ATLAS SALT INC.

INTERIM CONDENSED FINANCIAL STATEMENTS

For the six months ended June 30, 2026, and 2025

August 27, 2026

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ATLAS SALT INC.
June 30, 2026

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Atlas Salt Inc.

Condensed Interim Statements of Financial Position (Unaudited)

As at

(in Canadian Dollars)

	Jun 30, 2026	Dec 31, 2025
	$	$
Assets		
Current Assets		
Cash and cash equivalents	**17,694,408**	5,965,954
Short-term investment	**683,663**	175,562
Accounts receivable	**217,219**	463,880
Prepaid expenses	**520,787**	747,750
	19,116,077	7,353,146
Right of use asset	**-**	1,412
Capital assets (Note 5)	**920,309**	885,831
Investments (Note 6)	**1,181,649**	1,372,649
Mineral exploration and evaluation (Note 7)	**18,648,759**	16,693,790
Total Assets	**39,866,794**	26,306,828
Liabilities		
Current		
Trade payables and accrued liabilities	**519,215**	688,259
Lease Liability	**-**	1,607
Current portion of long-term debt (Note 9)	**38,683**	32,219
	557,898	722,085
Non-Current		
Asset retirement obligations (Note 11)	**1,114,122**	348,977
Long term debt (Note 9)	**128,436**	150,925
Conditionally repayable debt (Note 10)	**611,634**	591,622
	1,854,192	1,091,524
Total Liabilities	**2,412,090**	1,813,609
Shareholders' Equity		
Share capital (Note 12)	**52,181,379**	35,458,216
Warrants (Note 12)	**161,763**	181,499
Contributed surplus	**7,816,165**	7,747,965
Deficit	**(22,704,603)**	(18,894,461)
Total Shareholders' Equity	**37,454,704**	24,493,219
Total Liabilities and Shareholders' Equity	**39,866,794**	26,306,828

Nature of operations (Note 1)

Approved on behalf of the Board of Directors

Nolan K. Peterson Director, Chief Executive Officer

Carson Noel Director, Chair of Audit Committee

The accompanying notes are an integral part of these financial statements.

Atlas Salt Inc.
Condensed Interim Statements of Net Loss and Comprehensive Loss (Unaudited)
For the period
(in Canadian Dollars)

	3 Months Ending June 30		6 Months Ending June 30	
	2026	**2025**	**2026**	**2025**
	$	**$**	**$**	**$**
Expenses				
Management and subcontractor fees (Note 8)	**86,317**	69,628	**167,956**	1,015,815
Director's fees (Note 8)	**-**	50,000	**84,000**	50,000
Marketing and communications	**414,369**	506	**822,753**	985
Investor relations	**-**	5,170	**480**	5,170
Public company expenses	**122,728**	30,067	**185,617**	60,538
Office, consulting fees and other (Note 8)	**529,778**	355,079	**878,341**	610,227
Salaries and benefits	**127,467**	114,914	**240,165**	223,829
Conferences and travel	**153,911**	25,501	**345,501**	53,038
Share-based compensation (Note 13)	**516,446**	62,123	**896,217**	(305,003)
Right of use amortization	**-**	4,237	**1,412**	8,474
Depreciation (Note 5)	**14,666**	7,084	**28,019**	13,931
	1,965,682	724,309	**3,650,461**	1,737,004
Other Income (Expenses)				
Interest income	**30,442**	6,711	**57,430**	13,159
Interest on lease liability	**-**	(262)	**(7)**	(408)
Interest on long term debt (Note 9)	**(13,081)**	(4,022)	**(26,104)**	(4,022)
Loss from investment in associate	**-**	(118,879)	**-**	(187,415)
Loss for investment re-evalutation (Note 6)	**-**	-	**(191,000)**	-
	17,361	(116,452)	**(159,681)**	(178,686)
Net and Comprehensive Loss	**(1,948,321)**	(840,761)	**(3,810,142)**	(1,915,690)
Net Loss per share (basic and diluted)	**(0.017)**	(0.009)	**(0.033)**	(0.018)
Weighted average number of common shares outstanding - basic and diluted	**113,780,891**	97,221,070	**113,780,891**	97,221,070

Atlas Salt Inc.

Condensed Interim Statements of Changes in Equity (Unaudited)

(in Canadian Dollars)

	(Note 12) Share Capital	(Note 12) Warrants	(Note 13) Contributed Surplus	Deficit	Total Shareholders' Equity
	$	$	$	$	$
Balance, December 31, 2024	**27,204,839**	**2,678,079**	**5,564,649**	**(15,182,046)**	**20,265,521**
Net and comprehensive loss					
January 1, 2025 - June 30, 2025				(1,915,690)	(1,915,690)
Issuance of shares upon vesting of Performance and Restricted Share Units	372,290		(372,290)		-
Expiration of warrants	-	(2,678,079)	2,678,079		-
Share-based compensation			(613,431)		(613,431)
Balance, June 30, 2025	**27,577,129**	**-**	**7,257,007**	**(17,097,736)**	**17,736,400**
Net and comprehensive loss					
July 1, 2025 - December 31, 2025	-	-	-	(1,796,725)	(1,796,725)
Issuance of shares pursuant to Equity Raise	8,719,400	-	-	-	8,719,400
Issuance of warrants pursuant to Equity Raise	-	181,499	-	-	181,499
Issuance of shares upon vesting of Performance and Restricted Share Units	30,490	-	(30,490)	-	-
Share issuance costs	(890,172)				(890,172)
Return of common shares to treasury	(74,881)	-	-	-	(74,881)
Exercise of options	96,250	-	(41,250)	-	55,000
Expiration of warrants	-	-	-	-	-
Share-based compensation	-	-	562,698	-	562,698
Balance, December 31, 2025	**35,458,216**	**181,499**	**7,747,965**	**(18,894,461)**	**24,493,219**
Net and comprehensive loss					
January 1, 2026 - June 30, 2026	-	-	-	(3,810,142)	(3,810,142)
Issuance of shares pursuant to Flow Thru	1,250,001	-	-	-	1,250,001
Issuance of shares pursuant to Equity Raise	15,153,600	-	-	-	15,153,600
Share issuance costs	(1,078,624)				(1,078,624)
Return of common shares to treasury	(294,843)	-	(176,907)	-	(471,750)
Exercise of options	1,616,500	-	(766,500)	-	850,000
Exercise of warrants	76,529	(19,736)			56,793
Share-based compensation	-	-	1,011,607	-	1,011,607
Balance, June, 2026	**52,181,379**	**161,763**	**7,816,165**	**(22,704,603)**	**37,454,704**

Atlas Salt Inc.
Condensed Interim Statements of Cash Flows (Unaudited)
Period ended
(in Canadian Dollars)

