Project

On 30 May 2022, the Company entered into a letter of intent with Enrique José Vidal and Francisco Vidal (collectively, the "Vidals") for the sale and acquisition of the El Quemado Project (the "Project") located in the province of Salta, Argentina. In compensation for the negotiations to be held, the Company paid US$50,000 ($64,670).

On 23 August 2022, the Company entered into a series of agreements (the "Agreement") with the Vidals to acquire 70% of the shares of Minera Ansotana S.A., owner of 22 mining concessions making up the El Quemado Project, as well as the option to purchase an additional 4 concessions connected to the Project (collectively, the "Purchase Options") from Enrique José Vidal upon completion of the following:

- An initial payment of US$120,000 ($164,207) and US$30,000 ($41,052) within 15 days of signing ($205,259 paid);
- US$240,000 ($324,559) and US$60,000 ($81,177) to be paid within 6 months of signing the agreement and upon notice of exercise of the option (the "Option Date"), provided that the primary exploration campaign is satisfactory (paid);
- Upon the shares being transferred and the additional concessions being notarized in the name of Minera Ansotana S.A., the Company shall pay US$160,000 and US$40,000 every 6 months until a Pre-feasibility Study ("PFS") under National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI-43-101") or Australasian Joint Ore Reserves Committee ("JORC") codes is presented;
- Following the PFS, a payment of US$400,000 and US$100,000 shall be paid within 15 days; and
- Upon completion of a Feasibility Study, an additional payment of US$400,000 and US$100,000 shall be paid within 15 days.

On 22 March 2023, the Purchase Options were exercised under the Agreement and the Company assigned the 4 concessions to Minera Ansotana S.A. who is the final owner of 100% of the mining properties that make up the Project. The Company owns 70% of the shares of Minera Ansotana S.A. and, therefore, 70% of the Project. (note 16).

The Company has accounted for the acquisition as a purchase of assets. The acquisition did not qualify as a business combination under IFRS 3, Business Combinations, as the significant inputs, processes and outputs, that together constitute a business, did not exist in these projects at the time of acquisition.

On 26 December 2023, the Company entered into an amending agreement with the Vidals to delay the commencement of the payments of US$160,000 and US$40,000 due every six months to the Vidals until a PFS is completed. The Company agreed to issue the Vidal parties an aggregate of 1,000,000 common shares (issued), with a fair value of $500,000 (note 13). The Company recognized share-based expense of $300,000 related to the agreement in the year ended 29 February 2024 (note 13). The agreement includes a right in favour of the Vidal parties until the Province of Salta approves the first of the environmental reports to propose a bona fide third-party qualified purchaser for Minera Ansotana S.A. in which case the Company can either match the offer to acquire the balance of Minera Ansotana S.A. shares or resume the suspended payments and continue the Minera Ansotana Agreement and pay additional compensation to the Vidal parties of US$4,000,000 in the Company's shares. If the Company does not elect within 10 business days to do either, then the Vidal parties will have the right to complete the sale to the third-party purchaser within 30 days and the Company will be entitled to receive US$8,000,000 for its 70% interest in Minera Ansotana.

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Acquisition of property claims in Quebec

During October 2023, the Company purchased various claims in Quebec, Canada for consideration of $106,248. In March 2024, the Company purchased additional claims in Quebec, Canada for consideration of $4,160

10) ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities for the Company are comprised of trade payables. All payables and accrued liabilities for the Company fall due within the next 12 months. As at 28 February 2025 and 29 February 2024, $140,303 and $110,535, respectively, were trade payable balances.

11) RELATED PARTY TRANSACTIONS

Key management personnel are those who have the authority and responsibility for planning, directing, and controlling the activities of the Company directly or indirectly. Key management personnel and related parties include the Board of Directors, officers, close family members and entities that are controlled by these individuals. As at 29 February 2024, the due from related party balance of $15,000 was related to the RTO transaction, prior to completion. Related party transactions and balances, not disclosed elsewhere in the consolidated financial statements, are as follows:

Schedule of related party transactions

Principal Position	Fiscal Period	Fees (i)	Share-based awards	Amounts Payable
CEO	2024	$ 96,000	$ 882,000	$ -
	2025	$ 98,400	$ -	$ 98,400
CFO	2024	$ -	$ -	$ -
	2025	$ 24,990	$ 30,000	$ 11,891
Directors	2024	$ -	$ -	$ -
	2025	$ -	$ 20,000	$ 2,011
Former Director(ii)	2024	$ 134,944	$ 132,600	$ 84,090
	2025	$ -	$ -	$ 84,090
Former CFO(iii)	2024	$ -	$ -	$ -
	2025	$ 17,474	$ -	$ -

*i Related party amounts are unsecured, bears no interest and are due on demand.

