Q2 METALS CORP.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED MAY 31, 2026

UNAUDITED – PREPARED BY MANAGEMENT

(EXPRESSED IN CANADIAN DOLLARS)

The accompanying unaudited condensed interim consolidated financial statements of Q2 Metals Corp. for the three months ended May 31, 2026, have been prepared by management and approved by the Audit Committee and the Board of Directors of the Company. These condensed interim consolidated financial statements have not been reviewed by the Company's external auditor.

Q2 Metals Corp.

Condensed Interim Consolidated Statements of Financial Position
Unaudited – prepared by management
(Expressed in Canadian Dollars)

	May 31, 2026 $	February 28, 2026 $
ASSETS		
Current assets		
Cash and cash equivalents (Note 10)	**75,653,703**	16,601,359
GST/QST receivable	**717,681**	791,383
Amounts receivable	**1,626**	2,534
Prepaid expenses	**988,256**	553,801
Total current assets	**77,361,266**	17,949,077
Deposit	**46,000**	46,000
Reclamation bonds	**17,437**	17,437
Exploration and evaluation assets (Note 6)	**70,703,000**	65,373,625
Total assets	**148,127,703**	83,386,139
SHAREHOLDERS' EQUITY AND LIABILITIES		
Current liabilities		
Trade and other payables (Note 9)	**1,641,586**	3,987,761
Premium associated with flow-through shares (Note 10)	**4,732,476**	2,100,910
	6,374,062	6,088,671
Deferred income taxes	**2,990,000**	2,990,000
Total liabilities	**9,364,062**	9,078,671
Equity		
Issued capital (Note 7)	**152,338,143**	88,819,223
Equity reserve (Note 7)	**17,728,878**	15,860,813
Deficit	**(31,279,762)**	(30,349,694)
Total equity attributable to shareholders	**138,787,259**	74,330,342
Non-controlling interest (Note 6)	**(23,618)**	(22,874)
Total Equity	**138,763,641**	74,307,468
Total equity and liabilities	**148,127,703**	83,386,139

Nature of operations and going concern (Note 1)
Subsequent events (Note 11)

These consolidated financial statements were approved by the Board of Directors and authorized for issue on July 24, 2026

(s) Alicia Milne, Director *(s) Leo Power*, Director

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

Q2 Metals Corp.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
For the three months ended May 31, 2026 and 2025
Unaudited – prepared by management
(Expressed in Canadian Dollars)

	Three months ended May 31, 2026 $	Three months ended May 31, 2025 $
General and administrative expenses		
Advertising and promotion	**403,499**	435,805
Consulting fees (Note 9)	**164,635**	150,566
Director fees (Note 9)	**48,000**	22,500
Filing and transfer agent fees	**21,659**	7,984
Office, insurance and administrative	**48,166**	21,085
Professional fees (Note 9)	**131,915**	42,537
Share-based compensation (Note 7)	**1,062,914**	147,452
	1,880,788	827,929
Other income		
Flow-through premium recovery (Note 10)	**868,714**	90,857
Interest income	**81,121**	92,063
	949,835	182,920
Net and comprehensive loss	**930,953**	645,009
Loss attributable to:		
Shareholders of the Company	**930,068**	644,887
Non-controlling interest (Note 6)	**885**	122
	930,953	645,009
Basic and diluted loss per share	**$ 0.00**	$ 0.00
Weighted average number of common shares outstanding		
- basic and diluted (Note 8)	**189,407,963**	147,582,124

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

Q2 Metals Corp.

Condensed Interim Consolidated Statements of Cash Flows
For the three months ended May 31, 2026 and 2025
Unaudited – prepared by management
(Expressed in Canadian Dollars)

	Three months ended May 31, 2026 $	Three months ended May 31, 2025 $
Cash flows (used in) operating activities		
Net loss for the period	**(930,812)**	(645,009)
Non-cash adjustments:		
Share-based payments (Note 7)	**1,058,715**	147,452
Accrued interest	**90,441**	-
Flow-through premium recovery	**(868,714)**	(90,857)
Non-cash working capital items:		
Amounts receivable	**74,610**	(336,765)
Prepaid expenses	**(434,455)**	19,480
Trade and other payables	**217,841**	(37,485)
Cash flows (used in) operating activities	**(792,374)**	(943,184)
Cash flows from financing activities		
Shares issued for cash	**70,003,650**	-
Share issuance costs	**(4,147,835)**	-
Warrants exercised	**1,800,485**	61,525
Stock options exercised	**172,250**	-
Cash flows from financing activities	**67,828,550**	61,525
Cash flows (used in) investing activities		
Accrued interest	**(90,441)**	-
Exploration and evaluation asset expenditures	**(7,893,391)**	(3,688,382)
Cash flows (used in) investing activities	**(7,983,832)**	(3,688,382)
Change in cash	**59,052,344**	(4,570,041)
Cash, beginning of period	**16,601,359**	12,385,275
Cash, end of period	**75,653,703**	7,815,234
Supplemental information:		
Common shares issued for interest in exploration and evaluation properties (Notes 6 and 7)	**$ -**	$ -

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

Q2 Metals Corp.

