

AMERICAN SALARS LITHIUM INC.

Consolidated Financial Statements

For the Years Ended September 30, 2025 and 2024

(Amounts Expressed in Canadian Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of American Salars Lithium Inc.:

Opinion

We have audited the consolidated financial statements of American Salars Lithium Inc. and its subsidiaries (together the "Company"), which comprise the consolidated statements of financial position as at September 30, 2025, and 2024, and the consolidated statements of loss and comprehensive loss, consolidated statements of changes in shareholders' equity (deficiency), and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at September 30, 2025, and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with IFRS Accounting Standards.

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 Consolidated 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 consolidated 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 in the consolidated financial statements, which describes the conditions indicating that 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 consolidated financial statements for the year ended September 30, 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the *Material Uncertainty Related to Going Concern* section of our auditor's report, we have determined the matter described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
<i>Assessment of the existence of impairment indicators for exploration and evaluation assets</i>	
Refer to note 6	Our approach to addressing the matter involved the following procedures, among others:
As at September 30, 2025, the carrying amount of the Company's exploration and evaluation assets was \$133,353. At each reporting period, management assesses exploration and evaluation assets to determine whether there are any indicators of impairment. If any such indicators exist, the asset's recoverable amount is estimated. An impairment loss is recognized if the carrying amount of an asset exceeds its estimated recoverable amount. Management assesses exploration and evaluation assets for impairment based on, at minimum, the presence of any of the following indicators: (i) the period for which the Company has the right to explore in the specific area has expired during the year or will expire in the near future, and is not expected to be renewed; (ii) substantive expenditure on further exploration for, and evaluation of, mineral resources in the specific area is neither budgeted nor planned; (iii) the Company has decided to discontinue exploration for and evaluation of mineral resources in the specific area; and/or (iv) for areas of likely development, available data indicates that the carrying amount exceeds the recoverable amount. Impairment indicators were identified by management for the Isla, Black Rock South, Aesir, Lac Simard, Leduc, Spey, Xenia and Pocitos 1 properties and an impairment of \$2,781,186 was recorded during the year ended September 30, 2025. We considered this a key audit matter due to the significance of the exploration and evaluation assets and the judgments made by management in their assessment of impairment indicators related to exploration and evaluation assets. These factors have resulted in a high degree of subjectivity in performing audit procedures, related to the judgment applied by management.	Evaluating the judgments made by management in determining the impairment indicators, which included the following: • Obtained, for a sample of claims by reference to government registries, evidence to support (i) the right to explore the area and (ii) claim expiration dates. • Obtained evidence supporting the continued and planned exploration expenditures. • Assessed whether available data indicates the potential for commercially viable mineral resources. • Based on evidence obtained in other areas of the audit, considered whether other facts and circumstances suggest that the carrying amount may exceed the recoverable amount.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Management's Discussion and Analysis filed with the relevant Canadian securities commissions.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated. 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 in this auditor's report. We have nothing to report in this regard.

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

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

In preparing the consolidated 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 Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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 consolidated 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 Aycha Aziz.

Baker Tilly WM LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, B.C.
January 28, 2026

AMERICAN SALARS LITHIUM INC.

Consolidated Statements of Financial Position

As at September 30, 2025 and 2024

(in Canadian dollars)

	2025	2024
Assets		
Current assets:		
Cash	\$ 4,542	\$ 84,838
Amounts receivable	22,002	22,774
Prepaid expenses	125,667	568,974
Total current assets	152,211	676,586
Exploration and evaluation assets (note 6)	133,353	2,749,332
Total assets	\$ 285,564	\$ 3,425,918
Liabilities and Shareholders' Equity (Deficiency)		
Current liabilities:		
Accounts payable and accrued liabilities (notes 7 and 10)	\$ 950,773	\$ 186,907
Loans payable (note 8)	12,200	-
Total current liabilities	962,973	186,907
Shareholders' equity:		
Share capital (note 9)	4,773,234	4,672,234
Share-based payments reserve (note 9)	406,630	200,610
Warrants reserve (note 9)	45,535	-
Deficit	(5,902,808)	(1,633,833)
Total shareholders' equity (deficiency)	(677,409)	3,239,011
Total liabilities and shareholders' equity	\$ 285,564	\$ 3,425,918

Nature of business and continuing operations (note 1)

Commitments (note 15)

Subsequent events (note 17)

The accompanying notes form an integral part of these consolidated financial statements.

AMERICAN SALARS LITHIUM INC.

Consolidated Statements of Loss and Comprehensive Loss

For the years ended September 30, 2025 and 2024

(in Canadian dollars)

	2025	2024
Expenses		
Investor communications	\$ 443,609	\$ 333,754
Management and consulting fees (note 10)	616,032	474,531
Occupancy costs	54,000	49,771
Office and general	23,526	12,562
Professional fees (note 10)	140,472	95,967
Transfer agent and filing fees	25,645	47,800
Travel and promotion	10,047	5,600
Share-based compensation (notes 9 and 10)	333,414	-
Impairment of exploration and evaluation assets (note 6)	2,781,186	-
Gain on settlement of debt (note 9)	(35,000)	-
Foreign currency exchange	3,438	(804)
	4,396,369	1,019,181
Net loss and comprehensive loss	\$ (4,396,369)	\$ (1,019,181)
Weighted average shares outstanding – basic and diluted	3,164,155	1,932,293
Loss per share – basic and diluted	\$ (1.39)	\$ (0.53)

The accompanying notes form an integral part of these consolidated financial statements.

AMERICAN SALARS LITHIUM INC.