*ii Related party departed the Company in April 2025.

*iii Payments made to related party prior to departure in September 2024.

12) PROMISSORY NOTES

In connection with the RTO, the Company assumed $17,152 in promissory notes. The promissory notes bear interest at a rate of 12% per annum, are unsecured and due on demand. At 28 February 2025, the Company recorded $79 in accrued interest.

13) SHARE CAPITAL

The authorized share capital of the Company is comprised of an unlimited number of common shares without par value. A summary of common share transactions for the years end 28 February 2025 and 29 February 2024 is as follows:

Share transactions

	Year ended 28 February 2025		Year-ended 29 February 2024	
Common shares	**# of shares**	**$**	# of shares	$
Opening balance	**32,436,658**	**$ 4,135,428**	23,225,000	**$** 1,958,059
Private placements	**866,667**	**260,000**	8,211,658	1,851,633
Shares issued on RTO	**16,449,000**	**4,934,700**	-	-
Shares issued for E&E assets	**-**	**-**	1,000,000	500,000
Shares issued for El Quemado Project	**1,000,000**	**300,000**	-	-
Issuance costs	**-**	**(27,584)**	-	(174,264)
	50,752,325	**$ 9,602,544**	32,436,658	**$** 4,135,428

A summary of common share transactions for the year ended 28 February 2025 is as follows:

- Issued 866,667 units at $0.30 per unit for $260,000. Each unit consists of one common share and one non-transferable common share purchase warrant. Each whole warrant will allow the holder to purchase one common share of the Company at a price of $0.65 expiring 17 May 2026;
- Issued 1,000,000 common shares to the Vidals related to the El Quemado Project. The fair value of $300,000 (this was expensed as share-based compensation) for the shares issued was recorded by the Company in the year ended 29 February 2024 (note 9);
- Issued 16,449,000 common shares at a fair value of $4,935,000 pursuant to the RTO (note 17); and
- As at 28 February 2025, the Company had 11,907 500 common shares in escrow, which are included in share capital and are subject to release as stipulated by the Canadian Securities Exchange under policy 2A.

A summary of common share transactions for the year ended 29 February 2024 is as follows:

- The Company closed a non-brokered private placement by the issuance of 3,095,000 units at a price of $0.50 per unit for gross proceeds of $1,547,500. Each unit consists of one share and one non-transferable share purchase warrant. Each whole warrant allows the holder to purchase one share of the Company at a price of $0.65 per share for a period of two years following the date of a going public transaction. In February 2024, the terms of these agreements were amended to a price of $0.30 per unit with a warrant to allow the holder to purchase one share of the Company at a price of $0.65 for two years following the date of a going public transaction. $632,500 of the funds for this transaction had been received in the prior year and subscriptions received was relieved;
- In connection with the amendment above, the Company closed a non-brokered private placement by the issuance of 2,063,333 common shares at $0.01 per unit for gross proceeds of $20,633. Each unit consists of one common share;
- The Company closed a non-brokered private placement by the issuance of 3,053,325 shares at $0.30 per unit for gross proceeds of $916,000. Each unit consists of one share and one non-transferable share purchase

warrant. Each whole warrant will allow the holder to purchase one share of the Company at a price of $0.65 per share for a period of two years following the date of a going public transaction; and

- The Company granted 1,000,000 units valued at $500,000 to Latin Metals in conjunction with El Quemado Project acquisition (note 9). Each unit consists of one common share and one non-transferable common share purchase warrant. Each whole warrant allows the holder to purchase one common share of the Company at a price of $1.00 for a period of five years.