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
For the three months ended May 31, 2026 and 2025
Unaudited – prepared by management
(Expressed in Canadian Dollars)

	Number of Shares	Issued Capital $	Equity Reserve $	Deficit $	Non-controlling interest $	Total $
Balance, February 28, 2025	**147,582,124**	**55,422,828**	**8,271,661**	**(17,074,814)**	**166,764**	**46,786,439**
Warrants exercised	123,050	61,525	-	-	-	61,525
Share-based payments	-	-	147,452	-	-	147,452
Net loss for the period	-	-	-	(644,887)	(122)	(645,009)
Balance, May 31, 2025	**147,705,174**	**55,484,353**	**8,419,113**	**(17,719,701)**	**166,642**	**46,350,407**
	Number of Shares	**Issued Capital $**	**Equity Reserve $**	**Deficit $**	**Non-controlling interest $**	**Total $**
Balance, February 28, 2026	**196,342,076**	**88,819,223**	**15,860,813**	**(30,349,694)**	**(22,874)**	**74,307,468**
Shares issued for cash – flow-through	5,556,000	16,501,320	-	-	-	16,501,320
Shares issued for cash	20,409,000	50,002,050	-	-	-	50,002,050
Broker warrants exercised	769,000	968,391	(375,891)	-	-	592,500
Warrants exercised	2,415,971	1,207,985	-	-	-	1,207,985
Options exercised	240,000	324,251	(152,001)	-	-	172,250
Share issuance costs	-	(5,485,077)	1,337,242	-	-	(4,147,835)
Share-based payments	-	-	1,058,715	-	-	1,058,715
Net loss for the period	-	-	-	(930,068)	(744)	(930,812)
Balance, May 31, 2026	**225,732,047**	**152,338,143**	**17,728,878**	**(31,279,762)**	**(23,618)**	**138,763,641**

1. Nature of operations and going concern

Q2 Metals Corp. ("Q2 Metals" or the "Company") was incorporated under the British Columbia Business Corporations Act on May 6, 2010. The Company is principally engaged in the business of mineral exploration, focused on its Cisco Lithium Project. Substantially all of the efforts of the Company are devoted to these business activities and to date the Company has not earned significant revenues. The head office of the Company is located at Suite 904 - 409 Granville Street, Vancouver, British Columbia, V6C 1T2.

On January 9, 2023, the Company changed its name from Queensland Gold Hills Corp to Q2 Metals Corp. The Company's shares are listed on Tier 2 of the TSX Venture Exchange ("TSX-V") in Canada ("QTWO"), the Frankfurt Stock Exchange in Germany ("458"), and the OTCQB ("QUEXF").

The business of exploring and mining for minerals involves a high degree of risk and there can be no assurance that current exploration and development programs will result in profitable mining operations. The recoverability of the carrying value of exploration and evaluation properties and the Company's continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise additional financing, if necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material write-downs of the carrying values.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Project title may be subject to social and government licensing requirements or regulations, unregistered prior agreements, unregistered claims, indigenous claims, and non-compliance with regulatory requirements. The Company's assets may also be subject to increases in taxes and royalties, renegotiation of contracts, currency exchange fluctuations and restrictions and political uncertainty.

These consolidated financial statements were prepared on a going concern basis of presentation, which assumes that the Company will continue operations for the foreseeable future and be able to realize the carrying value of its assets and discharge its liabilities and commitments in the normal course of business.

As at May 31, 2026, the Company had not earned revenue and had an accumulated deficit of $31,279,762 (February 28, 2026 - $30,349,694), cash and cash equivalents of $75,653,703 (February 28, 2026 - $16,601,359), and working capital of $70,987,204 (February 28, 2026 - $11,860,406). The Company's ability to continue as a going concern is dependent upon its ability to obtain additional financing and/or achieve profitable operations in the future. These consolidated financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. These adjustments could be material.

2. Material accounting policy information

Statement of compliance

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS"), and International Financial Reporting Interpretations Committee ("IFRIC") as issued by the International Accounting Standards Board ("IASB").

Basis of presentation and consolidation

The consolidated financial statements have been prepared on the historical cost basis, except for cash and cash equivalents which are reflected at fair value as set out in the accounting policies below. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information. The consolidated financial statements include the financial statements of the Company, its wholly-owned subsidiary Orefox Titan Pty Ltd., and its 95%-owned subsidiary Big Hill Gold Mining Company Pty Ltd.

2. Material accounting policy information (Continued)

Basis of presentation and consolidation (Continued)

Subsidiaries consist of entities over which the Company is exposed to, or has rights to, variable returns as well as the ability to affect those returns through the power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date control is transferred to the Company and are de-consolidated from the date control ceases. The consolidated financial statements include all the assets, liabilities, revenues, expenses and cash flows of the Company and its subsidiaries after eliminating inter-entity balances and transactions.

Presentation and functional currency

These consolidated financial statements are presented in the Canadian dollar functional currency, the currency of the primary economic environment in which the Company and its subsidiaries operate.

Accounting Policies

The policies applied in these condensed interim financial statements are consistent with policies disclosed in Note 2 of the audited financial statements for the year ended February 28, 2026. Therefore, these condensed interim financial statements should be read in conjunction with the Company's audited financial statements for the year ended February 28, 2026.

3. Critical judgements and estimation uncertainties

The preparation of consolidated financial statements in conformity with IFRS requires the Company's management to make judgements, estimates and assumptions about future events that affect the amounts reported in the consolidated financial statements and related notes to the consolidated financial statements. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may differ from those estimates. The areas which require management to make significant judgements, estimates and assumptions in determining carrying values include, but are not limited to:

Going concern

Evaluation of the ability of the Company to realize its strategy for funding its future needs for working capital involves making judgements.