	3 Months Ending June 30		6 Months Ending June 30	
	2026	**2025**	**2026**	**2025**
	$	**$**	**$**	**$**
Operating Activities				
Net loss	**(1,948,321)**	(840,761)	**(3,810,142)**	(1,915,690)
Adjustment for non-cash items:	**-**	-		
Depreciation (Note 5)	**14,666**	7,084	**28,019**	13,931
Right of use asset	**-**	4,237	**1,412**	8,474
Lease accretion	**(9,923)**	176	**7**	408
Loss on investment in associate (Note 6)	**-**	118,879	**-**	187,415
Loss on investment revaluation (Note 6)	**-**	-	**191,000**	-
Share-based compensation (Note 13)	**516,446**	62,123	**896,217**	(305,003)
	(1,427,132)	(648,262)	**(2,693,487)**	(2,010,465)
Changes in non-cash working capital				
Accounts receivable	**443,368**	(218,765)	**246,661**	(378,771)
Prepaid expenses	**(62,218)**	(8,624)	**226,963**	80,781
Trade payables and accrued liabilities	**140,680**	(212,470)	**(169,044)**	(540,356)
Cash used in operating activities	**(905,302)**	(1,088,121)	**(2,388,907)**	(2,848,811)
Financing Activities				
Issuance of common shares and warrants (Note 12)	**15,153,600**	-	**15,153,600**	-
Share issuance costs (Note 12)	**(1,078,624)**	-	**(1,078,624)**	-
Issuance of flow-through shares	**1,250,001**	-	**1,250,001**	-
Return of common shares to treasury	**-**	-	**(471,750)**	-
Exercise of options	**-**	-	**850,000**	-
Exercise of warrants	**50,793**	-	**56,793**	-
Long term debt payments (Note 9)	**(1,990)**	-	**(13,081)**	-
Right of use lease payments	**(0)**	(4,843)	**(4,201)**	(9,437)
Cash from (used in) financing activities	**15,373,780**	(4,843)	**15,742,738**	(9,437)
Investing Activities				
Short term investment	**(5,166)**	-	**(508,101)**	-
Purchase of capital assets	**(35,000)**	(70,944)	**(62,500)**	(83,041)
Mineral exploration and evaluation assets	**(563,610)**	(1,059,311)	**(1,054,776)**	(2,404,283)
Cash used in investing activities	**(603,776)**	(1,130,255)	**(1,625,377)**	(2,487,323)
Net change in cash and cash equivalents for the period	**13,864,702**	(2,223,219)	**11,728,454**	(5,345,573)
Cash and cash equivalents, beginning of the period	**3,829,706**	4,910,556	**5,965,954**	8,032,910
Cash and cash equivalents, end of period	**17,694,408**	2,687,337	**17,694,408**	2,687,337

1. NATURE OF OPERATIONS

Atlas Salt Inc. (the "Company") is a mineral exploration company engaged in the exploration and evaluation of mineral properties in Newfoundland and Labrador. The Company's principal asset is the Great Atlantic salt deposit project (the "Great Atlantic Salt Project"), located in the St. George's Bay basin of Western Newfoundland.

The Company was formed on June 15, 2011, under the Alberta Business Corporations Act and was listed on the TSX Venture Exchange on August 17, 2012 under the symbol "RMK." Its business address is 2 School Road, St. George's, NL, A0N 1Z0. In 2021, approval was gained for the corporate continuance of the Company from the Province of Alberta to the Province of British Columbia. On August 24, 2021, the Company changed its name from Red Moon Resources Inc. to Atlas Salt Inc. to reflect the Company's core business anchored by the Great Atlantic Salt Project. On September 1, 2021, the Company's common shares commenced trading under its new symbol "SALT." On November 19, 2025, the Company's shares began trading on the OTCQX under the symbol "SALQF". Since December 31, 2022, the Company's shares had previously traded on the OTCQB under the symbol "REMRF."

2. BASIS OF PRESENTATION

The Company prepares its financial statements in accordance with Canadian generally accepted accounting principles ("GAAP") as set out in the Canadian Professional Accountants of Canada Handbook – Accounting – Part I ("CPA Canada Handbook") which incorporates IFRS® Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), and IFRIC® interpretations issued by the IFRS Interpretations Committee.

The interim condensed financial statements (the "financial statements") have been prepared in accordance with IAS 34, Interim Financial Reporting, using accounting policies consistent with IFRS® Accounting Standards ("IFRS") as issued by the International Accounting Standards Board (''IASB''). These interim condensed financial statements should be read in conjunction with the Company's annual audited financial statements and notes thereto prepared for the year ended December 31, 2025.

These interim condensed financial statements have been prepared on a historical cost basis, except for certain financial instruments, which are classified as fair value through profit or loss ("FVTPL").

The Company’s presentation currency and the functional currency of all of its operations is the Canadian dollar, as this is the principal currency of the economic environment in which it operates. All the Company’s assets are located in Canada.

These interim condensed financial statements were approved and authorized for issuance by the Board of Directors on August 27, 2026.

3. NEW AND AMENDED IFRS STANDARDS AND INTERPRETATIONS

New accounting standards

In May 2024, the IASB issued amendments to IFRS 9 and IFRS 7 - Financial Instrument Disclosures. The amendments clarify the timing of recognition and derecognition for a financial asset or financial liability, including clarifying that a financial liability is derecognized on the settlement date. Further, the amendments introduce an accounting policy choice to derecognize financial liabilities settled using an electronic payment system before the settlement date, if specific conditions are met. The amendments also require additional disclosures for financial instruments with contingent features and investments in equity instruments classified at fair value through other comprehensive income. The Company adopted the IFRS 9 and IFRS 7 amendments on January 1, 2026. These amendments did not have a material impact on the derecognition of financial liabilities paid by cheques. In addition, the Company’s policy is to derecognize financial liabilities settled using an electronic payment system before the settlement date, where applicable.

As a result of these amendments, effective January 1, 2026, management has made the accounting policy choice to derecognize financial liabilities settled using electronic payment systems before the settlement date by electing for the optional exception, as the required conditions have been met. There were no retroactive adjustments to comparative periods.

Future applicable accounting standards

In May 2024, the IASB issued amendments to IFRS 9 and IFRS 7 - Financial Instrument Disclosures. The amendments clarify the timing of recognition and derecognition for a financial asset or financial liability, including clarifying that a financial liability is derecognized on the settlement date. Further, the amendments introduce an accounting policy choice to derecognize financial liabilities settled using an electronic payment system before the settlement date, if specific conditions are met. The amendments also require additional disclosures for financial instruments with contingent features and investments in equity instruments classified at fair value through other comprehensive income. These amendments are effective for annual reporting periods beginning on or after January 1, 2026. The Company is assessing the potential impact but does not anticipate any material impact to the financial statements.

In April 2024, the IASB issued IFRS 18 - Presentation and Disclosure in Financial Statements which sets out the overall requirements for presentation and disclosures in the financial statements. The new standard replaces IAS 1 and although much of the substance of IAS 1 will carry over into the new standard, the new standard will require presentation of separate categories of income and expense for operating, investing, and financing activities with prescribed subtotals for each new category. The new standard will also require disclosure and explanation of 'management-defined performance measures' in a separate note within the financial statements.