14) WARRANTS

Warrant activity is as follows:

Schedule of warrant activity

	28 February 2025			29 February 2024		
	# of warrants		Weighted avg exercise price	# of warrant		Weighted avg exercise price
Balance – beginning of year	**20,373,325**	$	**0.38**	13,225,000	$	0.20
Granted	**866,667**		**0.65**	7,148,325		0.70
Balance – end of year	**21,239,992**	$	**0.39**	20,373,325	$	0.38

Details of warrants outstanding are as follows:

Schedule of outstanding warrants

Expiry Date		Exercise Price	28 February 2025 Outstanding	28 February 2025 Exercisable	**29 February 2024** Outstanding
21 July 2027	**$**	**0.20**	**11,225,000**	**11,225,000**	11,225,000
09 September 2027		**0.20**	**2,000,000**	**2,000,000**	2,000,000
10 March 2028		**1.00**	**1,000,000**	**1,000,000**	1,000,000
17 May 2026[(1)(2)]		**0.65**	**3,095,000**	**3,095,000**	3,095,000
17 May 2026[(2)]		**0.65**	**3,053,325**	**3,053,325**	3,053,325
17 May 2026[(2)]		**0.65**	**866,667**	**866,666**	-
	$	**0.39**	**21,239,992**	**21,239,992**	20,373,325

(1) Amended from $1.00 in November 2023.
(2) Expiry date is two years following the closing date of a going public transaction.

15) SHARE PURCHASE OPTIONS

On 30 June 2023, the Company amended an equity incentive plan (the "Stock Option Plan"), effective as of August 5, 2022. The Stock Option Plan allows the Company to grant incentive stock options to directors, officers, employees and consultants of the Company. The Company can grant stock options of up to 15% of the number of voting shares that are issued and outstanding at such time. The vesting period for the incentive stock options shall vest one-third upon each successive year and become fully vested after three years unless it is unanimously approved by the Board otherwise. The expiry date of an option shall be no later than the sixth anniversary of its date of grant. The exercise price of incentive stock options will be set by the Board of Directions of the Company at the time of the grant.

During the year ended 28 February 2025, the Company granted 1,200,000 (2024 – 2,000,000) incentive stock options to directors and consultants of the Company. The Company recognized $126,000 (2024 - $882,000) in share-based payments, from vesting.

Stock option activities are as follows:

Schedule of stock option activity

Stock option activity	28 February 2025		Weighted Average exercise price	29 February 2024		Weighted Average exercise price
Balance – beginning of year	**3,200,000**	$	0.15	-	$	-
Granted	**2,000,000**		0.13	3,200,000		0.15
Balance – end of year	**5,200,000**	$	0.14	3,200,000	$	0.15

During the year ended 28 February 2025, the Company granted:

- 1,200,000 stock options granted to directors and consultants of the Company at an exercise price of $0.15 for a period of 5 years. The fair value of the options granted was determined to be $126,000 using the Black-Sholes option pricing model with the following assumptions:
  - stock price - $0.14;
  - risk-free rate – 3.12%;
  - expected life – 5 years;
  - expected volatility – 100%,
  - vesting term – immediately; and
  - expected dividends – nil

- 800,000 stock options granted pursuant to the RTO transaction at an exercise price of $0.10 for a period of 5 years. The fair value of the options granted was determined to be $202,983 (note 17) using the Black-Scholes option pricing model with the following assumptions:
  - stock price - $0.30;
  - risk-free rate – 3.84%;
  - expected life – 3.97 years;
  - expected volatility – 100%,
  - vesting term – immediately; and
  - expected dividends – nil

During the year ended 29 February 2024, the Company granted:

- 2,000,000 stock options to a director of the Company at an exercise price of $0.15 for a period of 5 years. The fair value of the options granted was determined to be $882,000 using the Black-Sholes option pricing model with the following assumptions:
  - stock price - $0.50;
  - risk-free rate – 3.96%;
  - expected life – 5 years;
  - expected volatility – 100%,
  - vesting term – immediately; and
  - expected dividends – nil

- 1,200,000 stock options to directors and consultants of the Company at an exercise price of $0.15 for a period of 5 years. The fair value of the options granted was determined to be $530,400 using the Black-Sholes option pricing model with the following assumptions:
  - stock price - $0.50;
  - risk-free rate – 4.25%;
  - expected life – 5 years;
  - expected volatility – 100%,
  - vesting term –immediately; and
  - expected dividends – nil

Schedule of outstanding options

Grant Date	Expiry Date	Exercise Price	29 February 2024 Outstanding	29 February 2025 Exercisable	29 February 2024 Outstanding
10 March 2023	10 Mar 2028	$ 0.15	2,000,000	2,000,000	2,000,000
05 July 2023	05 July 2028	$ 0.15	1,200,000	1,200,000	1,200,000
17 May 2024	05 May 2028	$ 0.10	800,000	800,000	-
06 November 2024	06 November 2029	$ 0.15	1,200,000	1,200,000	-
			5,200,000	5,200,000	3,200,000

The outstanding options have a weighted average remaining life of 3.51 years (29 February 2024 – 3.15 years).

