

# **VINLAND LITHIUM INC.**

(A Development Stage Enterprise)

## **Condensed Consolidated Interim Financial Statements For the nine months ended September 30, 2025**

(Stated in Canadian Dollars)

### **Responsibility for Financial Statements**

The accompanying financial statements for Vinland Lithium Inc. have been prepared by management in accordance with International Financial Reporting Standards (“IFRS”) consistently applied. Only changes in accounting policies have been disclosed in these unaudited condensed interim financial statements. Recognizing that the Company is responsible for both the integrity and objectivity of the financial statements, management is satisfied that these financial statements have been fairly presented. In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the unaudited condensed consolidated interim financial statements for the period ended September 30, 2025.

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**VINLAND LITHIUM INC.**  
(A Development Stage Enterprise)

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September 30, 2025

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**VINLAND LITHIUM INC.**  
(A Development Stage Enterprise)

**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION**  
(Unaudited – Stated in Canadian dollars)

As at	June 30, 2025 \$	December 31, 2024 \$
<b>ASSETS</b>		
Current		
Cash and cash equivalents	1,332,609	1,763,004
HST and other receivables	50,336	25,004
Prepayments	9,253	15,882
Refundable deposits (note 13)	3,350	-
	<b>1,395,548</b>	<b>1,803,890</b>
Non-Current		
Right-of-use assets (note 5)	31,480	54,471
Exploration and evaluation assets (note 6)	8,168,721	8,050,250
<b>Total assets</b>	<b>9,595,749</b>	<b>9,908,611</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Liabilities</b>		
Current		
Accounts payable and accrued liabilities (note 7)	79,435	133,035
Current portion of lease liability (note 8)	34,018	31,432
	<b>113,453</b>	<b>164,467</b>
Non-Current		
Lease liability (note 8)	-	25,821
<b>Total liabilities</b>	<b>113,453</b>	<b>190,288</b>
<b>Shareholders' Equity</b>		
<b>Capital Stock (note 9)</b>		
Share capital	10,050,252	10,050,252
Contributed surplus	158,609	-
Deficit	(726,565)	(331,929)
<b>Total equity</b>	<b>9,482,296</b>	<b>9,718,323</b>
<b>Total liabilities and equity</b>	<b>9,595,749</b>	<b>9,908,611</b>

See Nature of Operations and Going Concern – Note 1  
Commitments– Note 8

*These financial statements are authorized for issue by the Board of Directors on October 29, 2025. They are signed on the Corporation's behalf by:*

“Abraham Drost” Director  
“Stephen Stares” Director

See accompanying notes to the condensed consolidated financial statements

**VINLAND LITHIUM INC.**  
(A Development Stage Enterprise)

**CONDENSED CONSOLIDATED STATEMENTS OF INCOME (LOSS) AND  
COMPREHENSIVE INCOME (LOSS)**  
(Unaudited – Stated in Canadian dollars)

	<b>Three Months Ended Sept. 30, 2025 \$</b>	<b>Three Months Ended Sept. 30, 2024 \$</b>	<b>Nine Months Ended Sept. 30, 2025 \$</b>	<b>Nine Months Ended Sept. 30, 2024 \$</b>
<b>EXPENSES</b>				
General and administrative (note 8)	12,228	4,557	44,910	14,353
Advertising and promotion	2,479	1,143	7,899	1,677
Depreciation and amortization expense (note 5)	7,663	7,664	22,991	22,992
Professional fees (note 7)	11,900	27,523	89,210	133,323
Consulting fees (note 7)	2,000	10,700	17,800	42,780
Salaries and benefits (note 7)	51,753	-	62,886	-
Listing and filing fees	3,499	10,000	23,782	16,000
Share-based payments (notes 7 and 11)	158,609	-	158,609	-
Pre-acquisition exploration and evaluation	-	-	113	-
	(250,131)	(61,587)	(428,200)	(231,125)
Other income (expense):				
Interest income	9,611	20,957	33,564	38,007
Recovery of loss on disposition of marketable securities	-	246,436	-	246,436
Loss on disposition of marketable securities	-	-	-	(216,081)
<b>Loss and comprehensive loss for the period</b>	<b>(240,520)</b>	<b>205,806</b>	<b>(394,636)</b>	<b>(162,763)</b>
<b>Income and comprehensive loss per common share</b>				
<b>– basic and diluted (note 10)</b>	<b>(0.02)</b>	<b>0.02</b>	<b>(0.04)</b>	<b>(0.02)</b>
<b>Weighted average shares outstanding – basic and diluted</b>	<b>10,050,252</b>	<b>10,050,252</b>	<b>10,050,252</b>	<b>10,050,252</b>

