OSIRIS ONE METALS LTD.

(Formerly Lithium Ion Energy Ltd.)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

SIX-MONTH PERIOD ENDED JUNE 30, 2026

(Expressed in Canadian Dollars, Unless Otherwise Stated)

(UNAUDITED)

Notice to Reader

The accompanying unaudited condensed interim consolidated financial statements of Osiris One Metals Ltd. ("the Company") have been prepared by and are the responsibility of management. The unaudited condensed interim consolidated financial statements as at and for the six months ended June 30, 2026 have not been reviewed by the Company's auditors.

Osiris One Metals Ltd.
(Formerly Lithium Ion Energy Ltd.)
Condensed Consolidated Interim Balance Sheets
(Expressed in Canadian Dollars)
(UNAUDITED)

AS AT	Notes	June 30, 2026	December 31, 2025
ASSETS		$	$
Current			
Cash		841,347	1,410
Prepaid expenses and deposits		3,920	3,920
Sales tax receivable		24,331	11,296
Total current assets		869,598	16,626
Non-current			
Property and equipment	3	8,827	9,714
Exploration and evaluation assets	4	452,131	1,271,370
Other interest - Victory nickel project	6	67,500	67,500
Total assets		1,398,056	1,365,210
LIABILITIES			
Current			
Accounts payable and accrued liabilities	8	1,342,109	1,251,854
Loans payable	5	11,388	179,484
Total current liabilities		1,353,497	1,431,338
SHAREHOLDERS' EQUITY (DEFICIENCY)			
Share capital	7	12,813,401	11,248,995
Contributed surplus	7	4,672,919	4,355,343
Accumulated other comprehensive loss		(75,652)	(109,930)
Accumulated deficit		(17,366,109)	(15,560,536)
Total shareholders' equity (deficiency)		44,559	(66,128)
Total liabilities and shareholders' equity		1,398,056	1,365,210

Nature and continuance of operations (Note 1)
Subsequent events (Note 12)

Approved on behalf of the Board of Directors and authorized for issuance on August 31, 2026:

"Sreenath Didugu"
Sreenath Didugu, Director

"Matthew Wood"
Matthew Wood, Director

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

Osiris One Metals Ltd.

(Formerly Lithium Ion Energy Ltd.)

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss
For the periods ended:
(Expressed in Canadian Dollars)
(UNAUDITED)

		Three Months Ended		Six Months Ended	
	Notes	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
EXPENSES		$	$	$	$
Audit and accounting		3,943	10,500	33,219	10,500
Consulting	8	99,000	6,000	160,000	87,586
General and office		13,284	14,107	15,573	14,523
Investor relations		2,397	-	4,739	-
Legal		59,844	-	62,508	-
Share-based compensation	7	27,272	-	279,222	-
Rent	8	15,000	-	20,000	-
Transfer agent and filing fees		35,820	6,502	56,152	15,768
Foreign exchange		-	(23)	(861)	40
Total expenses		256,560	37,086	630,552	128,417
Net loss before other items		(256,560)	(37,086)	(630,552)	(128,417)
Other items		(231)	(1,301)	(3,638)	(1,301)
Impairment of exploration and evaluation assets	4	(1,171,383)	-	(1,171,383)	-
Net Loss		(1,428,174)	(38,387)	(1,805,573)	(129,718)
Foreign currency translation adjustment		19,969	(75,730)	34,278	(101,477)
Comprehensive loss		(1,408,205)	(114,117)	(1,771,295)	(231,195)
Basic and diluted net loss per share		(0.01)	(0.00)	(0.02)	(0.00)
Weighted average number of common shares outstanding		104,141,925	65,781,137	79,427,404	65,781,137

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

Osiris One Metals Ltd.
(Formerly Lithium Ion Energy Ltd.)
Consolidated Statements of Changes in Shareholders' Equity (Deficiency)
(Expressed in Canadian Dollars)
(UNAUDITED)