Consolidated Statements of Cash Flows
For the years ended September 30, 2025 and 2024
(in Canadian dollars)

	2025	2024
Cash provided by (used in):		
Operating activities		
Net loss for the year	\$ (4,396,369)	\$ (1,019,181)
Items not involving cash:		
Impairment of exploration and evaluation assets	2,781,186	-
Share-based compensation	333,414	-
Gain on settlement of debt	(35,000)	-
Change in non-cash working capital:		
Amounts receivable	772	(21,806)
Prepaid expenses	443,307	(218,974)
Accounts payable and accrued liabilities	813,866	168,101
Net cash used in operations	(58,824)	(1,091,860)
Investing activities		
Acquisition of exploration and evaluation assets	(21,472)	(199,284)
Net cash provided from (used in) investing activities	(21,472)	(199,284)
Financing activities		
Proceeds from loan	-	75,000
Loan repayment	-	(25,000)
Proceeds from issuance of common shares	-	1,370,619
Share issue costs	-	(85,446)
Net cash provided from financing activities	-	1,335,173
Increase (decrease) in cash	(80,296)	44,029
Cash, beginning of year	84,838	40,809
Cash, end of year	\$ 4,542	\$ 84,838
Non-Cash Financing and Investing Activities		
Fair value of shares issued for exploration and evaluation assets	16,000	1,989,301
Fair value of shares and warrants issued on acquisition of 1447377 BC Ltd.	115,535	-
Fair value of shares issued for advisory services	-	350,000
Fair value of shares issued on settlement of debt	50,000	80,000

The accompanying notes form an integral part of these consolidated financial statements.

AMERICAN SALARS LITHIUM INC.

Consolidated Statements of Changes in Shareholders' Equity (Deficiency)
For the years ended September 30, 2025 and 2024
(in Canadian dollars)

	Number of Common Shares	Share Capital	Share-Based Payments Reserve	Warrants Reserve	Deficit	Total Equity (Deficiency)
Balance, September 30, 2023	1,242,500	\$ 1,012,406	\$ 155,964	\$ -	\$ (614,652)	\$ 553,718
Shares issued for exploration and evaluation assets (note 6)	1,081,000	1,989,301	-	-	-	1,989,301
Shares issued for cash	665,000	1,329,999	-	-	-	1,329,999
Shares issued for consulting services	100,000	350,000	-	-	-	350,000
Shares issued on exercise of warrants	12,059	18,120	-	-	-	18,120
Shares issued on exercise of options	7,500	22,500	-	-	-	22,500
Shares issued on settlement of debt	35,000	80,000	-	-	-	80,000
Share issue costs	-	(130,092)	44,646	-	-	(85,446)
Net loss and comprehensive loss for the year	-	-	-	-	(1,019,181)	(1,019,181)
Balance, September 30, 2024	3,143,059	\$ 4,672,234	\$ 200,610	\$ -	\$ (1,633,833)	\$ 3,239,011
Shares issued for exploration and evaluation assets (note 6)	20,000	16,000	-	-	-	16,000
Shares and warrants issued for acquisition of 1447377 BC Ltd.	350,000	70,000	-	45,535	-	115,535
Shares issued on settlement of debt	100,000	15,000	-	-	-	15,000
Share-based compensation	-	-	333,414	-	-	333,414
Expiry of warrants and options	-	-	(127,394)	-	127,394	-
Net loss and comprehensive loss for the year	-	-	-	-	(4,396,369)	(4,396,369)
Balance, September 30, 2025	3,613,059	\$ 4,773,234	\$ 406,630	\$ 45,535	\$ (5,902,808)	\$ (677,409)

The accompanying notes form an integral part of these consolidated financial statements.

AMERICAN SALARS LITHIUM INC.

Notes to the Consolidated Financial Statements
For the years ended September 30, 2025 and 2024
(Amounts in Canadian dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS

American Salars Lithium Inc. (the “Company”) was incorporated on December 17, 2019, under the law of British Columbia. The address of the Company’s registered office and its principal place of business is 200-551 Howe Street, Vancouver, British Columbia, Canada. The Company’s common shares were listed on the Canadian Securities Exchange (“CSE”) effective December 21, 2021. The Company’s common shares trade on the CSE under the symbol “USLI”.

On October 23, 2025, the Company consolidated its common shares on a 10:1 basis. All share and per share amounts throughout the consolidated financial statements have been adjusted to reflect the share consolidation.

The Company’s principal business activities include the acquisition and exploration of mineral property assets. As at September 30, 2025, the Company holds interests in early stage mineral exploration properties and the Company had not yet determined whether the Company’s mineral property assets contain deposits of minerals that are economically recoverable. The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, confirmation of the Company’s interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development of and the future profitable production from the properties or realizing proceeds from their disposition.

The Company had a deficit of \$5,902,808 as at September 30, 2025, which has been funded by the issuance of equity and the receipt of a short-term loan. The Company’s ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Company’s ability to continue as a going concern.

These consolidated financial statements do not give affect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these consolidated financial statements.

2. BASIS OF PREPARATION

Statement of Compliance and basis of presentation

These consolidated financial statements are prepared in accordance with IFRS Accounting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the IFRS Interpretations Committee (“IFRIC”).

Basis of measurement

These consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments that are measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

Functional and presentation currency

The consolidated financial statements are presented in Canadian Dollars, which is the Company’s and its subsidiaries functional currency.

AMERICAN SALARS LITHIUM INC.

Notes to the Consolidated Financial Statements
For the years ended September 30, 2025 and 2024
(Amounts in Canadian dollars)

2. BASIS OF PREPARATION *(continued)*

Basis of consolidation

These consolidated financial statements include the financial statements of the Company and the entities controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Control is defined as the exposure, or rights, to variable returns from involvement with an investee and the ability to affect those returns through power over the investee. Power over an investee exists when an investor has existing rights that give it the ability to direct the activities that significantly affect the investee's returns. All intercompany transactions and balances have been eliminated.

The controlled subsidiaries are listed in the following table as at September 30, 2025:

Name of Subsidiary	Country of Incorporation	Ownership	Principal Activity
Aesir Lithium Corp.	Canada	100%	Holding Company
1447377 BC Ltd. (note 5)	Canada	100%	Mineral exploration

The controlled subsidiaries are listed in the following table as at September 30, 2024:

Name of Subsidiary	Country of Incorporation	Ownership	Principal Activity
Aesir Lithium Corp.	Canada	100%	Holding Company

Approval of the consolidated financial statements

The consolidated financial statements of the Company for the year ended September 30, 2025, were approved and authorized for issuance by the Board of Directors on January 28, 2026.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the consolidated statement of financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

AMERICAN SALARS LITHIUM INC.