See accompanying notes to the condensed consolidated financial statements

**VINLAND LITHIUM INC.**  
(A Development Stage Enterprise)

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**(Prepared by Management - Unaudited)**  
For the nine months ended June 30, 2025 and 2024

	<u>Share Capital</u>				Total \$
	Number	Amount \$	Contributed Surplus \$	Deficit \$	
<b>Balance at December 31, 2023</b>	<b>10,050,252</b>	<b>10,050,252</b>	-	<b>(60,837)</b>	<b>9,989,415</b>
Loss and comprehensive loss for the period	-	-	-	(162,763)	(162,763)
<b>Balance at September 30, 2024</b>	<b>10,050,252</b>	<b>10,050,252</b>	-	<b>(223,600)</b>	<b>9,826,652</b>
<b>Balance at December 31, 2024</b>	<b>10,050,252</b>	<b>10,050,252</b>	-	<b>(331,929)</b>	<b>9,718,323</b>
Share-based payments	-	-	158,609	-	158,609
Loss and comprehensive loss for the period	-	-	-	(394,636)	(394,636)
<b>Balance at September 30, 2025</b>	<b>10,050,252</b>	<b>10,050,252</b>	<b>158,609</b>	<b>(726,565)</b>	<b>(9,482,296)</b>

See accompanying notes to the condensed consolidated financial statements

**VINLAND LITHIUM INC.**  
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**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS**  
**(Prepared by Management – Unaudited)**

	<b>Nine Months Ended Sept. 30, 2025 \$</b>	<b>Nine Months Ended Sept. 30, 2024 \$</b>
<b>CASH FLOWS FROM (USED IN):</b>		
<b>OPERATING ACTIVITIES</b>		
Income (loss) and comprehensive income (loss) for the period	(394,636)	(162,763)
Items not requiring an outlay of cash:		
Recovery of loss on marketable securities	-	(246,436)
Loss on disposition of marketable securities	-	216,081
Share-based payments	158,609	-
Depreciation and amortization expense	22,991	22,992
Imputed interest on lease liability	3,765	6,281
Decrease in HST and other receivables	(25,332)	(43,843)
Decrease (increase) in prepayments	6,629	(17,111)
Decrease in accounts payable and accrued liabilities	(53,600)	(8,380)
Cash flows used in operating activities	(281,574)	(233,179)
<b>FINANCING ACTIVITIES</b>		
Payments on lease liability	(27,000)	(27,000)
Cash flows used in financing activities	(27,000)	(27,000)
<b>INVESTING ACTIVITIES</b>		
Exploration and evaluation expenditures	(268,471)	(827,191)
Recovery of exploration and evaluation expenditures - grants	150,000	-
Cash received for future exploration and evaluation	-	320,875
Increase in refundable security deposits	(3,350)	-
Proceeds on sale of marketable securities	-	1,050,637
Cash flows from (used in) investing activities	(121,821)	544,321
Increase (decrease) in cash and cash equivalents	(430,395)	284,142
Cash and cash equivalents - beginning of year	1,763,004	1,521,061
Cash and cash equivalents - end of period	1,332,609	1,805,203

Supplemental cash flow information (note 12)

See accompanying notes to the condensed consolidated financial statements

**VINLAND LITHIUM INC.**  
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**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

September 30, 2025

**1. NATURE OF OPERATIONS AND GOING CONCERN:**

Vinland Lithium Inc. (“Vinland” or the “Company”) was incorporated on September 26, 2023 under the laws of British Columbia and is a development stage public company whose shares began trading on the TSX Venture Exchange on May 23, 2025. Its principal business activities are the acquisition, exploration and development of mineral properties. On September 29, 2023, the Company received certain mineral property rights and interests by way of an asset transfer agreement with Benton Resources Inc. and Sokoman Minerals Corp.

Vinland’s head office is located at 176-1100 Memorial Avenue, Thunder Bay, Ontario, P7B 4A3.