Capitalization of exploration and evaluation expenditures

Management has determined that exploration and evaluation expenditures incurred during the year have future economic benefits and are economically recoverable. In making this judgement, management has assessed various sources of information including, but not limited to, the geologic and metallurgic information, history of conversion of mineral deposits to proven and probable mineral reserves, scoping and feasibility studies, proximity of operating facilities, operating management expertise and existing permits. See Note 6 for details of capitalized exploration and evaluation expenditures.

Impairment of exploration and evaluation assets

While assessing whether any indications of impairment exist for exploration and evaluation assets, consideration is given to both external and internal sources of information. Information the Company considers include changes in the market, economic and legal environment in which the Company operates that are not within its control and affect the recoverable amount of exploration and evaluation assets. Internal sources of information include the manner in which exploration and evaluation assets are being used or are expected to be used and indications of expected economic performance of the assets. Reductions in metal price forecasts, increases in estimated future costs of production, increases in estimated future capital costs, reductions in the amount of recoverable mineral reserves and mineral resources and/or adverse current economics can result in a write-down of the carrying amounts of the Company's exploration and evaluation assets.

3.Critical judgements and estimation uncertainties (Continued)

Share-based payments

Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based non-vested share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgement used in applying valuation techniques. These assumptions and judgements include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors and corporate performance. Such judgements and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

4. Capital management

When managing capital, the Company's objective is to ensure the entity continues as a going concern as well as to achieve optimal returns to shareholders and benefits for other stakeholders. Management adjusts the capital structure as necessary in order to support the acquisition, exploration and development of its lithium assets. 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 team to sustain the future development of the business. The Company considers its capital to be equity, comprised of issued capital, equity reserve and accumulated deficit, which totaled $138,763,641 at May 31, 2026 (February 28, 2026 - $74,307,468).

The Company invests all capital not required for its immediate needs in short-term, liquid and highly rated financial instruments, such as cash and cash equivalents and other short-term guaranteed deposits, all held with select major Canadian chartered banks and financial institutions.

The Company is currently attempting to identify economic critical, base and precious metal resources with an emphasis on lithium and as such, the Company is dependent on external financing to fund its activities. In order to carry out the planned acquisitions and exploration, as well as pay for administrative costs, the Company will spend existing working capital and raise additional amounts as needed.

Management has chosen to mitigate the risk and uncertainty associated with raising additional capital in current economic conditions by:

(i) maintaining a liquidity cushion in order to address any potential disruptions or industry downturns;

(ii) minimizing discretionary disbursements; and

(iii) exploring alternative sources of liquidity.

In light of the above, the Company will continue to assess new properties if the Company believes there is sufficient potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is appropriate. The Company's capital management objectives, policies and processes have remained unchanged during the three months ended May 31, 2026 and the year ended February 28, 2026.

(Expressed in Canadian Dollars)

5. Financial instruments and financial risk factors

Fair value measurements

	May 31, 2026	February 28, 2026
Financial assets		
FVPL, measured at fair value		
Cash and cash equivalents	**$ 75,653,703**	$ 16,601,359
Reclamation bonds	**17,437**	17,437
Deposit	**46,000**	46,000
Financial liabilities		
Other liabilities, measured at amortized cost		
Trade and other payables	**$ 1,641,586**	$ 3,987,761

Fair value hierarchy

IFRS 13 establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

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).

As at May 31, 2026, the Company's financial instruments are comprised of cash and cash equivalents, reclamation bonds, deposit, trade and other payables. The carrying value of these financial instruments approximate their fair values due to the relatively short periods to maturity of these financial instruments. Financial instruments measured at fair value on the consolidated statement of financial position are summarized in levels of fair value hierarchy as follows:

At May 31, 2026

Assets	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 75,653,703	$ -	$ -	$ 75,653,703
Deposit	46,000	-	-	46,000
Reclamation bonds	17,437	-	-	17,437
Total	$ 75,717,140	$ -	$ -	$ 75,717,140

At February 28, 2026

Assets	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 16,601,359	$ -	$ -	$ 16,601,329
Deposit	46,000	-	-	46,000
Reclamation bonds	17,437	-	-	17,437
Total	$ 16,664,796	$ -	$ -	$ 16,664,796

5. Financial instruments and financial risk factors (Continued)

Financial risk factors

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate, foreign exchange rate, and metals price risk). Risk management is carried out by the Company's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management. There were no changes in the risks, objectives, policies and procedures from the previous year.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Company. The Company generates cash flow primarily from its financing activities. As at May 31, 2026, the Company had cash and cash equivalents of $75,653,703 (February 28, 2026 - $16,601,359) to settle current liabilities of $6,374,062 (February 28, 2026 - $6,088,671). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as maintenance of liquidity. The Company has no other contractual obligations other than trade and other payables. As discussed in Note 1, the Company's ability to meet its obligations and carry out its planned exploration activities is uncertain and dependent upon the continued financial support of its shareholders and securing additional financing.

Market risk

(a) Interest rate risk

The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in guaranteed investment certificates or interest-bearing accounts of select major Canadian chartered banks and financial institutions. The Company regularly monitors compliance to its cash management policy.

(b) Foreign currency risk

The Company's functional and reporting currency is the Canadian dollar and a significant portion of the Company's expenditures are transacted in Canadian dollars. As a result, the Company's exposure to the foreign currency risk is minimal at this time.