Notes to the Consolidated Financial Statements
For the years ended September 30, 2025 and 2024
(Amounts in Canadian dollars)

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Significant accounting estimates

Management has not identified any significant estimates which have a material effect on the amounts recognized in the consolidated financial statements.

Significant accounting judgments

- i. Carrying value of exploration and evaluation assets: The recoverability of the exploration and evaluation assets' carrying values is dependent upon the determination of economically recoverable reserves, the ability of the Company to obtain the necessary financing and permits to complete development and future profitable production or proceeds from the disposition thereof. At each reporting date, the Company reviews the carrying amounts of its exploration and evaluation assets to determine whether there is an indication of impairment. The Company identified indications of impairment as of September 30, 2025 (note 6).
- ii. The Company applies significant judgment to conclude whether an acquired set of activities and assets is a business. The acquisition of a business is accounted for as a business combination, under IFRS 3. If an acquired set of activities and assets does not meet the definition of a business, the transaction is accounted for as an asset acquisition. The Company also applied judgment in identifying the assets acquired and evaluating which IFRS standard the assets should be measured under.

4. MATERIAL ACCOUNTING POLICIES

Cash Equivalents

Cash equivalents include short-term deposits with an original maturity of three months or less, which are readily convertible into a known amount of cash. As at September 30, 2025 and 2024, the Company held no cash equivalents.

Income Taxes

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the consolidated statement of financial position date, and includes any adjustments to tax payable or receivable in respect of previous years.

Deferred taxes are recorded using the liability method whereby deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the consolidated statement of financial position date. Deferred tax is not recognized for temporary differences which arise on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting, nor taxable profit or loss.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

AMERICAN SALARS LITHIUM INC.

Notes to the Consolidated Financial Statements
For the years ended September 30, 2025 and 2024
(Amounts in Canadian dollars)

4. MATERIAL ACCOUNTING POLICIES (*continued*)

Loss Per Share

The Company presents basic loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding as the effect is anti-dilutive. Basic and diluted loss per share excludes all of the Company's common shares from the weighted average shares calculation that are contingently returnable. As at September 30, 2025 and 2024, there were no such shares.

Share Issuance Costs

Professional, consulting, regulatory and other costs directly attributable to financing transactions are recorded as deferred financing costs until the financing transactions are completed, if the completion of the transaction is considered likely; otherwise they are expensed as incurred. Share issuance costs are charged to share capital when the related shares are issued. Deferred financing costs related to financing transactions that are not completed are recognized in profit or loss.

Share Capital

Common shares, options and warrants are classified as equity. Transaction costs directly attributable to the issuance of common shares, options and warrants are recognized as a deduction from equity, net of any tax effects.

The Company bifurcates units which consist of common shares and share purchase warrants using the residual value approach, whereby it measures the common share component of the unit at fair value using the trading price and then allocates the residual value, if any, of the units over the fair value of the common shares to the warrant component. The value of the warrant component is credited to reserves. When warrants are exercised, the corresponding value is transferred from reserves to share capital. When warrants expire, the corresponding value is transferred from warrants reserve to equity (deficit).

Share-based Payments

The Company grants stock options to acquire common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model, and is recognized in expenses and reserves over the vesting period. Consideration paid for the shares along with the fair value recorded in reserves on the exercise of stock options is credited to share capital. The Company estimates a forfeiture rate and adjusts the corresponding expense each period based on an updated forfeiture estimate.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the Company as consideration cannot be specifically identified, they are measured at the fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

AMERICAN SALARS LITHIUM INC.

Notes to the Consolidated Financial Statements
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(Amounts in Canadian dollars)

4. MATERIAL ACCOUNTING POLICIES (*continued*)

When options expire, the corresponding value is transferred from share-based payments reserve to equity (deficit).

Where the terms and conditions of options are modified, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Financial Instruments

Financial Assets

When the Company becomes party to a contract, financial assets are classified as measured at:

- i. Amortized cost;
- ii. Fair value through other comprehensive income ("FVOCI"); or
- iii. Fair value through profit or loss ("FVTPL").

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Financial assets are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Subsequent measurement of financial assets depends on their classification:

i. Amortized cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included as finance income using the effective interest method.

The Company does not have any assets classified at amortized cost.

ii. FVOCI

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains and losses, interest revenue, and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains (losses). Interest income from these financial assets is included as finance income using the effective interest method.

The Company does not have any assets classified at FVOCI.

AMERICAN SALARS LITHIUM INC.

Notes to the Consolidated Financial Statements
For the years ended September 30, 2025 and 2024
(Amounts in Canadian dollars)

4. MATERIAL ACCOUNTING POLICIES (*continued*)

iii. FVTPL

Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss on an investment that is subsequently measured at FVTPL is recognized in profit or loss and presented net as revenue in the statement of loss and comprehensive loss in the period in which it arises.

The Company's cash is classified at FVTPL.

Impairment of financial assets

There is a three-stage expected credit loss ("ECL") model for determining impairment of financial assets. The ECL model does not require the occurrence of a triggering event before the Company recognizes credit losses. The Company is required to recognize ECLs upon initial recognition of a financial asset and to update the quantum of ECLs at the end of each reporting period to reflect changes to credit risk of the financial asset.

Financial Liabilities and Equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Financial liabilities are classified as measured at (i) FVTPL; (ii) FVOCI; or (iii) amortized cost.

(i) FVTPL

A financial liability is classified as at FVTPL if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognized in profit or loss as incurred. The amount of change in the fair value that is attributable to changes in the credit risk of the liability is presented in OCI and the remaining amount of the change in the fair value is presented in profit or loss.

The Company does not classify any financial liabilities at FVTPL.

(ii) FVOCI

The amount of change in the fair value that is attributable to changes in the credit risk of the liability is presented in OCI and the remaining amount of the change in the fair value is presented in profit or loss.