The new standard is effective for annual reporting periods beginning on or after January 1, 2027, including interim financial statements, and requires retrospective application. The Company is currently assessing the impact of the new standard.

4. MATERIAL ACCOUNTING POLICIES

Material Management Accounting Estimates and Judgments

The preparation of financial statements in accordance with IFRS requires management to make estimates, judgments, and assumptions regarding the reported amounts of assets and liabilities, and disclosures of contingent assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from the estimates. Material estimates and judgments made by management in the preparation of these financial statements are outlined below.

> ***Fair value of investment in Triple Point Resources Ltd. ("Triple Point"):*** the determination of the fair value of financial instruments not quoted in an active market requires the use of valuation techniques and significant management judgment. As at June 30, 2026, the Company holds an equity investment in Triple Point, a private company, for which no observable market price exists.
>
> In estimating fair value, the Company applies valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. The primary valuation methodology is a market approach, which considers prices and other relevant information derived from market transactions involving identical or comparable assets and entities. Where available, the Company generally uses recent capital raises, financing transactions, subscriptions, or executed term sheets to value this investment. In the absence of recent financing transactions or other observable market data, the Company may use alternative valuation techniques, including the adjusted net book value method, which estimates the fair value of the investee's underlying net assets and liabilities and considers appropriate adjustments for factors such as marketability and control. Changes in the assumptions used in applying these valuation techniques could result in a materially different fair value measurement.

Determination of significant influence of associates: At the end of each reporting period, the Company assesses whether significant influence exists over its investment in associates. Judgment was required in determining whether it exercised significant influence over Triple Point. due to its ownership being less than 20%. The Company considered the following factors: representation on the board of directors or equivalent governing body of the investee, participation in policy-making processes, material transactions between the entity and its investee, interchange of managerial personnel and provision of essential technical information. As of August 11, 2025, the Company determined that it no longer exercised significant influence over Triple Point.

Mineral Exploration and Evaluation Assets**:** At the end of each reporting period, the Company assesses each of its mineral resource properties to determine whether any indication of impairment exists. Judgment is required in determining whether indicators of impairment exist, including factors such as, the period for which the Company has the right to explore, expected renewals of exploration rights, whether substantive expenditures on further exploration and evaluation of resource properties are budgeted and results of exploration and evaluation activities on the exploration and evaluation assets. No indications of impairment were identified at June 30, 2026.

Asset Retirement Obligations**:** The Company's exploration activities are subject to various laws and regulations governing the protection of the environment. The Company recognizes management's best estimate for asset retirement obligations in the period in which they are incurred. Actual costs incurred in future periods could differ materially from the estimates. Additionally, future changes to environmental laws and regulations, timing of estimated cash flows and discount rates could affect the carrying amount of this provision.

Share-Based Compensation**:** Management is required to make certain estimates when determining the fair value of stock options and equity incentives issued, including future volatility of the Company's share price, expected forfeiture rates, expected lives of the underlying securities, expected dividends, vesting period of performance share units and restricted share units and other relevant assumptions.

ACOA Provisional Loan: Provisional loans are recognized as financial liabilities when the entity becomes a party to the contractual provisions of the loan agreement. The initial fair value of the interest-free ACOA loan was determined by using a discounted cash flow analysis for the loan, which required a number of assumptions. An interest rate of 5.7% was used based on information from Scotiabank. Management estimated repayment to become effective as of June 1, 2031, upon commercial production commencing by December 31, 2030.

Going Concern: When preparing financial statements, management is required to make an assessment of the entity's ability to continue as a going concern. This assessment requires management to estimate the Company's ability to meet current obligations and commitments over the upcoming 12 months.

Share-Based Compensation

The Company has an equity settled share-based compensation plan. The fair value of options is determined using a Black-Scholes option pricing model and is recognized as an expense over the vesting period, with a corresponding increase to contributed surplus. When options are exercised, the related contributed surplus and the proceeds received by the Company are credited to share capital. The Company estimates forfeitures at the grant date, and share-based compensation expense is recognized only for awards expected to vest. The estimate of forfeitures is reviewed periodically and revised as necessary, with any impact recognized immediately in profit or loss. Options forfeited during the period result in the reversal of any previously recognized share-based compensation expense related to those options.

Performance Share Units (“PSUs”), Deferred Share Units (“DSUs”) and Restricted Share Units (“RSUs”) are share-based awards granted under the Company’s Equity Incentive Plan and may be settled in cash or common shares at the discretion of the Company.

The fair value of these equity instruments is determined at the grant date based on the fair value of the underlying common shares. For PSUs, the Company reassesses the estimated achievement date of the respective milestones at the end of each reporting period.

Compensation expense is recognized on a straight-line basis over the applicable vesting period, which for a PSU is the expected time to certify achievement of the underlying performance goals and for a DSU and a RSU is the specified service period. Forfeitures are recognized as they occur, with any previously recognized compensation expense reversed in the period of forfeiture.

Earnings (Loss) Per Share

Basic net earnings (loss) per share is calculated by dividing net earnings (loss) by the weighted-average number of common shares outstanding during the period. Diluted net earnings (loss) per share is equivalent to basic earnings (loss) per share as the inclusion of outstanding options and warrants is anti-dilutive.

Cash and cash equivalents

Cash and cash equivalents consist of cash and short-term deposits with an original maturity of three months of less.

Short-term investments

Guaranteed investment certificates (“GICs”) are short-term investments held with a chartered bank and are non-redeemable until the maturity date within a twelve-month or less period.

Grants

Government grants received or receivable in respect of mineral exploration and evaluation assets are reflected as a reduction of the cost of the mineral exploration and evaluation asset. Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. The Company uses the cost reduction method to account for government grants, under which the credits are applied against the expense or asset to which the government grant relates. The Company records mineral exploration and evaluation assets net of grant proceeds.

Investments

Investments in equity instruments are classified as fair value through profit or loss and are measured at fair value at each reporting date. Changes in fair value are recognized in net income (loss). Dividend income is recognized in net income (loss) when the Company's right to receive payment is established.

Investment in associate

An associate is an entity over which the Company has significant influence, and which is neither a subsidiary nor a joint venture.

Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. Significant influence is presumed to exist when the Company holds between 20% and 50% of the voting power of another entity, but can also arise where the Company holds less than 20% if it has the power to be actively involved and influential in policy decision affecting the entity.

An investment in associate is accounted for using the equity method. Under this method, investments in associates are carried in the statement of financial position at cost, adjusted for post-acquisition changes in the Company's share of the net assets of the associate, less any impairment losses. Losses in an associate in excess of the Company's interest in that associate are recognized only to the extent that the Company has incurred a legal or constructive obligation to make payments on behalf of the associate. Unrealized profits or losses on transactions between the Company and an associate are eliminated to the extent of the Company's interest therein.

The investment in an associate is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. Management assesses indications of impairment at the end of each reporting period.