The accompanying condensed consolidated interim financial statements have been prepared on the basis that the Company will continue as a going concern, which assumes the realization of assets and the settlement of liabilities in the normal course of business. The appropriateness of the going concern assumption is dependent upon the Company’s ability to generate future profitable operations and/or generate continued financial support in the form of equity financings. These condensed consolidated interim financial statements do not reflect any adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classification that would be necessary if the going concern assumption were not appropriate and such adjustments could be material.

	September 30, 2025	December 31, 2024
Working capital	\$1,282,095	\$1,639,423
Deficit	\$(726,565)	\$(331,929)

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

Statement of Compliance to International Financial Reporting Standards (“IFRS”)

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the IASB (“International Accounting Standards Board”) applicable to the preparation of interim financial statements, including International Accounting Standard (“IAS”) 34- Interim Financial Reporting. The accounting policies followed in these condensed consolidated interim financial statements are the same as those applied in the audited annual consolidated financial statements of the Company for the year ended December 31, 2024 (“Fiscal 2024”).

The policies applied in these condensed consolidated interim financial statements are based on IFRS issued and outstanding as of October 29, 2025 (the “Report Date”), the date the Audit Committee approved the statements. Any subsequent changes to IFRS after this date could result in changes to the consolidated financial statements for the year ended December 31, 2025.

The condensed consolidated interim financial statements do not contain all disclosures required under IFRS and should be read in conjunction with the audited annual consolidated financial statements and the notes thereto for Vinland Lithium Inc for the year ended December 31, 2024.

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates, and assumptions that affect the application of policies and reported amounts of assets and liabilities and disclosures of contingent assets and contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant accounts that

require estimates as the basis for determining the stated amounts include exploration and evaluation assets, share-based payments, allocation of financing proceeds, and income taxes. Differences may be material.

### Basis of Consolidation

These condensed consolidated interim financial statements include the financial statements of the Company and its wholly-owned subsidiary, Killick Lithium Inc. (“Killick”), a private company incorporated under the laws of British Columbia.

### 3. NEW AND FUTURE ACCOUNTING PRONOUNCEMENTS:

IFRS 10 – Consolidated Financial Statements (“IFRS 10”) and IAS 28 – Investments in Associates and Joint Ventures (“IAS 28”) were amended in September 2014 to address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. The effective date of these amendments is yet to be determined; however early adoption is permitted.

The amendments are effective for annual periods beginning on or after January 1, 2023. The amendments must be applied retrospectively in accordance with IAS 8 Accounting Policies, *Changes in Accounting Estimates and Errors*. Earlier application is permitted. The Company is in the process of assessing the impact the amendments may have on future financial statements and plans to adopt the new standard retrospectively on the required effective date.

The amendments are not expected to have an impact on the Company’s consolidated financial statements.

### 4. MARKETABLE SECURITIES:

	September 30, 2025		December 31, 2024	
	Market \$	Cost \$	Market \$	Cost \$
<b>United States Equities</b>				
Piedmont Lithium Inc. (i)	-	-	-	-
<b>Total (CAD)</b>	-	-	-	-

- (i) During the year ended December 31, 2024, the Company received an additional 52,701 shares of Piedmont Lithium Inc. (“Piedmont”) valued at \$877,556 (\$650,330 USD translated at \$1.3494 CAD) in addition to the 10,440 shares already held, with such shares issued to the Company in lieu of cash to fund upcoming exploration and evaluation expenditures on the Killick lithium project (see note 6). The Company disposed of all 63,141 shares of Piedmont during the year ended December 31, 2024 for gross proceeds of \$1,050,637 (\$775,384 USD translated at \$1.355 CAD) and recorded a loss on disposition of \$216,081 during the current year. Piedmont was acquired by Elevra Mining Limited (“ELVR”) (formerly Sayona Mining Limited) on August 28, 2025. Elevra trades on the Nasdaq under the symbol “ELVR”.