16) NON-CONTROLLING INTEREST

On 22 March 2023, the Company closed the acquisition of the Project (note 9). The non-controlling interest represents equity in Minera Ansotana S.A. that is not attributable to the Company. The carrying value of the non-controlling interest for Minera Ansotana S.A. as at 28 February 2025 was $289,570.

The following table presents the change in the non-controlling interest of Minera Ansotana S.A:

		28 February 2025		29 February 2024
Balance, beginning of year	**$**	**275,922**	$	-
Acquisition of Minera Ansatana		**-**		289,570
Adjustment to non-controlling interest		**13,648**		-
Loss attributable to non-controlling interest		**-**		(13,648)
Balance, end of year	**$**	**289,570**	$	$275,922

17) REVERSE ACQUISITION TRANSACTION

On May 17, 2024, the Company completed the RTO of 1477445 B.C. Ltd., by way of three-cornered amalgamation carried out under the Business Corporations Act (British Columbia) (note 1).

The RTO was carried out pursuant to the amalgamation agreement dated July 14, 2023 (the "Amalgamation Agreement") between the Company and 1477445 B.C. Ltd. As reinstated and amended on January 29, 2024 and amended on April 30, 2024. Under the RTO, the Company acquired all of the outstanding shares of 1477445 B.C. Ltd. By way of a three-cornered amalgamation, pursuant to which, Subco amalgamated with 1477445 B.C. Ltd to create the amalgamated company and surviving wholly-owned subsidiary of the Company: 14841799 B.C. Ltd.

Pursuant to the RTO, former shareholders of 1477445 B.C. Ltd. received an aggregate of 34,503,325 common shares of the Company in exchange for their common shares on a one-for-one basis and all outstanding 1477445 B.C. Ltd. warrants and incentive options became exercisable into SALI shares in accordance with their terms.

The transaction resulted in 1477445 B.C. Ltd. obtaining control over the combined entity by obtaining control of governance and management decision-making processes, and the resulting authority to govern the financial and operating policies of the combined entity.

The transaction constituted a reverse acquisition of Pursuit by 1477445 B.C. Ltd. and has been accounted for as a reverse takeover transaction in accordance with IFRS 2, share-based payments. The Company did not meet the definition of a business in accordance with IFRS 3, Business Combinations, as such, the transaction does not constitute a business combination.

For accounting purposes, 1477445 B.C. Ltd. is treated as the accounting parent (legal subsidiary) and Pursuit as the accounting subsidiary (legal parent). The fair value of the consideration paid by 1477445 B.C. Ltd., less the fair value of net assets acquired of Pursuit, of $5,344,618, constitutes a listing expense and has been recorded in the statement of comprehensive loss.

The RTO was measured at the fair value of the shares that 1477445 B.C. Ltd. would have had to issue to the shareholders of Pursuit, being 16,449,000 common shares, to give the shareholders of Pursuit the same percentage of equity interest in the combined entity that results from the reverse acquisition had it taken the legal form of 1477445 B.C. Ltd. acquiring Pursuit.

(Rounded to 000's)		
Consideration paid for reverse acquisition		
16,449,000 common shares (note 13)	$	**4,935,000**
Fair value of replacement options (note 15)		**203,000**
Transaction fees		**44,000**
Net liabilities		**163,000**
Total consideration / listing expense	$	**5,345,000**
Fair value of net assets (liabilities) acquired		
Current Assets	$	10,000
Current Liabilities		(173,000)
Net Liabilities	$	(163,000)

18) SEGMENTED INFORMATION

(Rounded to 000's)		Canada		Argentina		Total
28 February 2025						
Current Assets	$	**355,000**	$	**6,000**	$	**361,000**
Non-Current Assets		**1,792,000**		**290,000**		**2,082,000**
		2,147,000		**296,000**		**2,443,000**
Current Liabilities	$	**254,000**	$	**16,000**	$	**270,000**
29 February 2024						
Current Assets	$	962,000	$	55,000	$	1,017,000
Non-Current Assets		106,000		2,215,000		2,321,000
		1,068,000		2,270,000		3,338,000
Current Liabilities	$	150,000	$	45,000	$	195,000

19) CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital that it manages as share capital.