When the Company ceases to have significant influence over an associate, the investment is derecognized as an associate and subsequently accounted for in accordance with IFRS 9. Any retained interest is remeasured at fair value at the date significant influence is lost, and any resulting difference between the carrying amount and fair value is recognized in profit or loss.

Mineral Exploration and Evaluation Assets

All costs directly associated with the exploration and evaluation of mineral properties are initially capitalized. Mineral exploration and evaluation costs are those expenditures for an area where technical feasibility and commercial viability have not yet been determined. These costs include unproved property acquisition costs, geological and geophysical costs, exploration and evaluation drilling, sampling, and appraisals. Costs incurred prior to acquiring the legal rights to explore an area are charged directly to net loss as exploration and evaluation expense. When an area is determined to be technically feasible and commercially viable, the accumulated costs are transferred to capital assets. When an area is determined not to be technically feasible and commercially viable or the Company decides not to continue with its activity, the unrecoverable costs are charged to net loss as exploration and evaluation expense.

Share-based compensation is capitalized to mineral exploration and evaluation assets based on the percentage of time spent working on mining projects during each quarter when such time relates to performing the activities listed above.

Incidental revenue and cost recoveries relating to mineral exploration and evaluation assets are recorded first as a reduction of the specific exploration and evaluation property to which the fees and payments relate, and any excess as other revenue on the statement of net loss and comprehensive loss.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount may exceed its recoverable amount. Indicators of impairment include, but are not limited to:

- The right to explore in a specific area has expired or will expire in the near future without renewal;
- Substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- Exploration for and evaluation of mineral resources in the area have not led to the discovery of commercially viable quantities and the entity has decided to discontinue such activities in the area, and;
- Sufficient data exists to indicate that the carrying amount of the asset is unlikely to be recovered in full from successful development or by sale.

If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognized for the amount by which the carrying amount exceeds the recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use.

Capital Assets

Capital Assets are recorded at cost. Depreciation is based on the estimated useful life using the declining balance method. Land is not depreciated. The Company has four classes of capital assets which are depreciated using the following rates:

Buildings	4%
Office Furniture	20%
Computer Equipment	30%
Light Duty Vehicles	30%

Asset Retirement Obligations

The Company recognizes a provision for retirement obligations associated with long-lived assets, which includes the abandonment and remediation costs required to return the property to its original condition.

The Company recognizes the fair value of the liability for an asset retirement obligation in the period in which it is incurred and records a corresponding increase in the carrying value of the related long-lived asset. Fair value is determined through a review of engineering studies, industry guidelines, and management estimates. Fair value is estimated using the present value of the estimated future cash outflows to remediate the abandoned assets at the asset's risk-free discount rate. The liability is subsequently adjusted for the passage of time and is recognized as an accretion expense in the statements of loss and comprehensive loss. The liability is also adjusted due to revisions in either the timing or the amount of the original estimated cash flows associated with the liability. If the retirement obligation relates to an area still in the exploration and evaluation stage, the retirement obligation is capitalized to the exploration and evaluation asset. Subsequent to original measurement, accretion expense is also capitalized to the exploration and evaluation asset.

Impairment of Long-lived Assets

The carrying amount of the Company's long-lived assets is assessed at each reporting period to determine whether there is any indication of impairment. If an indication of impairment exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. Assets are grouped at the lowest level at which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets (cash generating unit or "CGU"). A CGU may include certain aggregated long-lived assets. A CGU's recoverable amount is the higher of its fair value less costs to sell and its value in use. When the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount, with the impairment loss recognized in net loss for the reporting period. Where an impairment subsequently reverses, the carrying amount of the asset is increased to the revised estimate of the recoverable amount, but only to the extent that this amount does not exceed the carrying amount that would have been recognized, net of depletion, depreciation, and amortization, had an impairment loss not been recognized in previous periods.

Share Issuance Costs

Share issuance costs are incremental costs directly associated with the issuance of common stock. These costs typically include fees paid to bankers or underwriters, lawyers, accountants, as well as other third parties. The share issuance costs are shown as a reduction of share capital.

Warrants

Share Purchase Warrants: Share purchase warrants were issued together with shares as units in the Company's 2023 non-brokered private placement. The shares issued to raise capital are classified in equity in accordance with IAS 32. The fair value of the proceeds of the units is allocated to separate components of equity (share capital and warrants), determined using a Black-Scholes model.

Compensation Warrants: Share purchase compensation warrants were issued to eligible brokers as part of the Company's Listed Issuer Financing Exemption ("LIFE") offering in October 2025. The fair value of the compensation warrants, determined using a Black-Scholes model, is allocated to equity (warrants).

Subsequent modifications to an entire class of share purchase warrants classified as equity are not subsequently remeasured.

Flow-through Shares

The Company will from time to time, issue flow-through common shares to finance a portion of its exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into:

i) A flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability, and
ii) Share capital. Upon expenditures being incurred, the Company derecognizes the liability and recognizes a premium on flow-through shares to the statement of loss and comprehensive loss.

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resources property exploration expenditures. The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Look-back Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense until paid.

Financial Instruments

The Company classifies its financial instruments in the following measurement categories: fair value through profit and loss (FVTPL); fair value through other comprehensive income (FVOCI); or amortized cost. Management determines the classification of its financial instruments at initial recognition.

The accounting policies related to these financial assets and liabilities are as follows:

Amortized Cost and Effective Interest Rate: The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments (including all fees, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Derecognition of Financial Assets: Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred, and the Company has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognized when the obligation specified in the contract is discharged, cancelled or expires.

Initial Recognition and Measurement: Financial instruments are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial instruments, other than financial instruments at FVTPL are added to or deducted from the fair value of the financial instrument, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial instruments at FVTPL are recognized immediately in net earnings.

Classification and Subsequent Measurement: A financial asset is subsequently measured at:

- ***Amortized Cost:*** if it is held for the purposes of collecting contractual cash flows with such cash flows solely comprising payments of principal and interest on the principal amount outstanding;
- ***Fair Value Through Other Comprehensive Income***: if it is held for the purposes of collecting contractual cash flows and selling financial assets with such cash flows solely comprising payments of principal and interest on the principal amount outstanding; or irrevocably designated as such upon initial recognition; and
- ***Fair Value Through Profit and Loss***: if it is neither classified as subsequently measured at amortized cost nor FVOCI; or irrevocably designated as such upon initial recognition if doing so eliminates or significantly reduces a measurement or recognition

inconsistency that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases.

All financial assets are carried at amortized cost, except for the investments which are classified and measured at FVTPL. Liabilities carried at amortized cost will continue to be measured as outlined in measurement methods above.

Impairment of Financial Assets: Financial assets which are measured subsequent to initial recognition at amortized cost are assessed for indicators of impairment at the end of each reporting period. The amount of impairment loss, if any, is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate. The Company's financial assets carried at amortized cost consist only of cash and accounts receivable.

The Company's exposure to credit risk on its cash balance is mitigated as cash and cash equivalents are held with major financial institutions with strong credit ratings.