The Company does not classify any financial liabilities at FVOCI.

(iii) Amortized cost

Other non-derivative financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest method. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

The Company classifies its accounts payable and accrued liabilities and loans payable at amortized cost.

AMERICAN SALARS LITHIUM INC.

Notes to the Consolidated Financial Statements
For the years ended September 30, 2025 and 2024
(Amounts in Canadian dollars)

4. MATERIAL ACCOUNTING POLICIES (*continued*)

Exploration and Evaluation Assets

Pre-exploration costs or property investigation costs are expensed in the period in which they are incurred. Once the legal right to explore a property has been acquired, all costs related to the acquisition, exploration and evaluation are capitalized by property. Costs not directly attributable to exploration and evaluation activities, including general and administrative overhead costs, are expensed in the period in which they occur.

Exploration and evaluation assets are reviewed for indicators of impairment at each reporting date. An exploration and evaluation asset is deemed to have an indicator of impairment if in the period for which the Company has the right to explore the property has expired or is not expected to be renewed, substantive expenditure on further exploration and evaluation of mineral resources is neither budgeted nor planned, exploration and evaluation activities have not led to the discovery of commercially viable quantities of mineral resources and the Company has decided to discontinue such activities for the specific property, or if sufficient data exists to indicate that development of a specific property would be unlikely to recover the carrying amount of the associated capitalized exploration and evaluation expenditures.

If there is an indication of impairment, and the Company determines the recoverable amount of the specific exploration and evaluation asset as the greater of the asset's value in use or fair value less costs of disposal, and compares this to the carrying amount as at the reporting date. If the carrying amount exceeds the recoverable amount, those exploration and evaluation assets, in excess of estimated recoveries, are written off to profit or loss as an impairment loss.

The recoverability of mineral properties and exploration and development costs is dependent on the existence of economically recoverable reserves, the ability to obtain the necessary financing to complete the development of the reserves, and the profitability of future operations. The Company has not yet determined whether or not any of its future mineral properties contain economically recoverable reserves. Amounts capitalized to mineral properties as exploration and development costs do not necessarily reflect present or future values.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as "mines under construction". Exploration and evaluation assets are tested for impairment before the assets are transferred to mines under construction.

Exploration and evaluation expenditures are classified as intangible assets.

Decommissioning, Restoration and Similar Liabilities

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration or development of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, along with a corresponding liability as soon as the obligation to incur such costs arises. The timing of the actual rehabilitation expenditure is dependent on a number of factors such as the life and nature of the asset, the operating license conditions and, when applicable, the environment in which the mine operates.

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4. MATERIAL ACCOUNTING POLICIES (*continued*)

Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the units-of-production or the straight-line method. The corresponding liability is progressively increased as the effect of discounting unwinds creating an expense recognized in profit or loss.

Decommissioning costs are also adjusted for changes in estimates. Those adjustments are accounted for as a change in the corresponding capitalized cost, except where a reduction in costs is greater than the unamortized capitalized cost of the related assets, in which case the capitalized cost is reduced to nil and the remaining adjustment is recognized in profit or loss.

The operations of the Company have been, and may in the future be, affected from time to time in varying degree by changes in environmental regulations, including those for site restoration costs. Both the likelihood of new regulations and their overall effect upon the Company are not predictable.

The Company has no material restoration, rehabilitation and environmental obligations as the disturbance to date is immaterial.

Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lessees are permitted to make an election for leases with a term of 12 months or less, or where the underlying asset is of low value, and not recognize lease assets and lease liabilities. For short term leases, the Company has elected to use this election and has recognized rent expense associated with these leases on a straight-line basis over the lease term within profit or loss as occupancy costs.

Business Combinations and Asset Acquisitions

A business combination is a transaction or event in which an acquirer obtains control of one or more businesses and is accounted for using the acquisition method. The total consideration paid for the acquisition is the fair value of the assets transferred, liabilities incurred and equity instruments issued in exchange for control of the acquiree at the acquisition date. The acquisition date is the date when the Company obtains control of the acquiree. The identifiable assets acquired and liabilities assumed are recognized at their acquisition date fair values, except for deferred taxes and share-based payment awards where IFRS provides exceptions to recording the amounts at fair value. Goodwill represents the difference between total consideration paid and the fair value of the net-identifiable assets acquired. Acquisition costs incurred are expensed in profit or loss.

Based on the facts and circumstances that existed at the acquisition date, management will perform a valuation analysis to allocate the purchase price based on the fair values of the identifiable assets acquired and liabilities assumed on the acquisition date. Management has one year from the acquisition date to confirm and finalize the facts and circumstances that support the finalized fair value analysis and related purchase price allocation.

Acquisitions that do not meet the definition of a business combination are accounted for as asset acquisitions. Consideration paid for an asset acquisition is allocated to the individual identifiable assets acquired and liabilities assumed based on their relative fair values.

AMERICAN SALARS LITHIUM INC.

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4. MATERIAL ACCOUNTING POLICIES (*continued*)

Transaction costs for asset acquisitions are capitalized as part of the cost of the assets acquired. Asset acquisitions do not give rise to goodwill.

Adoption of New Accounting Standards, Interpretations and Amendments

New accounting policies adopted during the year ended September 30, 2025, were as follows:

Amendments to IAS 1 - Presentation of Financial Statements

In October 2022, the IASB issued amendments to IAS 1, Presentation of Financial Statements titled non-current liabilities with covenants. These amendments sought to improve the information that an entity provides when its right to defer settlement of a liability is subject to compliance with covenants within 12 months after the reporting period. These amendments to IAS 1 override but incorporate the previous amendments, Classification of liabilities as current or noncurrent, issued in January 2020, which clarified that liabilities are classified as either current or non-current depending on the rights that exist at the end of the reporting period. Liabilities should be classified as non-current if an entity has a substantive right to defer settlement for at least 12 months at the end of the reporting period. The amendments are effective for annual periods beginning on or after January 1, 2024, with early adoption permitted. Retrospective application is required on adoption. These amendments did not have a material effect on the consolidated financial statements.

Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Company are as follows:

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, Presentation and Disclosure in the Financial Statements. IFRS 18 will replace IAS 1 Presentation of Financial Statements but carries forward many of the requirements from IAS 1. The standard introduces new defined subtotals to be presented in the Company's consolidated statements of loss and comprehensive loss, disclosure of any management-defined performance measures related to the consolidated statements of loss and comprehensive loss and requirements for grouping of information. IFRS 18 is effective for annual periods beginning on or after January 1, 2027, with earlier adoption permitted, and will apply retrospectively. The Company is currently in the process of assessing the impact of IFRS 18 (and applicable amendments to other standards) on the consolidated financial statements and notes to the consolidated financial statements.

IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures

In May 2024, the IASB issued Amendments to the Classification and Measurement of Financial Instruments. The amendments clarify that a financial liability is derecognized on the settlement date and introduce an accounting policy choice to derecognize a financial liability settled using an electronic payment system before the settlement date. Other clarifications include guidance on the classification of financial assets with ESG-linked features, non-recourse loans and contractually linked instruments. The amendments are effective for annual periods beginning on or after January 1, 2026. Early adoption is permitted, with an option to early adopt only the amendments to the classification of financial assets (for contingent features). The Company is currently in the process of assessing the impact of the amendments on the consolidated financial statements and notes to the consolidated financial statements.

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5. ASSET ACQUISITION

On September 30, 2025, the Company completed the acquisition of all of the issued and outstanding shares of 1447377 BC Ltd. ("1447377"), a private Canadian company (the "Transaction").

Under the terms of the Transaction, the Company issued a total of 350,000 units to the shareholders of 1447377. Each unit consists of one common share of the Company and one common share purchase warrant entitles the holder to purchase an additional common share at \$2.00 per common share for a period of three years.

The Transaction was accounted for as an asset acquisition as the activities of 1447377 did not meet the definition of a business under IFRS 3, Business Combinations. The fair value of the net assets of 1447377 was not independently determinable, and accordingly the Transaction was recorded based on the estimated value of the consideration given up by the Company.

The net assets acquired by the Company were estimated at a fair value of \$115,535, as follows:

Fair value of Common Shares issued (350,000 common shares)	\$	70,000
Fair value of Share Purchase Warrants issued (350,000 share purchase warrants)		45,535
Fair value of consideration paid	\$	115,535

The assets and liabilities of 1447377 acquired were recorded based on their carrying amounts, except for the surplus amount of consideration issued in excess of the net assets of 1447377, which was allocated to exploration and evaluation assets. This allocation was as follows:

Exploration and evaluation assets	\$	133,353
Loan payable (note 10)		(17,818)
Fair value of consideration paid	\$	115,535

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6. EXPLORATION AND EVALUATION ASSETS

	Isla	Black Rock South	Aesir	Lac Simard	Leduc	Spey	Xenia	Pocitos 1	Jaguaribe	Total
Balance, September 30, 2023	\$ 167,747	\$ -	\$ 372,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	539,747
Acquisitions costs	5,000	524,251	-	-	-	627,550	-	975,000	-	2,131,801
Exploration costs	-	49,661	7,123	-	-	-	-	21,000	-	77,784
Balance, September 30, 2024	\$ 172,747	\$ 573,912	\$ 379,123	\$ -	\$ -	\$ 627,550	\$ -	\$ 996,000	\$ -	2,749,332
Acquisition costs	-	-	-	8,000	4,000	-	4,000	-	133,353	149,353
Exploration costs	-	2,614	-	-	-	-	-	13,240	-	15,854
Impairment	(172,747)	(576,526)	(379,123)	(8,000)	(4,000)	(627,550)	(4,000)	(1,009,240)	-	(2,781,186)
Balance, September 30, 2025	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 133,353	\$ 133,353

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6. EXPLORATION AND EVALUATION ASSETS (*continued*)

Isla Property Option

On November 8, 2020, and amended on February 9, 2021 and August 29, 2023, the Company entered into a Purchase Agreement (the "Isla Agreement") with an arms-length party. Pursuant to the Isla Agreement, the Company has an option to acquire 100% interest in six mineral claims known as the Isla claims located in British Columbia, Canada from the arms-length party.

In addition, the Isla claims are subject to a Net Smelter Return Royalty of 1.5% which can be purchased at any time for \$1,500,000 from the arms-length party.

Under the Isla Agreement, the Company will make cash payments totaling \$40,000 as follows:

- make a cash payment of \$5,000 upon execution and delivery of the agreement (paid);
- make a further cash payment of \$5,000 on the date upon which the common shares are listed on a stock exchange in Canada (paid); and
- make a further cash payment of \$5,000 within 24 months (paid) and \$25,000 within 30 months of listing on a stock exchange in Canada (extension granted to February 14, 2025).

The Company allowed the expiry of one of the six claims during the year ended September 30, 2023. Consequently, the Company recorded a loss on disposal related to the Isla property of \$19,500 to reflect the forfeiture of the claim.

During the year ended September 30, 2025, the option agreement was terminated and an impairment was recorded.

Black Rock South

On September 13, 2023, the Company entered into a Share Purchase Agreement (the "Black Rock Agreement") with an arms-length party to acquire 100% ownership interest in American Brines Lithium Inc., which owns the Black Rock South Lithium project located in Washoe County, Nevada. Pursuant to the terms of the Black Rock Agreement the Company issued 349,500 shares on closing on November 9, 2023, fair valued at \$0.15 per share, with an additional 349,500 shares on or before November 9, 2024 (extension granted to March 9, 2025) and 349,500 shares on or before November 9, 2025.

The Company accounted for this transaction as an asset acquisition. The assets to be acquired consist entirely of the Black Rock claims. The purchase consideration of \$524,251 was applied entirely to the exploration and evaluation asset and there were no transaction costs.

Subsequent to September 30, 2025, the agreement was terminated and an impairment loss was recorded.