### 5. RIGHT-OF-USE ASSETS:

Cost	Balance, Dec. 31, 2023	Additions	Disposals	Balance, Dec. 31, 2024	Additions	Disposals	Balance, Sept. 30, 2025
	Right-of-use assets (i)			91,966			-
Total	\$ 91,966	-	-	91,966	-	-	91,966

Accumulated Amortization	Balance, Dec. 31, 2023	Disposals	Depreciation	Balance, Dec. 31, 2024	Disposals	Depreciation	Balance, Sept. 30, 2025
	Right-of-use assets (i)			6,840			-
Total	\$ 6,840	-	30,655	37,495	-	22,991	60,486

<u>Carrying Value</u>	Balance, December 31, 2024	Balance Sept. 30, 2025
Right-of-use assets (i)	54,471	31,480
Total	\$ 54,471	31,480

- (i) The Company's right-of-use leased assets include exploration camp equipment located on the Killick Lithium project. Depreciation expense on these leased assets for the six-month periods ended June 30, 2025 and 2024, which is included in depreciation expense in profit and loss, is as follows:

	Sept. 30, 2025 \$	June 30, 2024 \$
Depreciation expense – right-of-use assets	22,991	15,328

## 6. EXPLORATION AND EVALUATION ASSETS:

Mineral property acquisition, exploration and development expenditures are deferred until the properties are placed into production, sold, impaired or abandoned. These deferred costs will be amortized over the estimated useful life of the properties following commencement of production, or written-down if the properties are allowed to lapse, are impaired, or are abandoned. The deferred costs associated with the Company's Killick Lithium property for nine months ended September 30, 2025 and year ended December 31, 2024 are summarized in the tables below:

**For the nine months ended September 30, 2025**

	<b>Killick Lithium (a)</b>	<b>Total</b>
<b>Dec. 31, 2024 - Acquisition Costs</b>	\$ 8,050,250	8,050,250
Additions	1,005	1,005
Writedowns/Recoveries/Disposals	-	-
<i>Subtotal</i>	\$ 1,005	1,005
<b>September 30, 2025 - Acquisition Costs</b>	<b>\$ 8,051,255</b>	<b>8,051,255</b>
<b>Dec. 31, 2024 - Exploration and Evaluation Expenditures</b>	\$ -	-
Assaying	51,658	51,658
Prospecting	128,844	128,844
Geological	33,708	33,708
Geophysical	10,270	10,270
Diamond Drilling	42,986	42,986
Recoveries - Exploration Grant	(150,000)	(150,000)
<i>Subtotal</i>	\$ 117,466	117,466
<b>September 30, 2025 - Exploration and Evaluation Expenditures</b>	<b>\$ 117,466</b>	<b>117,466</b>
<b>September 30, 2025 - Total</b>	<b>\$ 8,168,721</b>	<b>8,168,721</b>

**For the year ended December 31, 2024**

	<b>Killick Lithium (a)</b>	<b>Total</b>
<b>Dec. 31, 2023 - Acquisition Costs</b>	\$ 8,050,250	8,050,250
Additions	2,300	2,300
Writedowns/Recoveries/Disposals	(2,300)	(2,300)
<i>Subtotal</i>	\$ -	-
<b>December 31, 2024 - Acquisition Costs</b>	<b>\$ 8,050,250</b>	<b>8,050,250</b>
<b>Dec. 31, 2023 - Exploration and Evaluation Expenditures</b>	\$ 30,089	30,089
Assaying	97,843	97,843
Prospecting	91,818	91,818
Geological	144,826	144,826
Geophysical	473,780	473,780
Soil Sampling	52,531	52,531
Diamond Drilling	57,638	57,638
Writedowns/Recoveries/Disposals	(948,525)	(948,525)
<i>Subtotal</i>	\$ (30,089)	(30,089)
<b>December 31, 2024 - Exploration and Evaluation Expenditures</b>	\$ -	-
<b>December 31, 2024 - Total</b>	<b>\$ 8,050,250</b>	<b>8,050,250</b>

### a) **Killick Lithium Project, Newfoundland**

During the period from September 26, 2023 to December 31, 2023, the Company entered into an asset transfer agreement with Benton Resources Inc. (“Benton”) and Sokoman Minerals Inc. (“Sokoman”) whereby Benton and Sokoman agreed to sell their respective 50% interests in the Killick Lithium project (the “Property”) to the Company in exchange for 8,050,250 Vinland common shares (4,025,125 shares each to Benton and Sokoman). The share valuation associated with the asset transfer by Benton and Sokoman was mutually agreed upon by all parties to the transfer based upon Piedmont’s private placement subscription price of \$1 per share (see note 10(b)) which was determined to be completed at arm’s length. The Company then transferred the Property to its subsidiary, Killick Lithium Inc. The Property consists of 2,745 claim units covering 68,625 hectares in South Central Newfoundland, Canada.