A loss allowance provision, which reflects the Company's estimate of credit losses, is applied to reduce the carrying amount of trade receivables and amounts due from related parties. Subsequent recoveries of amounts previously provided for are credited against the allowance.

Fair Value Hierarchy

The Company classifies financial instruments measured at fair value in accordance with a fair value hierarchy that prioritizes the inputs to the valuation technique used to measure fair value as per IFRS 7 – Financial Instruments: Disclosures. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

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 Company's investment consists of an interest in a private company and is carried at fair value using a Level 3 fair value measurement.

5. CAPITAL ASSETS

6 months ending June 30, 2026

	Opening Cost	Additions	Closing Cost	Opening Depreciation	Depreciation	Closing Accumulated Depreciation	Net Book Value
Land	**$447,159**	**$27,500**	**$474,659**	**-**	**-**	**-**	**$474,659**
Buildings	**325,273**	**-**	**325,273**	**27,400**	**5,958**	**33,358**	**291,915**
Office Furniture	**12,617**	**-**	**12,617**	**5,199**	**742**	**5,941**	**6,676**
Computer equipment	**76,574**	**-**	**76,574**	**42,265**	**5,146**	**47,411**	**29,163**
Light Duty Vehicle	**107,102**	**35,000**	**142,102**	**8,033**	**16,173**	**24,206**	**117,896**
Total	**$968,725**	**$62,500**	**$1,031,225**	**$82,897**	**$28,019**	**$110,916**	**$920,309**

December 31, 2025

	Opening Cost	Additions	Closing Cost	Opening Depreciation	Depreciation	Closing Accumulated Depreciation	Net Book Value
Land	$373,118	$74,041	$447,159	-	-	-	$447,159
Buildings	325,273	-	325,273	16,040	11,360	27,400	297,873
Office Furniture	12,617	-	12,617	3,344	1,855	5,199	7,418
Computer equipment	76,574	-	76,574	27,561	14,704	42,265	34,309
Light Duty Vehicle	-	107,102	107,102	-	8,033	8,033	99,069
Total	$787,582	$181,143	$968,725	$46,945	$35,952	$82,897	$885,828

6. INVESTMENTS

	June 30, 2026 $	December 31, 2025 $
Balance beginning of the period	**1,372,649**	811,142
Share of net loss and comprehensive loss	**-**	(215,137)
Loss on re-evaluation of fair value	**(191,000)**	-
Gain on derecognition of associate	**-**	776,644
Balance end of the period	**1,181,649**	1,372,649

During the year ended December 31, 2025, the Company determined that it no longer exercised significant influence over Triple Point Resources Ltd. ("Triple Point"), an entity in which it previously held an equity investment accounted for as an associate using the equity method. Following Triple Point's $4.5M private placement on August 11, 2025, the Company's ownership interest was diluted such that the investment no longer met the definition of an associate. Accordingly, the Company ceased applying the equity method and thereafter accounted for the investment in accordance with IFRS 9 Financial Instruments, measured at FVTPL.

In the absence of a recent observable financing transaction, management estimated the fair value of the investment using an asset-based approach based on the change in Triple Point's net asset value since the most recent financing transaction. This resulted in a decrease in the estimated fair value of the Company's investment of approximately $191,000 as at March 31, 2026 based on its 14.14% ownership interest.

At each reporting date, management reassesses the fair value of the investment using available financial information, discussions with Triple Point management, market conditions and any observable transactions involving the investee's equity instruments. Based on this assessment, management determined that no significant changes in valuation inputs had occurred during the quarter ended June 30, 2026 and, accordingly, no change in fair value was recognized during the period.

7. MINERAL EXPLORATION AND EVALUATION ASSETS

The Company has 20 mineral licences (December 31, 2025 – 20) which consist of 321 claims (December 31, 2025 – 321 claims), which are active and in good standing with the Department of Industry, Energy and Technology in the Province of Newfoundland and Labrador. These licences are in the exploration and evaluation stage. The Company has 3 mining leases (Ace Mining Lease #239, and Gypsum Waste Reclamation Mining Leases #241 and #242) registered with the Department of Department of Industry, Energy and Technology in the Province of

Newfoundland and Labrador on mineral licences 022132M, 027059M and 0271060M situated near St. George's, Western Newfoundland.

A summary of the costs of these licences is as follows:

Movement for the six months ended
June 30, 2026

	Balance, beginning of the period	Additions	Refunds	Incidental Revenue	Balance, end of the period
Mineral Exploration and Evaluation Assets	**$16,693,790**	**$1,989,429**	**-**	**$(34,460)**	**$18,648,759**

December 31, 2025

	Balance, beginning of the period	Additions	Refunds	Incidental Revenue	Balance, end of the period
Mineral Exploration and Evaluation Assets	$11,782,322	$5,022,655	-	$(111,187)	$16,693,790

Incidental revenue represents proceeds from the sale of gypsum from the Ace Gypsum mine has been offset against mineral exploration and evaluation assets. For the six-month period ending June 30, 2026, mineral exploration costs include a share-based compensation expense of $115,390 (December 31, 2025 – recovery of $(217,243)).

During the period, no indicators of impairment have been identified related to the Company's mineral exploration and evaluation assets.

8. RELATED PARTY TRANSACTIONS

Vulcan Minerals Inc., which owns 23.61% (December 31, 2025 – 27.02%) of the Company's common shares, has significant influence over the Company. During the six months ended June 30, 2026, the Company reimbursed Vulcan $7,537 (June 30, 2025 – $6,675) for mineral exploration and evaluation expenditures incurred on the Company's behalf. Compensation for key management personnel, which includes the Current CEO, the former President and Chief Executive Officer, former Chief Financial Officer and Directors, was comprised of the following:

	Three months ended June 30, $		**Six months ended June 30, $**	
Paid/payable to members of key management and directors:	**2026**	2025	**2026**	2025
Directors' fees	**-**	50,000	**84,000**	50,000
Management and subcontractor fees	**128,100**	55,435	**264,160**	1,020,715
Compensation capitalized as mineral exploration and evaluation assets	**3,900**	15,127	**8,840**	63,294
Share-based compensation:				
General and administrative expenses	**434,158**	143,392	**764,119**	(234,887)
Mineral exploration and evaluation assets	**6,498**	(14,221)	**20,763**	(337,939)
	572,656	249,733	**1,141,882**	561,183

Trade payables and accrued liabilities include $7,537 owing to related parties as at June 30, 2026 (December 31, 2025 – $14,375).

9. LONG TERM DEBT

The Company has a loan with the Business Development Bank of Canada (BDC) bearing interest at 8.40%, payable in two separate monthly payments of Principal and Interest. Principal payments consist of a one-time principal payment of $2,060, then $1,660 monthly, which began on July 23, 2025. Interest payments have been paid monthly since the loan's inception, and the loan matures on June 23, 2030. The loan is unsecured.

In June 2025, the Company financed a light duty vehicle through Scotiabank bearing interest at 5.52%. Combined principal and interest payments total $1,429 monthly. The loan matures on June 16, 2032.