	Note	Number of Common Shares	Share Capital	Contributed Surplus	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Shareholders' Equity (Deficiency)
			$	$	$	$	$
Balance, December 31, 2024		65,781,137	11,158,995	4,355,343	(125,184)	(15,213,006)	176,148
Translation adjustment		-	-	-	(101,477)	-	(101,477)
Net loss		-	-	-	-	(129,718)	(129,718)
Balance, June 30, 2025		65,781,137	11,158,995	4,355,343	(226,661)	(15,342,724)	(55,047)
Balance, December 31, 2025		68,781,137	11,248,995	4,355,343	(109,930)	(15,560,536)	(66,128)
Acquisition of Western Range	4	9,000,000	270,000	-	-	-	270,000
Private placement	7	35,237,500	1,409,500	-	-	-	1,409,500
Share issue costs - cash	7	-	(76,740)	-	-	-	(76,740)
Share issue costs - non-cash	7	-	(38,354)	38,354	-	-	-
Share-based compensation	7	-	-	279,222	-	-	279,222
Translation adjustment		-	-	-	34,278	-	34,278
Net loss		-	-	-	-	(1,805,573)	(1,805,573)
Balance, June 30, 2026		113,018,637	12,813,401	4,672,919	(75,652)	(17,366,109)	44,559

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

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Osiris One Metals Ltd.
(Formerly Lithium Ion Energy Ltd.)
Consolidated Statements of Cash Flows
For the periods ended
(Expressed in Canadian Dollars)
(UNAUDITED)

	Notes	Six Months Ended June 30, 2026	June 30, 2025
		$	$
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss		(1,805,573)	(129,718)
Adjusted for:			
Share-based compensation	7	279,222	-
Accrued finance charges	5	527	1,301
Impairment of exploration and evaluation asset	4	1,171,383	-
Changes in non-cash working capital items:			
Sales tax and other receivables		(13,035)	(6,433)
Accounts payable and accrued liabilities		51,061	80,638
Net cash used in operating activities		(316,415)	(54,212)
CASH FLOWS FROM INVESTING ACTIVITIES			
Exploration and evaluation assets		-	(50,993)
Net cash used in investing activities		-	(50,993)
CASH FLOWS FROM FINANCING ACTIVITIES			
Common shares issued for cash		1,409,500	-
Share issue costs		(76,740)	-
Loans received (repaid)		(168,623)	120,000
Net cash provided by financing activities		1,164,137	120,000
Effect of foreign exchange		(7,785)	22,255
Net change in cash and cash equivalents		839,937	37,050
Cash, beginning		1,410	4,463
Cash, end		841,347	41,513

Supplemental cash flow disclosure (Note 11)

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Osiris One Metals Ltd. ("Osiris" or "the Company") (Formerly Lithium Ion Energy Ltd.) was incorporated under the Business Corporation Act (Alberta) on June 5, 2017. On April 17, 2026, the Company continued into British Columbia and became incorporated under the Business Corporations Act of British Columbia. On April 27, 2026, the Company change its name from Lithium Ion Energy Ltd. to Osiris One Metals Ltd. The registered head office of the Company is located at 1200 – 750 W. Pender Street, Vancouver BC, V6C 2T8. The Company trades on the TSX Venture Exchange under the trading symbol "OSM", on the OTC under the symbol "IONGF", and on the Frankfurt Stock Exchange under the symbol "JI8".

The Company is engaged in the business of the acquisition and exploration of mineral properties with a focus on strategic and critical minerals. The Company is actively advancing its mineral project located in western Mongolia.

These condensed consolidated interim financial statements are prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. As at June 30, 2026, the Company has an accumulated deficit of $17,366,109 (December 31, 2025 - $15,560,536). The Company is in the process of exploring and developing its mineral properties and has not yet determined whether those properties contain ore reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to fund property commitments and to complete the exploration and development of the properties and upon achieving future profitable production or proceeds from the disposition thereof. There is a material uncertainty related to these conditions that may cast significant doubt regarding the Company's ability to continue as a going concern.

The Company has financed its operations primarily through the issuance of common shares since inception. The Company continues to seek capital through various means including the issuance of equity and/or debt. While the Company has been successful in securing financing in the past, there is no assurance that it will be able to do so in the future or on terms that are favorable to the Company. Accordingly, these consolidated financial statements do not give effect to adjustments, if any, that would be necessary should the Company be unable to continue as a going concern. If the going concern assumption was not used, then the adjustments required to report the Company's assets and liabilities on a liquidation basis could be material to these consolidated financial statements.

2. MATERIAL ACCOUNTING POLICY INFORMATION

(a) Statement of compliance

The Company applies international Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the IFRS interpretations Committee. These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34 – Interim Financial Reporting. Accordingly, they do not include all the information required for full annual financial statements.