On October 11, 2023, the Company, along with its subsidiary Killick Lithium, entered into an earn-in agreement with Piedmont Lithium Newfoundland Holdings LLC (“Piedmont NL”) whereby Piedmont NL has been granted the right and option to acquire an interest in and to the Property, to be effected by the acquisition by Piedmont NL of an ownership interest in Killick Lithium Inc.

During the period ended September 30, 2025, the Company was notified that it received a Junior Exploration Assistance Grant from the Government of Newfoundland for work completed at Killick in the amount of \$150,000. The amount was recorded as a recovery of exploration and evaluation assets during the period ended September 30, 2025

#### Grant of Initial Earn-In

The Company granted to Piedmont NL the right in its sole discretion to acquire a 16.35% interest in Property (the “Initial Earn-In”) with such interest being represented as a voting and participating interest in Killick Lithium Inc. by funding exploration expenditures in the aggregate amount of a least \$6 million (the “Initial Earn-In Amount”) on or before the 30-month anniversary to the initial earn-in right exercise notice of which a minimum of \$2 million must be expended in the first year, amended to \$1.2 million during the year ended December 31, 2024 (fully expended). Should Piedmont fail to fully fund exploration expenditures in an amount equal to the Initial Earn-In Amount, Piedmont NL may, at its option, pay in cash to the Company such exploration expenditure shortfall. Piedmont NL shall be entitled to fund the Initial Earn-In Amount in full by causing Elevra Mining Limited (its parent company) to issue listed shares of its common stock to the Company in lieu of cash. Piedmont NL may elect at any time to terminate the Initial Earn-In by delivering written notice to the Company.

During the years ended December 31, 2023 and 2024, Piedmont issued to the Company a total of 63,141 shares valued at \$1,050,639 as well as a cash payment in the amount of \$320,875 (for a total of \$1,371,514). The cash was paid and shares were issued to fund current and upcoming exploration program expenditures at the Killick property pursuant to the initial earn-in terms. This series of payments were recorded as a recovery of exploration and evaluation expenditures incurred to September 30, 2025.

#### Grant of First Additional Earn-In

Subject to Piedmont NL having exercised the Initial Earn-In, the Company will grant to Piedmont NL the right to acquire an additional 21.65% (totalling 38%) interest in the Property (the “First Additional Earn-In”) with such interest being represented as a voting and participating interest in Killick Lithium Inc. by funding exploration expenditures in the aggregate amount of \$3 million on or before the 12-month anniversary of providing notice to exercise the First Additional Earn-In. Should Piedmont fail to fully fund exploration expenditures in an amount equal to the First Additional Earn-In Amount, Piedmont NL may, at its option, pay in cash to the Company such exploration expenditure shortfall. Piedmont NL shall be entitled to fund the First Additional Earn-In Amount in full by causing Piedmont Lithium Inc. (its parent company) to issue listed shares of its common stock to the Company in lieu of cash. Piedmont NL may elect at any time to terminate the First Additional Earn-In by delivering written notice to the Company.

#### Grant of Second Additional Earn-In

Subject to Piedmont NL having exercised the First Additional Earn-In, the Company will grant to Piedmont NL the right to acquire an additional 24.5% (totalling 62.5%) interest in the Property (the “Second Additional Earn-In”) with such interest being represented as a voting and participating interest in Killick Lithium Inc. by funding exploration expenditures in the aggregate amount of \$3 million on or before the 12-month anniversary of providing notice to exercise the Second Additional Earn-In. Should Piedmont fail to fully fund exploration expenditures in an amount equal to the Second Additional Earn-In Amount, Piedmont NL may, at its option, pay in cash to the Company such exploration expenditure

shortfall. Piedmont NL shall be entitled to fund the Second Additional Earn-In Amount in full by causing Elevra Mining Limited (its parent company) to issue listed shares of its common stock to the Company in lieu of cash. Piedmont NL may elect at any time to terminate the Second Additional Earn-In by delivering written notice to the Company.