The following table presents the movement in debt for the six months ended June 30, 2026:

Long term debt	June 30, 2026 $	December 31, 2025 $
Balance beginning of the period	**183,144**	100,000
Additions	**-**	107,102
Payments made	**(16,025)**	(23,958)
Balance end of the period	**167,119**	183,144
Long term portion	**128,436**	150,925
Short term portion	**38,683**	32,219

Future minimum long-term debt payments are as follows:	
Fiscal period 2026(1)	**$16,194**
Year 2027	**32,915**
Year 2028	**33,651**
Year 2029	**34,428**
Year 2030	**25,290**
Year 2031	**16,198**
Year 2032	**8,443**

(1) 2026 represents the amount for the remainder of the year.

10. CONDITIONALLY REPAYABLE GOVERNMENT LOAN

The Company received $1,000,000 in 2025 as a Contribution Agreement with Atlantic Canada Opportunities Agency (ACOA) under the REGI - Business Scale-Up and Productivity (BSP) program. This program is a national innovation program that was established to provide support to business productivity and scale-up. ACOA funded 50% of eligible costs to the maximum of $1,000,000 in the form of a non-interest-bearing conditionally repayable contribution. Repayment on the contribution in 60 monthly installments of $16,667, would commence six months after the Company enters commercial production at the Great Atlantic Salt Project. As of June 30, 2026, repayment is anticipated to commence in June 2031. The Carrying amount of the funding presented on the statement of financial position of $611,634 ($591,622 - 2025) was determined using an incremental borrowing rate of 5.7% (prime rate plus 1.25% as indicated by Scotiabank). The difference between the cash received and the present value of the funding was recognized as a government grant applied against the Company's mineral exploration and evaluation assets.

11. ASSET RETIREMENT OBLIGATIONS

Upon termination of the Company's Ace Gypsum and Great Atlantic Salt Project ("GASP") mines, the Company is required to satisfy certain asset retirement obligations including the removal of any equipment and the restoration of the land and premisses to their original condition. The total discounted cash flows estimated to settle the Company's asset retirement obligations as at June 30, 2026, was $1,114,122 (December 31, 2025 – $348,997). During the six month period ended June 30, 2026, the Company initially recognized an asset retirement obligation for the GASP mine to reflect estimated future reclamation and closure costs. The obligation was capitalized as part of the carrying amount of the related mineral exploration and evaluation assets, with a corresponding liability recognized for the asset retirement obligation. The estimated future cash flows have been discounted using a risk-free rate of 2.40% (December 31, 2025 – 2.55%) and an inflation rate of 3.81% (December 31, 2025 – 2.40%).

A reconciliation of the asset retirement obligation is provided below:

	June 30, 2026 **$**	**December 31, 2025** **$**
Balance, beginning of the period	**348,977**	125,302
Provision Adjustment	**765,145**	223,675
Balance, end of the period	**1,114,122**	348,977

12. SHARE CAPITAL

Unlimited number of voting common shares.
Unlimited number of preferred shares, issuable in series.

Issued and Outstanding	June 30, 2026		December 31, 2025	
Common Shares	**Number of Common Shares**	**Share Capital**	**Number of Common Shares**	**Share Capital**
Balance, beginning of the period	**108,614,011**	**$35,458,216**	96,967,117	$27,204,839
Private placement – common shares	**12,628,000**	**15,153,600**	10,693,000	8,554,400
Private placement – shares issued in exchange for services	**-**	**-**	187,500	165,000
Flow-Through shares issued	**961,539**	**1,250,001**	-	-
Share issuance costs	**-**	**(1,078,624)**	-	(890,172)
Issuance of shares upon vesting of Performance Share Units and Restricted Share Units	**-**	**-**	345,500	402,780
Return of common shares to treasury	**(453,605)**	**(294,843)**	(129,106)	(74,881)
Exercise of stock options	**2,500,000**	**1,616,500**	550,000	96,250
Exercise of warrants	**70,992**	**76,529**	-	-
Balance, end of the period	**124,320,937**	**$52,181,379**	108,614,011	$35,458,216

For the six month period ended June 30, 2026, there were nil Common shares issued (December 31, 2025 – 345,500) as a result of Performance Share Units and Restricted Share Units that vested and 2,500,000 options exercised by directors and officers (2025 – 550,000). The return of 453,605 common shares to treasury was a related party transaction in 2026 (December 31, 2025 – 129,106).

Private Placement

Pursuant to a brokered Listed Issuer Financing Exemption (“LIFE”) private placement dated October 21, 2025, the Company issued 10,880,500 common shares at a price of $0.80 per share for aggregate gross proceeds of $8,704,400 (less $890,172 attributed to share issuance costs). Included were 187,500 shares issued in exchange for services, which were measured at the invoice value of the services provided ($150,000), representing management’s best estimate of fair value, and recognized as share based compensation. In addition, 375,000 shares were issued to Vulcan Minerals Inc, in the amount of $300,000.

In connection with the private placement, the Company issued 652,830 compensation warrants and paid a cash commission of 6% of the gross proceeds of the offering. The compensation warrants entitle the holder to acquire one common share of the Company at a price of $0.80 for a period of two years.

On June 11, 2026, the Company completed a brokered private placement pursuant to the Listed Issuer Financing Exemption ("LIFE"), issuing 12,628,000 common shares at a price of $1.20 per share for gross proceeds of $15,153,600. Share issuance costs of $1,078,624 were incurred in connection with the offering.

Flow Through Shares Issued

On May 20, 2026, the Company completed a flow-through private placement for gross proceeds of $1,250,001. The Company issued 961,539 flow-through common shares at a price of $1.30 per share.

Management determined that no flow-through share premium liability arose on the issuance. Accordingly, the full gross proceeds of $1,250,001 were allocated to share capital.

Warrants

Issued and Outstanding	**June 30, 2026**		**December 31, 2025**	
Warrants	**Number of Warrants**	**Weighted Average Exercise Price $**	**Number of Warrants**	**Weighted Average Exercise Price $**
Balance, beginning of the period	**652,830**	**0.80**	2,850,000	2.40
Expired	**-**	**-**	(2,850,000)	2.40
Exercised	**(70,992)**	**0.80**	-	-
Issued – finders' warrants	**-**	**-**	652,830	0.80
Balance, end of the period	**581,838**	**0.80**	652,830	0.80

Continuity of Warrant Reserve

	June 30, 2026 $	December 31, 2025 $
Balance, beginning of the period	**181,499**	2,678,079
Transferred to share capital upon exercise of warrants	**(19,736)**	-
Expiry of warrants	**-**	(2,678,079)
Issued for private placement	**-**	181,499
Balance, end of the period	**161,763**	181,499

Upon the expiration of warrants in 2025, the value of those warrants was transferred to contributed surplus. There were no warrants issued in the period ending June 30, 2026, therefore the weighted average fair value of the warrants in 2026 was estimated on the dates of issuance to be $nil (2025 – $0.28) using the Black-Scholes fair value option pricing model and the following weighted average assumptions:

	2026	2025
Expected volatility (%)	-	**65.75%**
Risk-free interest rate (%)	-	**2.40%**
Weighted-average expected life (periods)	-	**2.00**
Fair value of share price on issue date	-	**0.77**
Dividend yield (%)	-	-

13. SHARE-BASED COMPENSATION

Stock Option Plan

The Company has a stock option plan under which directors, officers, management, consultants, and employees of the Company are eligible to receive stock options. The aggregate number of shares to be issued upon exercise of all options granted under the plan shall not exceed 10% of the issued shares of the Company at the time of granting the options. The number of shares which may be reserved for issuance in any 12-month period to any one individual may not exceed 5% of the issued shares or 2% if the optionee is a consultant, and the number of shares which may be reserved for issuance in any 12-month period to all optionees engaged in investor relations activities may not exceed 2% in the aggregate of the issued shares on a yearly basis. Options may be exercisable over periods of up to ten years, as determined by the Board of Directors of the Company and are required to have an exercise price no less than the closing market price of the Company's shares prevailing on the day that the option is granted less a discount of up to 25%, with the amount of the discount varying with market price in accordance with the policies of the TSXV.

Stock Options

	June 30, 2026		December 31, 2025	
Summary of Stock Options Outstanding and Exercisable	**Number of Options**	**Weighted Avg Exercise Price $**	**Number of Options**	**Weighted Avg Exercise Price $**
Outstanding, beginning of the period	**4,650,000**	**0.79**	4,000,000	0.79
Granted	**3,150,000**	**0.98**	1,200,000	0.49
Expired	**-**	**-**	-	-
Exercised	**(2,500,000)**	**(0.34)**	(550,000)	(0.10)
Outstanding, end of the period	**5,300,000**	**1.11**	4,650,000	0.79
Outstanding and exercisable, end of the period	**1,250,000**	**1.91**	3,650,000	0.89

The weighted average exercise price of outstanding options as at June 30, 2026 was $1.11 (December 31, 2025 – $0.79).

The weighted average remaining contractual life of outstanding options is 3.41 years (December 31, 2025 – 2.26 years). The weighted average remaining contractual life of exercisable options is 0.63 years (December 31, 2025 – 1.96 years). For the period ending June 30, 2026, 3,150,000 stock options were granted (December 2025 – 1,200,000).

On April 28, 2025, the Company granted 200,000 stock options to a director, with 100,000 options vesting immediately and 100,000 options vesting April 28, 2026. The stock price on the date of grant was $0.46.

On June 9, 2025, the Company granted 400,000 stock options to an officer, with 200,000 vesting June 9, 2026, and 200,000 vesting June 9, 2027. The stock price on the date of grant was $0.52.

On June 9, 2025, the Company granted 200,000 stock options to an officer, with 100,000 vesting June 9, 2026, and 100,000 vesting June 9, 2027. The stock price on the date of grant was $0.52.

On July 15, 2025, the Company granted 400,000 stock options to a consulting company, with 100,000 options vesting October 15, 2025, 100,000 options vesting January 15, 2026; 100,000 options vesting April 15, 2026, and 100,000 stock options vesting July 15, 2026. The stock price on the date of grant was $0.42.

On February 12, 2026, the Company granted 400,000 stock options to a consulting company, with 200,000 options vesting February 12, 2027, and 200,000 options vesting February 12, 2028. The stock price on the date of grant was $0.98.

On February 12, 2026, the Company granted 1,600,000 stock options to directors, with 800,000 options vesting February 12, 2027, and 800,000 options vesting February 12, 2028. The stock price on the date of grant was $0.98.

On February 12, 2026, the Company granted 1,150,000 stock options to employees, with 750,000 options vesting February 12, 2027, and 400,000 options vesting February 12, 2028. The stock price on the date of grant was $0.98.

The Company expensed and capitalized the following share-based compensation related to options:

	3 Months Ended June 30 $		**6 Months Ended June 30 $**	
	2026	2025	2026	2025
Expensed share-based compensation from options	**348,912**	32,164	552,608	32,164
Capitalized share-based compensation from options	**52,227**	2,794	84,980	2,794

The weighted average fair value of the options issued during 2026 and 2025 are outlined below, and were estimated on the dates of issuance, using the Black-Scholes fair value option pricing model and the following weighted average assumptions:

Grant Date	**2026-02-12**	2025-04-28	2025-06-09	2025-07-15
Weighted average fair value of options ($)	**0.60**	0.19	0.35	0.08
Expected volatility (%)	**80.45%**	76.06%	101.01%	60.28%
Risk-free interest rate (%)	**2.44%**	2.57%	2.71%	2.83%
Weighted-average expected life (years)	**4.40**	3.00	5.00	1.00
Fair value of share price on issue date ($)	**0.97**	0.395	0.47	0.42
Dividend yield (%)	**-**	-	-	-

Equity Incentive Plan

The Company has an equity incentive plan to provide the Company with a share-related mechanism to attract, retain and motivate qualified directors, employees, and consultants of the Company. The total number of shares reserved and available for grant and issuance, together with all the Company's other Security Based Compensation Arrangements, shall not exceed 10% (in aggregate) of the issued and outstanding shares of the Company. The aggregate number of awards granted to any one Participant in a 12-month period must not exceed 5% of the issued and outstanding shares or 2% for Consultants, calculated on the date an award is granted or issued to the participant, less the aggregate number of shares reserved for issuance to such person. The grant to Insiders (as a group), within a 12-month period of an aggregate number of awards must not exceed 10% of the issued and outstanding shares. Investor relations service providers may not receive any security-based compensation other than stock options.

Deferred Share Units (DSUs)

	June 30, 2026		December 31, 2025	
Summary of deferred share units (DSUs)	**Number of DSUs**	**Weighted Average Price at Date of Grant $**	**Number of DSUs**	**Weighted Average Price at Date of Grant $**
Outstanding, beginning of the period	**1,400,000**	**0.62**	1,000,000	0.72
Granted	**-**	**-**	600,000	0.49
Forfeited	**-**	**-**	(200,000)	0.71
Outstanding, end of the period	**1,400,000**	**0.62**	1,400,000	0.62

On March 28, 2025, a director resigned from the Board of Directors and surrendered 200,000 DSUs on that date. $90,833 of expenses were reversed.

On September 19, 2025, the Company granted 600,000 DSUs to directors, with all vesting on September 19, 2026. The stock price on the date of grant was $0.49.

During the three months ended June 30, 2026 the Company recorded share-based compensation expense for DSUs of $73,500 (2025 – $120,000). For the six-month period, DSU expense was $147,000 (2025 – $149,167). None of these expenses was capitalized to mineral exploration and evaluation assets.