(b) Basis of presentation

These condensed interim consolidated financial statements do not include all the information required for full annual IFRS financial statements and therefore should be read in conjunction with the company's annual consolidated financial statements for the year ended December 31, 2025, and are prepared consistent with the accounting policies disclosed therein. Operating results for the six-month period ended June 30, 2026, are not necessarily indicative of the results that may be expected for the year ending December 31, 2026.

3. PROPERTY AND EQUIPMENT

	Equipment	Furniture	Total
COST	$	$	$
Balance, December 31, 2024	30,277	2,816	33,093
Foreign exchange variance	(2,511)	-	(2,511)
Balance, December 31, 2025	27,766	2,816	30,582
Foreign exchange variance	874	-	874
Balance, June 30, 2026	28,640	2,816	31,456
ACCUMULATED DEPRECIATION			
Balance, December 31, 2024	16,659	2,816	19,475
Depreciation	1,393	-	1,393
Foreign exchange variance	-	-	-
Balance, December 31, 2025	18,052	2,816	20,868
Depreciation	1,183	-	1,183
Foreign exchange variance	1,971	-	1,971
Balance, June 30, 2026	19,813	2,816	22,629
NET BOOK VALUE			
December 31, 2025	9,714	-	9,714
June 30, 2026	8,827	-	8,827

During the period ended June 30, 2026, depreciation totaling $1,183 (year ended December 31, 2025 – $1,393) was capitalized to exploration and evaluation assets.

4. EXPLORATION AND EVALUATION ASSETS

	Urgakh Naran	Western Range	Total
	$		$
Balance, December 31, 2024	1,267,166	-	1,267,166
Additions	63,682	-	63,682
Impairment	-	-	-
Foreign exchange variance	(59,478)	-	(59,478)
Balance, December 31, 2025	1,271,370	-	1,271,370
Additions	1,183	312,600	313,783
Impairment	(1,171,383)	-	(1,171,383)
Foreign exchange variance	38,361	-	38,361
Balance, June 30, 2026	139,531	312,600	452,131

Western Range Silver Copper Project -Western Australia

On June 25, 2026, the Company closed the acquisition of an 80% interest in the Western Range Silver Copper Project located in Western Australia. As consideration the Company issued 9,000,000 common shares with a fair value of $270,000 ($0.03 per share) and cash of US $30,000 (Accrued and unpaid at June 30, 2026).

Urgakh Naran Lithium Project – Mongolia

On February 10, 2021, the Company acquired the Urgakh Naran Lithium Brine Project (the "Urgakh Naran Project") located in Mongolia's Dornogovi Province.

On March 27, 2025, the Company entered into a joint venture agreement ("JV"), subject to TSX-V approval, on the Urgakh Naran project whereby Sure FQ Ltd. ("SureFQ") may acquire 80% of the project by making the following payments and expenditures:

Expenditures:

- Not less than US$500,000 before the first anniversary of the effective date
- Not less than US$1,500,000 before the second anniversary of the effective date
- Not less than US$6,000,000 before the fifty fourth month anniversary of the effective date
- Not less than US$8,000,000 before the fifty fourth month anniversary of the effective date

Cash payments:

- US$500,000 on the first anniversary date
- US$1,000,000 on the second anniversary date
- US$1,000,000 on the third, fourth, and fifth anniversary dates

On August 29, 2025, the Company received TSX-V final approval for the transaction. On February 3, 2026, the Company announced that SureFQ had withdrawn from the JV.

On July 11, 2026, the Company announced that it had entered into a definitive agreement with an arms length third party to dispose of the Urgakh Naran Project in exchange for US $200,000 in cash ($284,000), net of liabilities from the purchaser. As of June 30, 2026, the Company determined that the liabilities were $144,469 therefore recorded an impairment of exploration and evaluation assets of $1,171,383 reflecting the expected net recoverable amount. Closing of the transaction remains subject to finalization of the net liabilities by the purchaser and payment of the net consideration. (Note 12).

5. LOANS PAYABLE

	June 30, 2026	December 31, 2025
	$	$
Opening balance	179,484	50,924
Loans received	-	120,000
Loans repaid	(168,623)	-
Finance fees	527	8,560
Closing balance	11,388	179,484

On June 15, 2023, the Company entered a loan agreement for $25,000 from Olympic Metals Inc, a company with common directors and officers. The loan does not bear interest and was repayable September 30, 2023. The loan agreement requires the Company to pay an administrative fee of $600. The loan passed the due date and remains unpaid and is due on demand. During the period ended June 30, 2026, the loan was repaid in full.