#### Royalty Agreement

The Company's subsidiary Killick Lithium Inc. granted a 2% royalty on the net returns of precious metals and the value of lithium received by Killick Lithium Inc. to Benton and Sokoman collectively, subject to Killick Lithium Inc., Piedmont NL or any of their successors having the right to repurchase 50% of the royalty (1% of the 2% granted) for \$2 million (\$1 million each to Benton and Sokoman).

#### Marketing Agreement

The Company's subsidiary Killick Lithium Inc. entered into a marketing rights agreement with Piedmont granting Piedmont 100% marketing rights and the right to purchase, under a right of first offer, any uncommitted lithium concentrate produced by the Property on commercially reasonable arm's length terms.

### 7. RELATED PARTY TRANSACTIONS:

- a) The Company paid or accrued the following amounts to related parties during the nine month periods ended September 30, 2025 and 2024:

Payee	Description of Relationship	Nature of Transaction	September 30, 2025 Amount (\$)	September 30, 2024 Amount (\$)
Benton Resources Inc.	Shareholder with significant influence, related by common director Stephen Stares	Reimbursement of exploration expenditures incurred on behalf of the Company, camp lease, geological consulting services, equipment rentals and expense reimbursements included in exploration and evaluation expenditures and general and administrative expenses	80,763	95,047
Sokoman Minerals Corp.	Shareholder with significant influence, related by common director Timothy Froude	Reimbursement of exploration expenditures incurred on behalf of the Company, camp lease, field consulting services, equipment rentals and expense reimbursements included in exploration and evaluation expenditures	33,421	50,639
Michael Stares	Director of shareholder with significant influence	Fees included in consulting fees	2,000	-
Gordon Fretwell Law Corporation	Company Controlled by Gordon Fretwell, Corporate Secretary for the Company	Legal and general counsel fees included in professional fees	45,101	70,048

The purchases from and fees charged by the related parties are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Included in accounts payable and accrued liabilities at September 30, 2025 is:

- \$17,061 in accounts payable to Benton Resources Inc. (inclusive of HST) (September 30, 2024 - \$12,145)
- \$24,432 in accounts payable to Sokoman Minerals Corp. (inclusive of HST) (September 30, 2024 - \$3,450)
- \$2,260 in accounts payable to Michael Stares (inclusive of HST) (September 30, 2024 - Nil)
- \$5,000 in accrued liabilities to Gordon Fretwell Law Corporation (September 30, 2024 - Nil)

See also note 6 as it relates to the asset transfer agreement with Benton and Sokoman and note 8.

- b) Key management personnel are those having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company. Remuneration of directors and key management personnel of the Company, except as noted in (a) above, for the nine-month periods ended September 30, 2025 and 2024 were as follows:

	September 30, 2025 Amount (\$)	September 30, 2024 Amount (\$)
Salaries and benefits	45,386	-
Consulting fees	15,000	36,000
Directors' fees	17,500	-
Share-based payments	133,288	-
	<u>211,174</u>	<u>36,000</u>

## 8. LEASE LIABILITY:

During the fiscal 2023, the Company entered into a lease agreement with Benton and Sokoman (the "Owners") for certain equipment encompassing the exploration camp at the Killick Property (the "Camp Gear"). The initial term of the lease was for one year commencing on October 11, 2023 and terminating on October 10, 2024, subject to a right of extension as described herein. The lease is paid in monthly installments of \$3,000 plus HST (\$1,500 each to Benton and Sokoman). Pursuant to the terms of the lease, the Company has the option to extend the term for two further periods, at the same payment terms, of 12 months each upon at least three month's written notice to the Owners prior to the expiration of the then current term (extended by the Company to October 11, 2025). Provided the Company has exercised each of the two extensions described above, the Company may purchase the Camp Gear for the sum of \$1.

The lease liability relates to the above lease discounted at an estimated interest rate of 12% (the Company's estimated incremental borrowing rate). The lease liability at the six-month period ended June 30, 2025 and year ended December 31, 2024 is as follows:

	September 30, 2025 \$	December 31, 2024 \$
Lease liability	34,018	57,253
Less: Current portion	<u>(34,018)</u>	<u>(31,432)</u>
Long-term portion	<u>-</u>	<u>25,821</u>

Interest expense recognized on the lease liability for the nine-month period ended September 30, 2025 was \$3,765 (September 30, 2024 - \$6,281) and is included under general and administrative expenses in the consolidated statement loss and comprehensive loss.