Aesir Lithium Claims

On May 31, 2023, the Company entered into a Purchase Agreement (the "Aesir Agreement") with an arms-length party to acquire a 100% interest in Aesir Lithium Corp. Pursuant to the Aesir Agreement, the Company acquired a 100% interest in twenty four mineral claims known as the Aesir lithium claims located in Quebec, Canada. As consideration the Company issued 310,000 shares a fair value of \$0.12 per share.

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6. EXPLORATION AND EVALUATION ASSETS (*continued*)

Aesir Lithium Claims (*continued*)

The Company accounted for this transaction as an asset acquisition. The assets acquired consisted entirely of the Aesir lithium claims, and there were no liabilities assumed. The purchase consideration of \$372,000 was applied entirely to the exploration and evaluation asset and there were no transaction costs. During the year ended September 30, 2025, it was determined that the carrying value of property was impaired and an impairment loss was recorded.

Spey Property

On March 1, 2024, the Company entered into a Purchase Agreement (the "Spey Agreement") with third parties to acquire a 100% ownership interest in Spey Resources Argentina S.A., which owns 100% interest in the Spey property. During the year ended September 30, 2025, the option agreement was terminated and an impairment was recorded. Prior to terminating the option agreement, the Company made the following payments:

Make cash payments as follows:

- \$137,500 (paid) within 60 days of the purchase agreement.

Issue common share of the Company as follows:

- Issued 165,000 common shares (issued, note 9) within 60 days of the purchase agreement.

In addition, the Company was required to pay a finder's fee equivalent to 10% of the shares issued pursuant to the Spey Agreement. The finder's fee could be paid in cash or shares at the election of the Company. During the year ended September 30, 2024, the Company issued 16,500 finder fee shares (note 9).

The Company accounted for this transaction as an asset acquisition. The assets to be acquired consist entirely of the Spey claims. The purchase consideration of \$627,550 was applied entirely to the exploration and evaluation asset and there were no transaction costs other than the finder fee noted above.

Pocitos 1 Lithium

On June 11, 2024, the Company has entered into an agreement with Recharge Resources Ltd. ("Recharge") to acquire a 100% interest in the Pocitos 1 lithium salar project by issuing 500,000 common shares (issued, note 9) subject to a 24-month escrow and assuming an outstanding tax liability estimated to be no more than USD \$250,000 as well as a payable to a third party of AUS \$80,000. During the year ended September 30, 2024, the Company issued 50,000 finder fee shares (notes 9 and 15). As of September 30, 2024, the transaction has not closed due to a lien on the property and ongoing discussions regarding the tax liability to be assumed. The Company has issued a total of 550,000 shares in relation to this transaction.

Recharge agreed to a 24-month escrow with releases every six months and a further voluntary escrow whereby they agreed not to sell more than 1,000 shares per day in any given trading day and cumulatively no more than 5,000 shares in a normal business week. Recharge further agreed to proxy all votes to management of the Company.

During the year ended September 30, 2025, the option agreement was terminated and an impairment was recorded. Following the termination of the agreement, the Company was served with a legal claim related to the settlement of the lien on the property (note 16).

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6. EXPLORATION AND EVALUATION ASSETS (*continued*)

Jaguaribe Project, Brazil

The Jaguaribe Project is located in the Jaguaribe/Solonópole region in the State of Ceará, in Northern Brazil. The Company acquired the project by the issuance of 350,000 units of the Company, consisting of one common share and one common share purchase warrant at \$2.00 per common share for a period of three years in exchange for the issued and outstanding common share of 1447377 BC Ltd. (notes 5 and 9).

Leduc East Lithium Project, Quebec

On February 26, 2025, the Company acquired the Leduc East project, from an arm's-length party, consisting of 101 mineral claims over 6,100 hectares. The Company issued 5,000 common shares in relation to the acquisition (note 9). During the year ended September 30, 2025, it was determined that the carrying value of property was impaired and an impairment loss was recorded.

Xenia Lithium Project, Quebec

On December 17, 2024, the Company acquired the Xenia project, from an arm's-length party, consisting of 92 mineral claims over 5,382 hectares. The Company issued 5,000 common shares in relation to the acquisition (note 9). During the year ended September 30, 2025, it was determined that the carrying value of property was impaired and an impairment loss was recorded.

Lac Simard Projects, Quebec

On October 30, 2024 and November 21, 2024, the Company acquired the Lac Simard projects, from an arm's-length party, consisting of 66 mineral claims over 3,700 hectares. The Company issued 10,000 common shares in relation to these acquisitions (note 9). During the year ended September 30, 2025, it was determined that the carrying value of property was impaired and an impairment loss was recorded.

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The Company's accounts payable and accrued liabilities are non-interest bearing and detailed below:

	2025	2024
Trade accounts payable	\$ 481,773	\$ 111,907
Accrued liabilities	506,500	75,000
	\$ 988,273	\$ 186,907

8. LOANS PAYABLE

The loans payable are unsecured, non-interest bearing, and do not have repayment terms.

9. SHARE CAPITAL

Authorized:

Unlimited number of common shares without par value.

Escrow shares:

As at September 30, 2025, there were 5,285,001 (2024 – 5,285,001) common shares held in escrow.

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9. SHARE CAPITAL (*continued*)

Issued:

During the year ended September 30, 2024, the Company had the following transactions:

On November 9, 2023, the Company issued 349,500 common shares with a fair value of \$524,251 for the acquisition of American Brines Lithium Inc. (note 6).

On March 8, 2024, the Company issued 10,000 common shares on the exercise of warrants for gross proceeds of \$14,000. The Company's share price on the date of exercise was \$0.38.

On April 5, 2024, the Company issued 2,059 common shares on the exercise of warrants for gross proceeds of \$4,120. The Company's share price on the date of exercise was \$0.36.

On April 26, 2024, the Company closed a private placement of 400,000 units at \$0.20 per unit. 25,000 units were issued to settle \$50,000 in debt. Gross proceeds were \$749,999. Each unit consists of one common share and one common share purchase warrant allowing the holder to purchase half of a share at \$0.25 per common share and expires twelve months from closing. These warrants were valued at nil using the residual value method. In addition, the Company issued 6,500 broker warrants with a fair value of \$11,837.