Management reviews its capital management approach on an on-going basis and believes that this approach is reasonable and appropriate relative to the size of the Company.

The Company is in the business of mineral exploration and has no source of operating revenue. Operations are financed through the issuance of capital stock or liability instruments, or through the sale of equipment. Capital raised is held in cash in an interest-bearing bank account until such time as it is required to pay operating expenses or resource property costs. The Company is not subject to any externally imposed capital restrictions. Its objectives in managing its capital are to safeguard its cash and its ability to continue as a going concern, and to utilize as much of its available capital as possible for exploration activities. The Company's objectives have not changed during the year ended 28 February 2025.

20) Taxes

The following table reconciles the expected income tax (recovery) at the Canadian statutory income tax rates to the amounts recognized in the statements of comprehensive loss.

	28 February 2025	29 February 2024
Net loss and comprehensive loss for the year	**$ (6,240,000)**	$ (2,700,000)
Statutory income tax rate	**27%**	27%
Expected income tax (recovery)	**(1,685,000)**	(729,000)
Permanent differences	**1,543,000**	(9,000)
Impact of foreign exchange effective tax rates	**7,000**	84,000
Share issuance cost	**(1,352,000)**	(47,000)
Loss acquired via acquisition	**(182,000)**	-
True up, prior year estimate	**248,000**	-
Change in deferred tax asset not recognized	**1,421,000**	701,000
Balance – end of year	**$ -**	$ -

Deferred taxes reflect the tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding values for tax purposes.

Deferred tax assets (liabilities) are comprised of the following:

	28 February 2025	29 February 2024
Non-capital loss carryforwards	**$ 996,000**	$ 663,000
Exploration and evaluation assets	**16,000**	-
Share issuance costs	**1,110,000**	38,000
	$ 2,122,000	$ 701,000

Unrecognized deductible temporary differences are as follows:

		28 February 2025		29 February 2024
Canada				
Non-capital loss carry-forwards	$	3,756,000	$	2,314,000
Exploration and evaluation assets		58,000		-
Financing costs		4,109,000		139,000
	$	7,923,000	$	2,453,000

The Company has not recognized the deferred tax asset in respect of non capital loss carryforwards of $3,464,000, which may be carried forward to apply against future year income tax for Canadian income tax purposes, subject to the final determination by taxation authorities. Carry forwards are expiring in the following years:

Year of expiry		Taxable loss
2041	$	15,000
2042		112,000
2043		653,000
2044		1,011,000
2045		1,673,000
Balance – end of year	$	3,464,000

The Company has not recognized the deferred tax asset in respect of non capital loss carryforwards of $292,000 (2024 $180,000), which may be carried forward to apply against future year income tax for Argentinian income tax purposes, subject to the final determination by taxation authorities. Carry forwards are expiring in the following years:

Year of expiry		Taxable loss
2044	$	180,000
2030		112,000
Balance – end of year	$	292,000

21) SUBSEQUENT EVENTS

- On 14 May 2025, the Company signed a letter of intent to acquire a 100% interest in a property located in the Windfall Gold Camp in Quebec, Canada. Under the terms of the letter of intent, the Company may acquire its interest in the property through cash payments, share issuance, and exploration expenditures totaling $210,000 in cash, 1,500,000 common shares and $2,300,000 in exploration commitments over a multi-year period. In June 2025, the Company issued 150,000 common shares in connection with the letter of intent. The acquisition remains subject to regulatory approvals and completion of due diligence.

- On 17 June 2025, the Company approved a private placement to raise funds up to $1,500,000 through the issuance of 8,000,000 hard dollar units priced at $0.125 and 3,333,333 flow-through units priced at $0.15

per unit. Each hard dollar unit consists of one common share and one common share purchase warrant, exercisable at $0.25 per share for 24 months from issuance. Each flow-through unit consists of one flow-through share and one-half of a common share purchase warrant, with whole warrants exercisable at $0.25 per share for 12 months from issuance. The Company closed the first tranche of the financing, issuing 1,843,340 flow-through units and 4,060,000 hard dollar units, raising gross proceeds of $784,001.