## 9. CAPITAL STOCK:

### (a) Share Capital

Authorized:

Unlimited class A and class B common shares without par value

Issued and outstanding:

10,050,252 class A common shares

### (b) Private Placements

The Company completed no private placements during the year ended December 31, 2024 or nine-month period ended September 30, 2025.

During the period from September 26, 2023 to December 31, 2023, the Company completed the following private placement:

- i.) On October 11, 2023, the Company completed a non-brokered private placement financing with Piedmont Lithium Newfoundland Holdings LLC by issuing 2,000,000 class B common shares at a price of \$1 per share for aggregate gross proceeds of \$2,000,000. The class B shares were reclassified to class A common shares during the year ended December 31, 2024 as part of the public listing process.

### (c) Long-Term Equity Incentive Plan

The Company has adopted a Long-Term Equity Incentive Plan (“LTI Plan”) which is an omnibus 10% rolling long-term equity incentive plan. The LTI Plan is referred to as “omnibus” as it provides for awards of stock options (“Options”), performance share units (“PSUs”), restricted share units (“RSUs”) and deferred share units (“DSUs” and together with PSUs and RSUs, the “Unit Awards”). The LTI Plan is subject to compliance with the requirements of the applicable TSX Venture Exchange policy on Security Based Compensation.

The LTI Plan limits the number of the Company’s common shares reserved for issuance under the LTI Plan, together with all other security-based compensation arrangements of the Company, to 10% of the issued and outstanding shares on a non-diluted basis allowing for a maximum of 1,005,025 shares reserved for issuance at June 30, 2025. There is a sub-limit share reserve in respect of Unit Awards equal to 2% each of the issued and outstanding shares on a non-diluted basis amounting to 201,005 shares reserved for issuance for each type of Unit Award at June 30, 2025 with a provision for the cessation of entitlement including disability and retirement treatment under the LTI Plan.

#### i.) Stock Options

- Any director, officer, consultant, employee, investor relations service provider, or management company employee is eligible to receive stock options under the LTI Plan;
- Any options granted pursuant to the LTI Plan shall be non-assignable and non-transferable;
- The number of options issuable pursuant to the LTI Plan to any one person in any 12-month period shall not exceed 5% of the outstanding common shares. In the case of any one consultant or investor relations service provider, the number of options issuable pursuant to the LTI Plan may not exceed 2% of the outstanding common shares in any 12-month period;
- The number of common shares: (1) reserved for issuance to insiders of the Company may not exceed 10% of the issued and outstanding common shares; and (2) which may be issued to insiders within a one-year period may not exceed 10% of the issued and outstanding common shares;
- Any options granted under the LTI Plan shall in no event be lower than the market price of the shares on the grant date;

- Any options granted pursuant to the LTI Plan shall expire no later than five years after the date of grant;
- Unless otherwise specified, each option under the LTI Plan shall vest as to 25% upon grant and 12.5% after each quarter from the grant date;
- Options shall expire and terminate 30 days following the date the optionee ceases to be an employee, director or officer of, or consultant to, the Company, provided that if such termination is as a result of death of the optionee, the optionee's personal representative shall have one year to exercise such options.

Details of stock option transactions for the year ended December 31, 2024 and nine-month period ended September 30, 2025 are as follows:

	# of Options	Weighted Average Exercise Price
Balance, December 31, 2024 and 2023	-	-
Granted during the period	800,000	\$0.48
Balance, September 30, 2025	800,000	\$0.48

(1) At September 30, 2025, the weighted-average remaining contractual life of stock options outstanding is 4.82 years (December 31, 2024 – N/A)

The following table summarizes information about the stock options outstanding at September 30, 2025 and year ended December 31, 2024:

Expiry Date	Exercise Price	Sept. 30, 2025 # of Options Issued	Sept. 30, 2025 # of Options Exercisable	Dec. 31, 2024 # of Options Issued	Dec. 31, 2024 # of Options Exercisable
July 21, 2030	\$0.48	725,000	181,250	-	-
September 1, 2030	\$0.52	75,000	18,750	-	-
		800,000	200,000	-	-

ii.) Restricted Share Units (RSUs)/Performance Share Units (PSUs)