(c) Commodity price risk

The Company is exposed to price risk with respect to critical, base and precious metal prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to price movements and volatilities. The Company closely monitors prices to determine the appropriate course of action to be taken by the Company.

(d) Credit risk

Credit risk is the risk of an unexpected loss if a third party to a financial instrument fails to meet its contractual obligations. Credit risk for the Company is primarily associated with amounts receivable, which is comprised primarily of GST/HST receivable due from the Government of Canada. The Company has no significant concentration of credit risk arising from its operations. Management believes that the credit risk concentration with respect to amounts receivable is low.

6. Interest in exploration properties and exploration and evaluation expenditures

Cisco Project, Quebec

On June 12, 2024, the Company completed the closing of three individual option agreements which granted the exclusive right and option to acquire a 100% interest in three groups of mineral claims (Cisco Claim Group, Broadback and Ouagama) collectively known as the Cisco Project, located in the southern portion of Eeyou Istchee James Bay, Quebec, Canada, and on November 26, 2024, as amended December 17, 2024, entered into a further option agreement for the Cisco Expansion Claims group. Under the terms of the four individual Option Agreements, the aggregate consideration payable for the Cisco Project is $4,800,000 cash ($3,600,000 paid, including $700,000 subsequent to May 31, 2026), 60,000,000 Company common shares (20,000,000 shares issued with a fair value of $5,600,000 during the year ended February 28, 2025, 20,000,000 shares issued with a fair value of $12,780,000 during the year ended February 28, 2026 and 10,000,000 shares issued subsequent to May 31, 2026), and the completion of aggregate exploration expenditures of $13,200,000, broken down on a per option agreement basis as follows:

Cisco Claim Group

The Company entered into an option agreement with 9490-1626 Quebec Inc. (the “Cisco Vendor”) to acquire a 100% interest in 121 mineral claims (the “Cisco Claims”) by paying consideration aggregating 40,000,000 common shares (10,000,000 shares issued with a fair value of $2,800,000 during the year ended February 28, 2025, 10,000,000 issued with a fair value of $7,580,000 during the year ended February 28, 2026, and 10,000,000 shares issued with a fair value of $31,200,000 subsequent to May 31, 2026), $2,000,000 cash ($1,100,000 paid during the year ended February 28, 2025, $500,000 paid during the year ended February 28, 2026 and $400,000 paid subsequent to May 31, 2026) and the completion of $12,000,000 in exploration expenditures over a four-year period (completed). The Cisco Vendor will retain a 4% gross metals returns royalty on the Cisco Claims (the “Cisco GMR”), of which up to 3% of the Cisco GMR can be repurchased by the Company at any time after the option for the Cisco Claims is exercised and prior to commercial production. The Company may repurchase the first 1% for $1,500,000, the next 1% for $3,000,000 and the Company has a right of first refusal on an additional 1%. The foregoing Cisco GMR purchase payments may be satisfied in either cash or common shares, at the election of the Company. The Cisco Vendor will also be paid a bonus of $2,500,000 on the completion and delivery of an initial mineral resource calculation report, prepared in accordance with National Instrument 43-101 – Standards of Disclosure for Mineral Projects, on the Cisco Claims demonstrating an inferred resource (or higher category) of at least 25 million tonnes grading over 1% Li_2O (paid via the issuance of 796,178 common shares subsequent to May 31, 2026).

Broadback Claims

On June 12, 2024, the Company entered into an option agreement (the “Broadback Agreement”) with 9219-8845 Quebec Inc (“CMH”), Steven Labranche and Anna-Rosa Giglio (the “Broadback Vendors”) to acquire a 100% interest in 24 mineral claims (the “Broadback Claims”) from the Broadback Vendors. The Company must pay to the Broadback Vendors an aggregate of 10,000,000 common shares (5,000,000 shares issued with a fair value of $1,400,000 during the year ended February 28, 2025 and 5,000,000 issued with a fair value of $2,600,000 during the year ended February 28, 2026) and $200,000 cash (paid). CMH and Ressources Broadback Inc. have been granted a 3% GMR on the Broadback Claims (the “Broadback GMR”), of which up to 2% of the Broadback GMR can be repurchased by the Company at any time prior to commercial production for $1,000,000 for the first 1% and $2,000,000 for the next 1%. The foregoing Broadback GMR purchase payments may be satisfied in either cash or common shares, at the election of the Company.

Ouagama Claims

On June 12, 2024, the Company entered into an option agreement (the “Ouagama Agreement”) with CMH, Steven Labranche, Anna-Rosa Giglio, Trent Potts and Potts of Gold Resources Pty Ltd. (the “Ouagama Vendors”) to acquire a 100% interest in 77 mineral claims (the “Ouagama Claims”) from the Ouagama Vendors. The Company must pay to the Ouagama Vendors an aggregate of 10,000,000 Common Shares (5,000,000 shares issued with a fair value of $1,400,000 during the year ended February 28, 2025 and 5,000,000 issued with a fair value of $4,980,000 during the year ended February 28, 2026) and $200,000 cash (paid). The Ouagama Vendors have been granted a 3% GMR on the Ouagama Claims (the “Ouagama GMR”), of which up to 2% of the Ouagama GMR can

6. Interest in exploration properties and exploration and evaluation expenditures (Continued)

Ouagama Claims (Continued)

be repurchased by the Company at any time prior to commercial production for $1,000,000 for the first 1% and $2,000,000 for the second 1%. The foregoing Ouagama GMR purchase payments may be satisfied in either cash or common shares, at the election of the Company.