On October 14, 2024, the Company entered a loan agreement for US$16,000 from Olympic Metals Inc, a company with common directors and officers. The loan does not bear interest and is repayable on October 15, 2025. The loan agreement requires the to Company pay an administrative fee of US$1,600. The loan passed the due date and remains unpaid and is due on demand. During the period ended June 30, 2026, the loan was repaid in full.

On April 13, 2025 the Company obtained unsecured loans of $10,000 from a director of the Company bearing annual interest of 12% and maturing on April 13, 2026.

On April 13, 2025 the Company obtained unsecured loans of $10,000 from a former director and officer of the Company bearing annual interest of 12% and maturing on April 13, 2026.During the period ended June 30, 2026, the loan was repaid in full.

On June 6, 2025, the Company obtained a loan of $100,000 from a company with common officers and directors bearing annual interest of 12% and maturing on June 6, 2026. The Loan is secured by a general security agreement over the assets of the Company. During the period ended June 30, 2026, the loan was repaid in full.

6. OTHER INTEREST – VICTORY COPPER PROJECT

On January 25, 2022, the Company entered into a binding term sheet which set out the terms for an exploration joint venture with Trinity One Metals Ltd. (“Trinity One”). The joint venture allowed for both companies to grant one another reciprocal exploration rights to their respective exploration licenses within Mongolia. Under the terms of the agreement, Trinity One was granted a right to explore the Company’s properties for base metals (including copper, lead, zinc, nickel, cobalt and associated metals) and to earn an 80% interest in and to all base metal projects discovered and/or defined on the Company’s Properties subject to the existing royalties and subject to the completion by Trinity One of its work commitment of $3.0 million over three years. Ion was granted a right to explore Trinity One’s properties for lithium and an 80% interest in and to all lithium projects discovered and/or defined on the Trinity One licenses, subject to the existing royalties. Trinity one is considered to be a related party as there are common directors and officers between the Company and Trinity One.

During the year ended December 31, 2023, the Company entered an agreement with Trinity One whereby it agreed to formally separate a portion of the formerly held Baavhi Uul exploration license covering the area identified by Trinity One known as the “Victory Copper Project” in exchange for a 20% free carried interest in the Victory Copper Project.

The exchange of a portion of the Company’s exploration license for the 20% carried interest represented a non-monetary transaction and was accounted for at fair value which was determined to be $67,500.

7. SHARE CAPITAL

Authorized

Unlimited number of common voting shares.

Issued and Outstanding

As of June 30, 2026, there were 113,018,637 common shares outstanding.

Common shares issued during the period ended June 30, 2026, were as follows:

On June 25, 2026, the Company issued 9,000,000 common shares with a fair value of $0.03 per share for total consideration of $270,000 to acquire the Western Range Silver Copper Project (Note 4).

On March 13, 2026, the Company closed a non-brokered private placement of 35,237,500 units at a price of $0.04 per unit raising gross proceeds of $1,409,500. Each unit consists of one common share and one warrant entitling the holder to purchase one common share of the Company at a price of $0.05 until March 13, 2028. The Company paid cash finder's fees and share issue costs of $76,740 and issued 1,101,750 finder's warrants which are exercisable at a price of $0.05 until March 13, 2028 with a fair value of $38,354.

Common shares issued during the year ended December 31, 2025, were as follows:

On July 3, 2025, the Company issued 3,000,000 common shares with a fair value of $90,000 ($0.03 per share) to settle debt. In relation to the debt settlement the Company recognized a gain of $30,000.

Stock Options

The Company has established a stock option plan (the "Plan") for its directors, officers and consultants under which the Company may grant options from time to time to acquire a maximum of 10% of the issued and outstanding common shares. The exercise price of each option granted under the plan shall be determined by the Board of Directors. Options may be exercised for a maximum term of ten years from the date of the grant. They are non-transferable and expire the greater of 90 days after termination of employment or holding office as director or officer of the Company and, in the case of death, expire one year thereafter. Unless otherwise stated, the options fully vest when granted.