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Restricted Share Units (RSUs)

	June 30, 2026		December 31, 2025	
Summary of restricted share units (RSUs)	**Number of RSUs**	**Weighted Average Price at Date of Grant $**	**Number of RSUs**	**Weighted Average Price at Date of Grant $**
Outstanding, beginning of the period	**700,000**	**0.51**	355,500	1.16
Granted	**-**	**-**	700,000	0.52
Forfeited	**-**	**-**	(48,000)	0.78
Vested and settled in shares	**-**	**-**	(307,500)	1.32
Outstanding, end of the period	**700,000**	**0.51**	700,000	0.51

On January 5, 2024, the Company granted 72,000 RSUs to an officer, with 40,000 vesting January 5, 2025, 16,000 vesting July 5, 2025, and 16,000 vesting January 5, 2026. The stock price on the date of the grant was $0.70. On April 20, 2025, 32,000 RSUs were forfeited.

On June 9, 2025, the Company granted 500,000 RSUs to an officer, with 100,000 vesting June 9, 2026, 200,000 vesting June 9, 2027, and 200,000 vesting June 9, 2028. The stock price on the date of the grant was $0.52.

On June 9, 2025, the Company granted 200,000 RSUs to an officer, with 50,000 vesting June 9, 2026, 75,000 vesting June 9, 2027, and 75,000 vesting June 9, 2028. The stock price on the date of the grant was $0.52.

On June 20, 2025, an officer of the Company resigned and forfeited 16,000 RSUs.

During the three months ended June 30, 2026 the Company recorded share-based compensation expense for RSUs of $41,392 (2025 – $(9,560)) and $1,400 was capitalized (2025 – $2,069). For the six-month period, RSU expense was $86,892 (2025 – $5,097) and $5,192 was capitalized (2025 - $17,715).

Performance Share Units (PSUs)

	June 30, 2026		December 31, 2025	
Summary of performance share units (PSUs)	**Number of PSUs**	**Weighted Average Price at Date of Grant $**	**Number of PSUs**	**Weighted Average Price at Date of Grant $**
Outstanding, beginning of the period	**972,430**	**0.65**	1,418,430	1.25
Granted	**-**	**-**	800,000	0.52
Forfeited	**-**	**-**	(1,208,000)	1.27
Exercised	**-**	**-**	(38,000)	0.70
Outstanding, end of the period	**972,430**	**0.65**	972,430	0.65

On January 5, 2024, the Company granted 128,000 PSUs to a consultant. These PSUs are based on performance indicators achieved and cannot vest prior to January 5, 2025. The stock price on the date of the grant was $0.70. On April 20, 2025, 90,000 PSUs were forfeited and $37,029 expenses reversed.

On March 19, 2025, an officer of the Company was terminated and 1,000,000 PSUs were forfeited. These PSUs had all vested and the stock price at the date of grant was $1.36. Expenses reversed in the amount of $412,916 and $334,017 capitalized to mineral exploration and evaluation.

On June 9, 2025, the Company granted 600,000 PSUs to an officer. These PSUs are based on performance indicators achieved and cannot vest prior to June 9, 2026. The stock price on the date of the grant was $0.52.

On June 9, 2025, the Company granted 200,000 PSUs to an officer. These PSUs are based on performance indicators achieved and cannot vest prior to June 9, 2026. The stock price on the date of the grant was $0.52.

On June 20, 2025, an officer of the Company resigned and 118,000 PSUs were forfeited. These PSUs had vested and the stock price at the date of grant was $0.95. Expenses reversed in the amount of $31,752 and $18,880 capitalized to mineral exploration and evaluation.

During the three months ended June 30, 2026 the Company recorded share-based compensation expense for PSUs of $52,642 (2025 – ($50,533)) and $11,408 was capitalized (2025 – $(6,202)). For the six-month period, PSU expense was $105,987 (2025 – $(461,483)) and $24,510 was capitalized (2025 $(326,793)).

14. CAPITAL MANAGEMENT

The capital structure of the Company consists of equity comprising share capital, contributed surplus, warrants, and deficit. The Company's objective when managing capital is to safeguard its accumulated capital in order to maintain its ability to continue as a going concern and to fund exploration and development activities.

15. FINANCIAL INSTRUMENTS AND RELATED RISK MANAGEMENT

Fair Value of Financial Instruments

The carrying amount of cash and cash equivalents, short-term investment, accounts receivable, trade payable and accrued liabilities approximate their fair value due to their short-term nature. The Company's debt is recorded at its carrying amount which is reflective of fair value since the debt was assumed and there have been no material changes in market interest rates.

Investment in Triple Point:

The fair value of financial assets and liabilities not traded in active markets that are based on unobservable inputs are classified as Level 3. The Company's Level 3 assets consist of the investment in Triple Point. The process of estimating the fair value of the investment inherently involves measurement uncertainty and is based on techniques and assumptions that include both qualitative and quantitative information and analysis. Fair value inputs primarily consist of the price of recent transactions adjusted as deemed necessary for subsequent performance of the investee compared to available evidence such as internally developed projections or other indicators of impairment or value creation. A change of +/- 10% in the fair value of the investment will result in a corresponding change of +/- $118,165 (2025 - $137,265) in the total fair value of the investment.

The Company has exposure to credit risk, liquidity risk, market risk and commodity price risk. The source of risk exposure and how each is managed is outlined below:

Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfil its payment obligation. The Company is exposed to credit risk on its cash and cash equivalents and accounts receivable. Cash is maintained on deposit with a major Canadian chartered bank and the majority of the accounts receivable is with the Federal Government. The Company believes its credit risk with respect to cash and cash equivalents and accounts receivable is not significant.

Credit risk is the risk of financial loss if a customer fails to meet its contractual obligations. The Company manages this risk through established credit approval processes, ongoing monitoring of customer balances, and, where appropriate, requiring deposits or other forms of security.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they come due. As of June 30, 2026 the Company had a cash balance of $17,694,404 and a positive working capital of $18,558,179.

Market Risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates, and commodity prices will affect the Company's net loss or the value of its financial instruments. The Company has determined that a 1% increase or decrease in interest rates and foreign exchange rates would not have a material impact on these interim condensed financial statements.

Commodity Price Risk

The recoverability of the Company's mineral exploration and evaluation assets is partially related to the market price of minerals and commodities. The Company does not hedge this exposure to fluctuations in commodity prices. The Company's ability to continue with its exploration programs is also indirectly subject to commodity prices.

16. SUBSEQUENT EVENTS

On July 6, 2026, 150,000 RSU's, 175,000 PSU's and 400,000 stock options were forfeited following the resignation of an officer of the Company.

On July 17, 2026 and August 12, 2026, 150,000 RSUs and 100,000 PSUs were settled resulting in the issuance of 119,492 common shares to directors and officers of the company.

On July 17, 2026, 400,000 stock options were exercised for gross proceeds of $200,000.

On July 23, 2026, the Company announced it had received a Letter of Interest from Export Development Canada stating its interest in providing long term debt financing of up to C$150,000,000 as Mandated Lead Arranger, for the Great Atlantic Salt Project.

On August 4, 2026, the Company granted 750,000 options at an exercise price of $1.39 per option and 250,000 RSU's.