Expansion Claims

On November 26, 2024, as amended and restated on December 17, 2024, the Company entered in an option agreement (the “Expansion Agreement”) with CMH and Anna-Rosa Giglio (the “Expansion Vendors”) to acquire a 100% interest in 579 mineral claims (the “Cisco Expansion Claims”), including 34 claims added to the option agreement subsequently. The Company must pay to the Expansion Vendors an aggregate of $2,400,000 over a period of 42 months ($150,000 paid during the year ended February 28, 2025, $750,000 paid during year ended February 28, 2026, and $300,000 paid subsequent to May 31, 2026) and complete $1,200,000 of exploration expenditures during that time (completed). Upon satisfaction of the above payments and expenditures, the Company will earn a 100% interest in the Expansion Claims. The Expansion Vendors will retain a 3% GMR on the Expansion Claims except the Soquem Claims (as defined below), of which up to 2% of the GMR may be purchased by the Company at any time prior to commercial production for $1,000,000 for the first 1% and $2,000,000 for the next 1%. The foregoing GMR purchase payments may be satisfied in either cash or common shares, at the election of the Company. Certain of the Expansion Claims (the “Soquem Claims”) bear a 2% net smelter returns royalty (the “NSR”) in favour of Soquem Inc. The Company assumed the rights and obligations under the NSR, which included the right to repurchase 1% of the NSR for $500,000. In addition, the Company granted the Expansion Vendors a 1% GMR on the Soquem Claims. The Expansion Vendors will also be paid a bonus of $2,500,000 on the completion and delivery of an initial mineral resource calculation report, prepared in accordance with National Instrument 43-101 – Standards of Disclosure for Mineral Projects, on the Expansion Claims demonstrating an inferred resource (or higher category) of at least 25 million tonnes grading over 1% Li_2O.

See Note 11.

Mia Project, Quebec

On November 21, 2022, the Company entered into an agreement with CMH and certain investors in CMH (“CMH Nominees”) to acquire a 100% interest in the 86 square kilometre Mia Lithium Project (the “Mia Project”). The Mia Project is comprised of 171 mineral claims and located 62 km East of Wemindji Community in the Eeyou Istchee James Bay Territory, Quebec, Canada.

The Company paid CMH and the CMH Nominees $500,000 cash, 13,000,000 common shares and incurred $1,000,000 in exploration expenditures after entering the agreement, earning a 100% interest in the Mia Project on October 11, 2023.

CMH retained a 3% net smelter returns royalty (‘NSR’) on the Mia Project (the “Mia NSR”), of which, up to 1% may be repurchased by the Company for $1,000,000 at any time prior to commercial production. CMH subsequently assigned 2% of the Mia NSR on 28 claims in favour of Franco-Nevada Corporation (the “Franco-Nevada NSR”). As a result, CMH retains a 1% NSR on the claims that are part of the Franco-Nevada NSR and a 3% NSR on all other claims. The Eastmain NSR was extinguished by CMH on August 16, 2023. The Company assumed the obligations under the existing royalties.

On November 2, 2023, the Company entered into an agreement with CMH to repurchase 2% of the Mia NSR on all claims that are not part of the Franco-Nevada NSR for total consideration of $1,280,400. The consideration is payable in a combination of cash and common shares of the Company. During the year ended February 29, 2024, the Company completed the acquisition of the NSR by issuing 1,400,000 common shares with a fair value of $392,000 and making aggregate cash payments of $888,400. Lithium Royalty Corp. acquired the remaining 1% NSR held by CMH on all claims comprising the project. As at February 28, 2026 and 2025, Franco Nevada Corporation holds a 2% NSR on 28 claims comprising the Mia Project and Lithium Royalty Corp. holds a 1% NSR on all Mia Project claims.

6. Interest in exploration properties and exploration and evaluation expenditures (Continued)

Stellar Lithium Project, Quebec

On March 2, 2023, the Company acquired the "Stellar Lithium Project" for the cost of staking. The Stellar Lithium Project is compromised of 77 claims totaling 3,972 hectares in the James Bay district of Quebec, Canada. During the year ended February 28, 2026, the claims expired and the Company wrote off the $20,981 carrying value of the property.

Big Hill Gold Property, Australia

In December 2021, the Company acquired an 95% interest of Big Hill Gold Mining Company Pty Ltd. ACN 474 179 ("Big Hill)", a private Australian company. Big Hill holds a 100% interest in an exploration permit and two mining licenses comprising the Big Hill Gold Property located in Queensland, Australia. In consideration for the interest in Big Hill, the Company issued 17,500,000 common shares of the Company and paid $275,325 (AU$300,000) in cash.

As a result of the transaction, the Company recorded the pro-rata fair value of the non-controlling interest's portion of the net assets of Big Hill at the time of acquisition to non-controlling interest. The non-controlling interest (5%) can be acquired by the Company at any time for cash of AU$700,000. Upon the Company acquiring the remaining 5% of Big Hill, the non-controlling interest will receive a 0.75% net smelter royalty.

During the year ended February 28, 2026, the Company wrote the carrying value of the Big Hill Gold Property down to $1.