Continuity of stock options:

	Number of Options	Weighted Average Exercise Price $
Balance at December 31, 2024	6,322,000	0.31
Expired	(5,072,000)	0.09
Balance at December 31, 2025	1,250,000	0.09
Expired	(1,250,000)	0.09
Granted	8,000,000	0.09
Balance at June 30, 2026	8,000,000	0.05

7. SHARE CAPITAL (Continued)

Stock Options (Continued)

Stock options issued and outstanding as of June 30, 2026:

Expiry date	Number of Options	Number of Exercisable Options	Weighted Average Exercise Price	Weighted Average Remaining Years
March 13, 2031	7,000,000	7,000,000	$0.05	4.70
June 15, 2031	1,000,000	1,000,000	$0.05	4.96
	8,000,000	8,000,000	$0.05	4.74

During the period ended June 30, 2026, the Company recognized share-based payments expense of $279,222 (June 30, 2025 - $Nil) in connection with the vesting of stock options granted in the current period.

The following weighted average assumptions were used for the Black-Scholes option pricing model valuation of stock options granted during the periods ended were as follows:

	June 30, 2026	June 30, 2025
Risk-free interest rate	3.07%	n/a
Expected life of options	5 years	n/a
Annualized volatility	117%	n/a
Dividend rate	0.00%	n/a
Weighted average fair value per option	$0.036	n/a

Warrants

The Company enters into agreements for various services for which all or partial consideration is comprised of warrants. As the fair value of the provision of services is difficult to measure, the Company measures the fair value of services received or to be received by reference to the fair value of warrants granted using the Black-Scholes Model.

Warrant activity is as follows:

	Number of Warrants	Weighted Average Exercise Price $
Balance at December 31, 2024	15,500,000	0.62
Expired	(15,500,000)	0.62
Balance at December 31, 2025	-	-
Issued	36,339,250	0.05
Balance at June 30, 2026	36,339,250	0.05

7. SHARE CAPITAL (Continued)

Warrants (Continued)

Warrants and outstanding as of June 30, 2026:

Expiry date	Number of Warrants	Weighted Average Exercise Price	Weighted Average Remaining yrs
March 13, 2028	36,339,250	$0.05	1.70

The weighted average Black-Scholes inputs for finders warrants granted are as follows:

	June 30, 2026	December 31, 2025
Risk-free interest rate	3.07%	n/a
Expected life (years)	2	n/a
Annualized volatility	140%	n/a
Dividend rate	0%	n/a
Weighted average fair value per warrant	$0.034	n/a

8. RELATED PARTY TRANSACTIONS

Key management personnel include those individuals having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers and/or companies controlled by those individuals.

Transactions with key management:

	June 30, 2026	June 30, 2025
	$	$
Consulting fees	86,000	81,586
Rent	20,000	-
Share-based compensation	207,237	44,103
Total	313,237	125,689

The following balances with related parties are outstanding:

	June 30, 2026	December 31, 2025
Related party balances payable	$	$
Accounts payable	678,153	703,907
Loans payable - Olympic Metals Inc.	-	157,762
Loans payable - Directors	11,388	21,722
Rent - Steppe Gold Ltd.	44,070	44,070

Other related party transactions include:

a) On June 3, 2025, the Company issued 3,000,000 common shares to officers and directors of the Company with a fair value of $90,000 in settlement of debt amounting to $120,000. The Company recognized a gain on debt settlement of $30,000 in relation to the transaction. The following shares were issued: Ali Haji (Former Director & CEO)– 1,350,000 shares, Matthew Wood (Director) – 300,000 shares, Aneel Waraich (Former Director) – 300,000 shares, Robert Payment (CFO) – 450,000 shares, Enkhtuvshin Khishigsuren (Former Director) – 300,000 shares, Joseph Gallucci (Former Director) – 300,000 shares.

b) Included in accounts payable and accrued liabilities is $44,070 (December 31, 2025 - $44,070) related to rent payable to Steppe Gold Ltd., a Company with former common directors and officers (Matt Wood and Bataa Tumur-Ochir)

c) Loans payable of $Nil (December 31, 2025 - $179,484 (Note 5) are due to Olympic Metals Ltd., a Company with common directors and officers (Robert Payment is a common officer)

d) The Company obtained loans with a principal balance of $10,000 from Mathew Wood (Chairman and Director) (Note 5).

e) The Company repaid loans with a principal balance of $10,000 from Ali Haji (Former Director and CEO) and (Note 5).

f) During the period ended June 30, 2026, the Company paid a corporate restructuring fee of $20,000 to a Company with Common Officers and Directors (Sreenath Didugu and Matthew Wood).

g) During the period ended June 30, 2026, the Company paid rent of $20,000 to a Company with Common Officers and Directors (Sreenath Didugu and Matthew Wood).