- Directors, officers, or employees of the Company (excludes any management company employees, consultant or investor relations services provider) are eligible to receive RSUs/DSUs;
- RSUs and PSUs are notional securities that entitle the recipient to receive cash or Shares at the end of a vesting period. Vesting of PSUs is contingent upon achieving certain performance criteria, thus ensuring greater alignment with the long-term interests of Shareholders. The terms applicable to RSUs and PSUs under the LTI Plan are determined by the Company's board of directors at the time of the grant;
- Unless otherwise provided, RSUs typically vest on November 30<sup>th</sup> of the third calendar year following the year in which the RSU was granted;
- Unless otherwise noted, PSUs shall vest as at the date that is the end of the performance cycle, subject to any performance criteria having been satisfied but in no event earlier than one year from grant;
- On settlement, the Company shall, for each vested RSU or PSU being settled, deliver to a participant a cash payment equal to the market price of one share of the Company as of the vesting date, one share, or any combination of cash and shares equal to the market price of one share as of the vesting date, at the discretion of the Company's board of directors.

At June 30, 2025, no RSUs or DSUs have been granted under the Company's LTI Plan.

iii.) Deferred Share Units (DSUs)

- Non-executive directors of the Company (excludes any management company employees, consultant or investor relations services provider) are eligible to receive DSUs;

- A DSU is a notional security that entitles the recipient to receive cash or shares upon resignation from the Company's board or directors. The terms applicable to DSUs under the LTI Plan are determined by the board of directors at the time of the grant;
- DSUs vest after one year and the board of directors determines the vesting schedule for discretionary DSUs at the time of grant but in no event earlier than one year from grant;
- DSUs may only be settled after the date on which the participant ceases to hold all positions with the Company or a related corporation. At the grant date, the board of directors shall stipulate whether the DSUs are paid in cash, shares, or a combination of both, in an amount equal to the market price of the notional shares represented by the DSUs in the participant's DSU account.

At September 30, 2025, no DSUs have been granted under the Company's LTI Plan.

## 10. LOSS PER SHARE:

Basic loss per common share has been calculated using the weighted average number of common shares outstanding in each respective period. Diluted income / (loss) per share assumes that stock options and warrants that have an exercise price less than the average market price of the Company's common shares during the fiscal period have been exercised on the later of the beginning of the period and the date granted.

## 11. SHARE-BASED PAYMENTS:

The Company applies the fair value method of accounting for share-based payments to directors, officers, employees and consultants and accordingly \$158,609 is recorded as share-based payments in profit and loss and under contributed surplus in shareholders' equity for the 379,144 options that vested on a graded basis during the period ended September 30, 2025. The fair value of the options vesting below during the year was estimated on the grant date using the Black-Scholes option pricing model with the following assumptions:

Grant Date	# of Options Vested	Exercise Price	Expiry Date	Fair Value of Option	Dividend Yield	Volatility <sup>1</sup>	Risk-free Interest Rate	Expected Life
July 21, 2025	353,070	\$0.48	July 21, 2030	\$0.416	0%	131%	3.09%	5 yrs
Sept. 1, 2025	26,075	\$0.52	Sept. 1, 2030	\$0.450	0%	131%	2.93%	5 yrs
	<u>379,144</u>							

<sup>1</sup> Due to the Company's recent listing and limited trading history, a reliable estimate of share price volatility could not be derived from internal data. Accordingly, the Company utilized the average volatility of a peer group of five comparable publicly traded issuers to estimate fair value for equity-based instruments

## 12. SUPPLEMENTAL CASH FLOW INFORMATION:

The following transactions did not result in cash flows and have been excluded from operating, financing and investing activities:

	<u>September 30</u> <u>2025</u>	<u>September 30</u> <u>2024</u>
	\$	\$
<i>Non-cash investing activities</i>		
Exploration and evaluation expenditure recoveries through receipt of marketable securities	-	1,050,639

## 13. REFUNDABLE DEPOSITS:

Refundable security deposits of \$3,350 (December 31, 2024 - Nil) represents security deposits paid to the Government of Newfoundland and Labrador in connection with mineral property claims located in the Province of Newfoundland. These refundable security deposits are refundable to the Company upon submission by the Company of a report covering the first-year work requirements, which meets the requirements of the Government of Newfoundland and Labrador.