Titan Gold Project, Australia

On January 28, 2022, the Company acquired 100% of the issued and outstanding common shares of Orefox Titan Pty Ltd. CAN 640 056 131 ("Orefox Titan"), a private Australian Company. Orefox Titan holds a 100% interest in the Titan Gold Property located contiguous to the Company's Big Hill Gold project in Queensland Australia. In consideration for the acquisition of Orefox Titan, the Company issued 300,000 common shares valued at $105,000. At the acquisition date, the net assets of Orefox Titan consisted of the Titan Gold Property.

During the year ended February 28, 2026, the Company wrote the carrying value of the Titan Gold Project down to $1.

(Expressed in Canadian Dollars)

6. Interest in exploration properties and exploration and evaluation expenditures (Continued)

	Cisco Project	Mia Project	Stellar Project	Big Hill	Titan Gold	Total
Balance, February 28, 2025	**$ 13,245,998**	**$ 18,573,005**	**$ 20,981**	**$ 3,757,889**	**$ 105,000**	**$ 35,702,873**
Project acquisition costs						
Cash	1,250,000	-	-	-	-	1,250,000
Shares	12,780,000	-	-	-	-	12,780,000
Claim transfer costs	54,054	-	-	-	-	54,054
Project exploration costs						
Assays	1,286,137	-	-	-	-	1,286,137
Camp	2,305,413	-	-	-	-	2,305,413
Community relations	170,965	-	-	-	-	170,965
Drilling	4,179,706	-	-	-	-	4,179,706
Environmental	31,574	-	-	-	-	31,574
Field supplies and rentals	1,012,899	-	-	-	-	1,012,899
Fuel	1,124,397	-	-	-	-	1,124,397
Geological consulting	4,272,515	-	-	-	-	4,272,515
Metallurgy	75,146	-	-	-	-	75,146
Other costs	29,468	-	-	-	-	29,468
Permits, planning, and license fees	93,690	-	-	32,056	-	125,746
Technical reports	271,837	-	-	-	-	271,837
Travel and transport	4,616,819	-	-	-	-	4,616,819
Costs for the year	**33,554,620**	**-**	**-**	**32,056**	**-**	**33,586,676**
Impairment	**-**	**-**	**(20,981)**	**(3,789,944)**	**(104,999)**	**(3,915,924)**
Balance, February 28, 2026	**$ 46,800,618**	**$ 18,573,005**	**$ -**	**$ 1**	**$ 1**	**$ 65,373,625**
Project exploration costs						
Assays	387,477	-	-	-	-	387,477
Camp	708,255	-	-	-	-	708,255
Community relations	52,248	-	-	-	-	52,248
Drilling	872,606	-	-	-	-	872,606
Fuel	507,619	-	-	-	-	507,619
Field supplies and rentals	405,259	-	-	-	-	405,259
Geological consulting	1,154,129	-	-	-	-	1,154,129
Other costs	2,500	-	-	-	-	2,500
Permits and license fees	1,138	-	-	-	-	1,138
Technical report	213,409	-	-	-	-	213,409
Travel and transport	1,024,735	-	-	-	-	1,024,735
Costs for the period	**5,329,375**	**-**	**-**	**-**	**-**	**5,329,375**
Balance, May 31, 2026	**$ 52,129,993**	**$ 18,573,005**	**$ -**	**$ 1**	**$ 1**	**$ 70,703,000**

7. Share capital

Common Shares

(a) Authorized - Unlimited number of common shares without par value.

(b) Issued - As at May 31, 2026, the Company had 196,342,076 (February 28, 2026 – 196,342,076) shares issued and outstanding.

Issued during the three months ended May 31, 2026:

On May 26, 2026, the Company closed a private placement by issuing 5,556,000 flow-through common shares (the "FT Shares") at a price for $3.60 per FT Share and 20,409,000 common shares at a price of $2.45 per share (the "NFT Shares") for aggregate gross proceeds of $70,003,650 (the "Offering"). The Offering was conducted on a bought-deal private placement basis pursuant to an underwriting agreement dated May 26, 2026 with Canaccord Genuity Corp., as lead underwriter and sole bookrunner, ATB Capital Markets Corp. and BMO Nesbitt Burns Inc. (the "Underwriters"). Pursuant to the Offering, the Company paid $3,850,201 in cash commissions and issued 649,126 warrants with a fair value of $1,337,242 to the Underwriters, as well as $161,280 in other cash share issue costs. The finders' warrants are exercisable at a price of $2.45 per share until May 29, 2026.

During the three months ended May 31, 2026, 2,415,971 share purchase warrants were exercised for gross proceeds of $1,207,985, 769,000 broker warrants were exercised for gross proceeds of $592,500, and 240,000 stock options were exercised for gross proceeds of $172,250.

Issued during the year ended February 28, 2026:

On June 12, 2025, 16,500,000 shares were issued with a fair value of $8,580,000 ($0.52 per share) in connection with the acquisition of the Cisco Project. See Note 6.

On August 14, 2025, the Company closed a private placement by issuing 26,000,000 common shares at a price of $1.00 per common share for gross proceeds of $26,000,000 (the "Offering"). The Offering was conducted between Canaccord Genuity Corp., as sole agent and bookrunner (the "Agent"), and the Company. The Offering consisted of 1,000,000 flow-through common shares (the "Non-LIFE FT Shares) and 25,000,000 flow-through common shares (the "LIFE FT Shares") issued pursuant to the Listed Issuer Financing Exemption. The Agent received a cash commission of $1,300,000 and 1,300,000 nontransferable broker warrants (the "Broker Warrants"). Each Broker Warrant entitles the Agent to acquire one additional non-flow-through common share at a price of $0.90 for three years.