9. CAPITAL RISK MANAGEMENT

The Company's capital currently consists of common shares. Its principal source of cash is from the issuance of common shares. The Company's capital management objectives are to safeguard its ability to continue as a going concern and to have sufficient capital to be able to acquire and conduct exploration and evaluation activities on mineral properties. The Company does not have any externally imposed capital requirements to which it is subject. The Company manages the capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of the underlying assets. The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern, such that it can provide returns for shareholders and benefits for other stakeholders.

10. FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate risk, foreign currency risk and price risk). All amortized cost financial instruments approximate their fair value due to the short term to maturity.

(i) Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to its cash and cash equivalents balance.

Cash and cash equivalents are held with a Canadian chartered bank and a financial institution in Mongolia, as well as in trust with a law firm with which the Company frequently does business. Sales tax and other receivables consist primarily of HST recoverable.

(ii) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure it will have sufficient liquidity to meet liabilities when due. To the extent the Company does not believe it has sufficient liquidity to meet its obligations, it will consider securing additional equity or debt funding. The Company's cash and cash equivalents are currently invested in business accounts with high-credit quality financial institutions and in trust and are available on demand by the Company. The Company's financial obligations consist of accounts payable and accrued liabilities, and loans payable.

Years ended		Less than one year	1-3 years	3-5 years	More than 5 years	Total
June 30, 2026	Accounts payable and accrued liabilities	$1,342,109	-	-	-	$1,342,109
June 30, 2026	Loans payable	$11,388	-	-	-	$11,388
December 31, 2025	Accounts payable and accrued liabilities	$1,251,854	-	-	-	$1,251,854
December 31, 2025	Loans payable	$179,484	-	-	-	$179,484

10. FINANCIAL RISK MANAGEMENT (continued)

(iii) Market risk

Market risk is the risk of loss that may arise from changes in market factors such interest rate, foreign exchange rates and commodity and equity prices.

(iv) Interest rate risk

The Company has cash and cash equivalents and no variable interest rate bearing debt. The Company does not believe it is exposed to material interest rate risks.

(v) Foreign currency risk

The Company's functional and presentation currency is the Canadian Dollar. The Company has cash balances in Mongolian Tugrik and US dollars that are subject to foreign currency risk.

The Company is exposed to foreign currency risk on fluctuations related to cash, accounts payable and other liabilities, that are denominated in US dollars and Mongolian Tugrik. Sensitivity to a plus or minus 5% change in the foreign exchange rate of the US dollar compared to the Canadian dollar would affect net income by $14,000 (December 31, 2025 - $7,000) with all other variables held constant.

(vi) Commodity price risk

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, as they relate to lithium, and the stock market to determine the appropriate course of action to be taken by the Company.

Commodity price risk could adversely affect the Company. In particular, the Company's future profitability and viability of development depends upon the work market price of lithium. There is no assurance that, even if commercial quantities of lithium deposits are produced in the future, a profitable market will exist for them. As of June 30, 2026, the Company was not a lithium producer. Even so, commodity prices may affect the completion of future equity transactions such as equity offerings. This may also affect the Company's liquidity and its ability to meet its ongoing obligations.

11. SUPPLEMENTAL CASH FLOW DISCLOSURE

Significant non-cash transactions during the periods ended were as follows:

	June 30, 2026	June 30, 2025
	$	$
Supplemental cash flow disclosure:		
Fair value of broker warrants	38,354	-

11. SUBSEQUENT EVENTS

On July 11, 2026, the Company announced that it had entered into a definitive agreement with an arms length third party to dispose of the Urgakh Naran Project in exchange for US $200,000 in cash ($284,000), net of liabilities from the purchaser. As of June 30, 2026, the Company determined that the liabilities were $144,469 therefore recorded an impairment of exploration and evaluation assets of $1,171,383 reflecting the expected net recoverable amount. Closing of the transaction remains subject to finalization of the net liabilities by the purchaser and payment of the net consideration.