On April 29, 2024, the Company issued 7,500 common shares on the exercise of stock options for gross proceeds of \$22,500. The Company's share price on the date of exercise was \$0.32.

On May 16, 2024, the Company issued 181,500 common shares with a fair value of \$490,050 for the acquisition of Spey Resources Argentina S.A. (note 6).

On May 31, 2024, the Company closed a private placement of 290,000 units for gross proceeds of \$580,000. Each unit consists of one common share and one common share purchase warrant allowing the holder to purchase half of a share at \$0.25 per common share and expires twelve months from closing. These warrants were valued at nil using the residual value method. In addition, the Company issued 21,500 broker warrants with a fair value of \$32,809.

On June 3, 2024, the Company issued 100,000 common shares for advisory services with a fair value of \$350,000 (note 14).

On July 30, 2024, the Company issued 10,000 common shares for the settlement of debt with a fair value of \$30,000.

On September 12, 2024, the Company issued 500,000 common shares with a fair value of \$900,000 for the acquisition of the Pocitos 1 Lithium property (note 6). In addition, the Company issued 50,000 common shares as a finder's fee with a fair value of \$75,000.

During the year ended September 30, 2025, the Company had the following transactions:

On April 8, 2025, the Company issued 20,000 common shares with a fair value of \$16,000 on the acquisition of the Lac Simard, Leduc, and Xenia properties as disclosed in note 6.

On August 19, 2025, the Company issued 100,000 common shares for the settlement of \$50,000 debt with a fair value of \$15,000.

On September 30, 2025, the Company issued 350,000 common shares with a fair value of \$70,000 on the acquisition of 1477377 BC Ltd., as disclosed in note 5.

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9. SHARE CAPITAL (continued)

Stock Options

During the year ended September 30, 2023, the Company adopted a Stock Option Plan (the "Plan"). Under the Plan, the Company can issue up to 10% of the issued and outstanding common shares as incentive stock options to directors, officers, employees and consultants to the Company. The Plan limits the number of stock options which may be granted to any one individual to not more than 5% of the total issued common shares of the Company in any 12-month period. The Plan also limits the stock options which may be granted to any one individual if the exercise would result in the issuance of common shares more than 2% in any 12-month period. The number of options granted to any one consultant or a person employed to provide investor relations activities in any 12 month period must not exceed 2% of the total issued common shares of the Company.

A continuity of the stock options outstanding at September 30, 2025 is as follows:

	Number of Options	Weighted Average Exercise Price
		\$
Balance, September 30, 2023	32,500	3.00
Exercised	(7,500)	3.00
Balance, September 30, 2024	25,000	3.00
Granted	362,000	1.29
Expired	(25,000)	3.00
Balance, September 30, 2025	362,000	1.29

The following stock options were outstanding as at September 30, 2025:

Expiry date	Number of options	Exercise price	Remaining contractual life (years)
		\$	
November 27, 2025	195,000	1.20	0.16
February 20, 2026	167,000	1.40	0.39
	362,000	1.29	0.27

The fair value of the options granted during the year was calculated to be \$333,414 using the Black-Scholes option pricing model using the following assumptions:

	November 27, 2025	February 20, 2025
Options granted	195,000	167,000
Contractual life	2 years	1 year
Expected volatility	161.86%	191.57%
Risk free rate	3.17%	2.83%
Dividend rate	0.00%	0.00%
Exercise price	\$1.20	\$1.40
Share price	\$1.20	\$1.40

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9. SHARE CAPITAL (continued)

Warrants

A continuity of the warrants outstanding at September 30, 2025 is as follows:

	Number of Warrants	Weighted Average Exercise Price
		\$
Balance, September 30, 2023	122,500	1.50
Issued	372,999	2.50
Exercised	(12,060)	1.50
Balance, September 30, 2024	483,439	2.30
Issued	350,000	2.00
Expired	(372,999)	2.50
Balance, September 30, 2025	460,440	1.56

The following share purchase warrants were outstanding as at September 30, 2025:

Expiry date	Number of warrants	Exercise price	Remaining contractual life (years)
		\$	
December 22, 2026	15,440	2.00	1.23
April 5, 2026	95,000	1.40	0.51
September 29, 2028	350,000	2.00	3.00
	460,440	1.56	2.43

The weighted average assumptions used in the Black-Scholes option pricing model valuation of warrants issued during the year ended September 30, 2025 and 2024 are as follows:

	2025	2024
Share price	\$2.00	\$3.20
Exercise price	\$2.00	\$2.50
Risk-free interest rate	2.47%	4.3%
Expected life of warrants	3 years	1 year
Dividend rate	0%	0%
Annualized volatility	171.43%	101%

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10. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Key management personnel includes directors and key officers of the Company, including the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"). The Company incurred the following key management personnel costs:

	2025	2024
Management and consulting fees	\$ 205,500	\$ 100,500
Professional fees	40,000	10,000
Share-based compensation	40,797	-
	\$ 286,297	\$ 110,500

During the year end September 30, 2024, the Company entered into a loan agreement with a Company controlled by the CEO. The loan principal was \$50,000 and did not bear any interest. The loan was settled during the year ended September 30, 2024 by the issuance of 25,000 units (note 9).

As at September 30, 2025 included in accounts payable and accrued liabilities is \$305,825 (2024 - \$70,500) owed to a companies controlled by directors and \$20,000 (2024 - \$1,000) owed to a director for the above services. The amounts owing are unsecured, non-interest bearing and have no fixed terms for repayment.

On September 30, 2025, the Company completed the acquisition of 1447377 BC Ltd. of which an officer and director was a shareholder (note 5). Included in the loan payable balance was a loan with a company controlled by the CEO in the amount of \$3,600. The loan does not bear any interest and has no fixed repayment terms. The loan remains outstanding as at September 30, 2025.

11. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the Company's principal business activities which include the acquisition and exploration of mineral property assets. The Company does not have any externally imposed capital requirements to which it is subject.

The Company's capital structure consists of shareholders' deficiency of \$677,409 (2024 – equity \$3,239,011). As at September 30, 2025, the Company had capital resources consisting of cash. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue common shares or dispose of assets or adjust the amount of cash.

The Company's strategy for managing capital did not change during the year ended September 30, 2025.

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12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

IFRS 13, Fair value measurement, establishes a fair value hierarchy that reflects the reliability of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value of the Company's cash is classified as Level 1.

The carrying value of accounts payable and accrued liabilities and loans payable approximates its fair value due to the relatively short period to maturity of these instruments.

Financial risk management objectives and policies

The Company's financial instruments include cash and accounts payable and accrued liabilities and loans payable. The risks associated with these financial instruments and the policies on mitigating these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner. There were no changes to the Company's risk exposure during the year ended September 30, 2025.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash and the Company's maximum exposure to credit risk is the carrying amount of cash. To minimize the credit risk the Company places these instruments with a high quality financial institution. The Company's exposure to and management of credit risk has not changed materially from that of the prior year.

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. In the management of liquidity risk, the Company maintains a balance between continuity of funding and the flexibility through the use of debt. Management closely monitors the liquidity position and expects to have adequate sources of funding to finance the Company's projects and operations. The Company's accounts payable have contractual maturities of less than 30 days and are subject to normal trade terms. There are no terms on the loans payable. As at September 30, 2025, the Company had cash of \$4,542 (2024 - \$84,838) to settle accounts payable and accrued liabilities of \$950,773 (2024 - \$186,907) and loans payable of \$12,200 (2024 - nil). The Company's management of liquidity risk has not changed materially from that of the prior year.

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12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued))

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. These risks are generally outside the control of the Company. The objective of the Company is to mitigate market risk exposures within acceptable limits. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. It is management's opinion that the Company is not exposed to material currency risk, interest rate risk or other price risk. The Company's exposure to and management of market risk has not changed materially from that of the prior year.

13. INCOME TAXES

The following table reconciles the amount of income tax recoverable on application of the combined statutory Canadian federal and provincial income tax rates to the tax expense (recovery) recognized in the consolidated financial statements:

	2025	2024
Net loss for the year	\$ (4,396,369)	\$ (1,019,181)
Canadian statutory income tax rate	27%	27%
Income tax recovery at statutory rate	(1,187,000)	(275,000)
Non-deductible expenses and other	82,000	1,000
Share issue costs	-	(23,000)
Change in estimate	21,000	28,000
Change in deferred tax assets not recognized	1,084,000	269,000
	\$ -	\$ -

Significant components of the Company's deductible (taxable) temporary differences are shown below:

	2025	2024
Exploration and evaluation assets	\$ 708,000	\$ (45,000)
Share issue costs	-	18,000
Non-capital loss carry forwards	774,000	425,000
	1,482,000	398,000
Deferred tax assets not recognized	(1,482,000)	(398,000)
	\$ -	\$ -

The Company has non-capital loss carry forwards of approximately \$2,868,000, which may be carried forward to apply against taxable income, subject to the final determination by taxation authorities, expiring in the following years:

Expiry date	Amount
2040	\$ 21,000
2041	152,000
2042	210,000
2043	156,000
2044	1,017,000
2045	1,312,000
	\$ 2,868,000

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14. SEGMENT REPORTING

Management determined that the Company has one reportable operating segment, being the exploration and development of its exploration and evaluation assets in three geographic locations being Canada, USA, Brazil and Argentina. As at September 30, 2025, nil (2024 - \$1,623,550), nil (2024 - \$573,912), \$133,353 (2024 - nil) and nil (2024 - \$551,870) of non-current assets were located in Argentina, USA, Brazil, and Canada respectively.

15. COMMITMENTS

On June 2, 2024, the Company has entered into an agreement with a third party (the "Advisor") to provide advisory services related to acquisitions and disposals of exploration and evaluation properties. Under the agreement, the Company shall pay the Advisor:

- i. A monthly fee of \$10,000 of which the first two months were payable in cash (paid) and the subsequent months will be accrued and converted to common shares of the Company on a quarterly basis until the Company completes a minimum raise of a \$2.5 million private placement, after which the monthly fee will be paid in cash. As at September 30, 2025, \$140,000 (2024 - \$20,000) is included in accounts payable and accrued liabilities.
- ii. 100,000 common shares of the Company (issued, note 9).
- iii. 300,000 common shares of the Company over an 18-month period (no shares have been issued as at or subsequent to September 30, 2025).

The Company must also pay a 5% completion fee related to any completed transaction. The transaction fee is payable in either cash or shares at the option of the Advisor. If the Company receives a break fee from any proposed transaction, the Advisor is entitled to receive 50% of the fee. During the year ended September 30, 2024, the Company issued the Advisor 25,000 shares with a fair value of \$37,500 pursuant to the terms of this agreement in connection with the Recharge Agreement (note 9).

16. LEGAL PROCEEDINGS

During the year ended September 30, 2025, the Company was served with a notification from the Civil and Commercial Court of First Instance, 5th Nomination, Province of Salta, Argentina, regarding legal proceedings initiated against the Company and Recharge Resources Argentina S.A.U. The claim relates to the settlement of the lien applied against the Pocitos 1 property (note 6).

As at September 30, 2025 and the date of approval of these consolidated financial statements, the matter remains in an early procedural phase. The Company is currently assessing the claim and intends to defend its position vigorously.

Given the preliminary status of the litigation, management is unable to determine the likelihood of an unfavorable outcome or to reasonably estimate the potential financial impact, if any. Accordingly, no provision has been recorded in these consolidated financial statements in relation to this matter. The Company will continue to monitor the progress of the case and will recognize a provision if and when it becomes probable that an obligation has arisen and the amount can be reliably estimated.

17. SUBSEQUENT EVENTS

On November 27, 2025, 195,000 stock options expired.