On November 14, 2025, 3,500,000 shares were issued with a fair value of $4,200,000 ($1.20 per share) in connection with the acquisition of the Cisco Project. See Note 6.

During the year ended February 28, 2026, 2,057,095 share purchase warrants (including 36,800 finder's warrants, for which the fair value of $5,823 was reclassified from the equity reserve to share capital upon exercise) were exercised for total gross proceeds of $1,028,548 and 702,857 stock options were exercised for gross proceeds of $179,000, with the $186,869 fair value of these options reclassified from the equity reserve to share capital upon exercise.

(Expressed in Canadian Dollars)

7. Share capital (Continued)

Warrants

	May 31, 2026			February 28, 2026		
	Number of Warrants		**Weighted Average Exercise Price**	Number of Warrants		Weighted Average Exercise Price
Balance, beginning of period	**9,005,489**	**$**	**0.56**	9,762,584	$	0.50
Issued	**649,126**		**2.45**	1,300,000		0.90
Exercised	**(3,184,971)**		**0.57**	(2,057,095)		0.50
Balance, end of period	**6,469,644**	**$**	**0.74**	9,005,489	$	0.56

The following table summarizes the warrants outstanding and exercisable at May 31, 2026:

Number of Warrants	Exercise Price	Expiry Date	Number of Exercisable Warrants	Weighted Average Remaining Life (years)
1,956,561	$0.50	July 31, 2026	1,956,561	0.17
20,800	$0.50	July 31, 2026*	20,800	0.17
3,063,157	$0.50	August 9, 2026	3,063,157	0.19
780,000	$0.90	August 14, 2028*	780,000	2.21
649,126	$2.45	May 26, 2029*	-	2.99
6,469,644			**5,820,518**	**0.71**

*Broker warrants.

Equity Incentive Plan

The Company has an Equity Incentive Plan (the “Plan”) under which it is authorized to grant options, restricted shares units (“RSUs”), performance share units (“PSUs”), and deferred share units (DSUs”) to directors, officers, consultants or employees of the Company. At the Company’s Annual General Meeting on December 9, 2025, the shareholders approved the Company’s equity incentive plan which is composed of (i) a 10% rolling plan, permitting the issuance of up to 10% of the Company’s issued and outstanding shares at any time in respect of stock options and (ii) a 10% fixed plan, permitting the issuance of up to 13,041,422 shares in respect of performance-based awards. A copy of the plan is available to view on SEDAR+.

Stock Options

On October 27, 2025, the Company granted 1,300,000 stock options to directors, officers, and consultants. The options are exercisable at the price of $0.95 per share until October 27, 2030. A fair value of $1,018,847 was determined using the Black-Scholes valuation model. The following weighted average assumptions were used: share price - $0.93; dividend yield – 0%; expected volatility – 123.85%; risk free interest rate – 2.62%; and expected life – 5 years. The options vested immediately upon grant.

On January 22, 2026, the Company granted 900,000 stock options to directors, officers, and consultants. The options are exercisable at the price of $2.11 per share until January 22, 2031. A fair value of $1,758,346 was determined using the Black-Scholes valuation model. The following weighted average assumptions were used: share price - $2.30; dividend yield – 0%; expected volatility – 122.85%; risk free interest rate – 2.94%; and expected life – 5 years. The options vested immediately upon grant.

(Expressed in Canadian Dollars)

7. Share capital (Continued)

Stock Options (Continued)

	May 31, 2026			February 28, 2026		
	Number of Stock Options		**Weighted Average Exercise Price**	Number of Stock Options		Weighted Average Exercise Price
Balance, beginning of period	**15,000,000**	**$**	**0.76**	13,502,857	$	0.63
Exercised	**(240,000)**		**0.72**	(702,857)		0.25
Granted	**-**		**-**	2,200,000		1.42
Balance, end of period	**14,760,000**	**$**	**0.76**	15,000,000	$	0.76

The following table summarizes the stock options outstanding and exercisable at May 31, 2026:

Number of Options	Exercise Price	Expiry Date	Number of Exercisable Options	Weighted Average Remaining Life (years)
2,750,000	$0.20	December 7, 2026	2,750,000	0.52
2,200,000	$0.42	January 10, 2028	2,200,000	1.61
1,200,000	$0.85	March 2, 2028	1,200,000	1.76
1,450,000	$0.31	May 22, 2029	1,450,000	2.98
2,600,000	$1.26	November 12, 2028	2,600,000	2.45
2,475,000	$0.82	December 20, 2029	2,475,000	3.56
1,185,000	$0.95	October 27, 2030	1,185,000	4.41
900,000	$2.11	January 22, 2031	900,000	4.65
14,760,000			**14,760,000**	**2.44**

RSUs, DSUs, and PSUs

On December 20, 2024, the Company pursuant to its equity incentive plan, granted an aggregate 750,000 deferred share units (each, a “DSU”) and 6,000,000 performance share units (each, a "PSU") to certain directors and executive officers of the Company. The DSUs will vest one year after their date of grant and do not settle until a director ceases to serve as a director of the Company. The PSUs will vest on the later of (a) one year after their date of grant and (b) the successful completion of specific key performance objectives. Any PSUs that have not vested on or before December 20, 2027 will expire.

On January 22, 2026, the Company granted an aggregate of 976,303 PSUs, 132,701 restricted share units (each, a “RSU”) and 379,147 DSUs to certain directors, executive officers and consultants of the Company. The PSUs vest on the later of (a) one year after their date of grant and (b) the successful completion of specific key performance objectives that are assigned to each PSU. Any PSUs that have not vested on or before January 22, 2029 will expire. The RSUs shall vest in three equal tranches, with one-third vesting on each of the first, second, and third anniversaries of the date of grant and the DSUs vest one year after their date of grant and do not settle until a director ceases to serve as a director of the Company.

Once vested, each PSU, RSU and DSU will entitle the holder thereof to receive either one common share of the Company or the cash equivalent of one common share, as determined by the board of directors of the Company, net of applicable withholdings.

(Expressed in Canadian Dollars)

8. Basic and diluted net loss per share

The calculation of basic and diluted loss per share for the three months ended May 31, 2026, was based on the loss attributable to common shareholders of $930,068 (May 31, 2025 - $644,887) and the weighted average number of common shares outstanding of 189,407,963 (May 31, 2025 – 147,582,124). Outstanding warrants and stock options have been excluded from the calculation of diluted loss per share for the periods presented as their effect would be anti-dilutive.

9. Related party balances and transactions

During the three months ended May 31, 2026 and 2025, the Company incurred the following:

		May 31, 2026		May 31, 2025
Key management compensation* - cash	$	277,499	$	193,751
Compensation – share-based compensation	$	1,011,710	$	147,452

* Key management includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including the Company's executive officers and certain members of its Board of Directors.

Officers and directors of the Company and companies controlled by such individuals were owed $13,180 as at May 31, 2026 (February 28, 2026 – $18,334) for expenses incurred in the ordinary course of business. The amounts are unsecured, non-interest bearing with no fixed terms of repayment.

10. Premium liability and commitment related to flow-though shares

Funds raised through the issuance of flow-through shares are required to be expended on qualified Canadian mineral exploration expenditures, as defined pursuant to Canadian income tax legislation, generally no later than 12 months from the end of the calendar year in which they are renounced to investors. The premium associated with the proceeds raised in excess of the contemporaneous market value of the Company's non-flow-through shares is recorded as a liability and subsequently amortized to income on a pro-rata basis as the related expenditures are made by the Company. Hence, the liability itself is non-cash. However, the flow-through commitment, on a best-efforts basis, is reflective of an anticipated subsequent cash outflow of the Company.

On August 14, 2025, the Company issued 26,000,000 common shares on a "flow-through" basis at a price of $1.00 per share for gross proceeds of $26,000,000. A flow-through share liability of $4,420,000 was recognized at the date of issuance based on the flow-through shares being issued at a price above market at the time of issuance. At February 28, 2026, the Company has incurred approximately $13,600,000 in qualified expenditures required to fulfill qualifying flow-through expenditure obligations pursuant to the financing, and, accordingly, must incur the remaining expenditure obligation of approximately $12,400,000 by December 31, 2026.

On May 26, 2026, the Company issued 5,556,000 common shares on a "flow-through" basis at a price of $3.60 per share for gross proceeds of $20,001,600. A flow-through share liability of $3,500,280 was recognized at the date of issuance based on the flow-through shares being issued at a price above market at the time of issuance. At May 31, 2026, the Company has incurred $Nil in qualified expenditures required to fulfill qualifying flow-through expenditure obligations pursuant to the financing, and, accordingly, must incur the remaining expenditure obligation by December 31, 2027

(Expressed in Canadian Dollars)

10. Premium liability and commitment related to flow-though shares (Continued)

	Issued on August 9, 2024	Issued on August 14, 2025	Issued on May 31, 2026	Total
Balance, February 28, 2025	**$ 90,857**	**$ -**	**$ -**	**$ 90,857**
Liability incurred on flow-through shares issued	-	4,420,000	-	4,420,000
Settlement of flow-through share liability on incurred expenses	(90,857)	(2,319,090)	-	(2,409,947)
Balance, February 28, 2026	**$ -**	**$ 2,100,910**	**$ -**	**$ 2,100,910**
Liability incurred on flow-through shares issued	-	-	3,500,280	3,500,280
Settlement of flow-through share liability on incurred expenses	(90,857)	(868,714)	-	(868,714)
Balance, May 31, 2026	**$ -**	**$ 1,232,196**	**$ 3,500,280**	**$ 4,732,476**

11. Subsequent events

Subsequent to May 31, 2026, the Company paid $400,000 in cash and issued 10,000,000 common shares in connection with the Cisco Project, as well as issued a further 796,178 Company common shares to the Cisco Vendor inpayment of the $2,500,000 discovery bonus due on the completion and delivery of an initial mineral resource calculation report demonstrating an inferred resource (or higher category) of at least 25 million tonnes grading over 1% Li_2O. The Company also paid $300,000 in cash for the Cisco Expansion claims.

On June 9, 2026, the Company granted 90,000 stock options to employees. The options are exercisable at the price of $2.99 per share until June 9, 2031. The options vested immediately upon grant.

On June 30, 2026, the Company granted 85,000 stock options to consultants. The options are exercisable at a price of $3.05 per share unit until June 30, 2031.

Subsequent to the three months ended May 31, 2026, 65,000 stock options, 2,896,807 share purchase warrants, and 800 broker warrants were exercised for gross proceeds of $1,506,904.