
**POWER METALLIC MINES INC.
(FORMERLY POWER NICKEL INC.)**

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2025

(EXPRESSED IN CANADIAN DOLLARS)

(UNAUDITED)

NOTICE TO READER

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of management. The unaudited condensed consolidated interim financial statements have not been reviewed by the Company's auditors.

Power Metallic Mines Inc.

Formerly Power Nickel Inc.

Condensed Consolidated Interim Statements of Financial Position

(Expressed in Canadian Dollars)

(Unaudited)

As at,	September 30, 2025	December 31, 2024
ASSETS		
<i>Current</i>		
Cash	\$ 31,287,627	\$ 6,611,380
Sales tax receivables	1,629,110	548,041
Prepaid expenses (note 10)	432,984	473,199
Due from related parties (note 10)	594,560	158,913
Total current assets	33,944,281	7,791,533
Non-current assets		
Equipment (note 3)	10,528	13,588
Total assets	\$ 33,954,809	\$ 7,805,121
LIABILITIES		
<i>Current</i>		
Accounts payable and accrued liabilities (notes 10 and 12)	\$ 1,929,171	\$ 2,028,240
Flow-through liability (note 12)	19,225,489	1,187,852
Advances from shareholders (note 10)	7,000	7,000
Total liabilities	21,161,660	3,223,092
SHAREHOLDERS' EQUITY		
Issued capital (note 6)	137,390,422	99,522,339
Contributed surplus (note 7)	7,462,386	4,799,574
Warrants (note 8)	6,477,309	6,898,017
Deficit	(138,742,694)	(106,637,901)
Non-controlling interest (note 14)	205,726	-
Total shareholders' equity	12,793,149	4,582,029
Total liabilities and shareholders' equity	\$ 33,954,809	\$ 7,805,121

Nature of operations and going concern (note 1)

Commitments and contingencies (notes 4 and 12)

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

Power Metallic Mines Inc.

Formerly Power Nickel Inc.

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss

(Expressed in Canadian Dollars)

(Unaudited)

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2025	2024	2025	2024
Operating expenses				
Administration fees (note 10)	\$ 347,210	\$ 387,500	\$ 1,592,210	\$ 612,500
Amortization (note 3)	1,020	474	3,060	1,422
Accretion, bank and interest fees	3,198	1,599	9,128	7,944
Business Development and Advisory (note 13)	525,040	587,276	2,049,142	2,479,228
Exploration expenditures (note 4)	14,262,327	2,904,933	22,433,540	10,244,640
Foreign exchange loss (gain)	(1,972)	4,152	86,197	52,197
Interest income	(290,319)	-	(533,343)	-
Investor relations	578,450	373,817	1,603,991	904,738
Office and miscellaneous	31,359	20,798	99,096	60,834
Professional fees (notes 10 and 13)	243,389	106,181	1,124,492	312,083
Share-based payments (note 7)	2,009,645	2,155,510	3,311,375	2,834,230
Shareholder Communications (note 13)	225,100	175,643	1,259,232	642,639
Transfer and regulatory (note 13)	98,062	28,221	292,166	95,684
Travel, promotion and mining shows	8,913	89,577	134,787	187,299
Total expenses before other items	(18,041,422)	(6,835,681)	(33,465,073)	(18,435,438)
Other items				
Flow-through liability amortization (note 12)	805,946	377,582	1,468,663	4,222,388
Net loss and comprehensive loss for the period	\$ (17,235,476)	\$ (6,458,099)	\$ (31,996,410)	\$ (14,213,050)
Net loss and comprehensive attributable to:				
- Non-controlling interest	\$ (136,243)	\$ -	\$ (278,977)	\$ -
- Shareholders of the Company	\$ (17,099,233)	\$ (6,458,099)	\$ (31,717,433)	\$ (14,213,050)
	\$ (17,235,476)	\$ (6,458,099)	\$ (31,996,410)	\$ (14,213,050)
Net loss and comprehensive loss per share				
- basic and diluted (note 9)	\$ 0.07	\$ 0.03	\$ 0.15	\$ 0.08
Weighted average number of common shares outstanding				
- basic and diluted (note 9)	229,872,095	190,362,465	219,794,997	169,038,350

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Power Metallic Mines Inc.

Formerly Power Nickel Inc.

Condensed Consolidated Interim Statements of Cash Flows

(Expressed in Canadian Dollars)

(Unaudited)

	Nine months ended September 30,	
	2025	2024
Operating activities		
Loss for the period	\$ (31,996,410)	\$ (14,213,050)
<i>Items not affecting cash:</i>		
Amortization	3,060	1,422
Share-based payments	3,311,375	2,834,230
Flow-through liability amortization	(1,468,663)	(4,222,388)
Li-Fi Acquisition	6,471,807	-
<i>Changes in non-cash working capital items:</i>		
Sales tax receivables	(1,081,069)	(48,077)
Prepaid expenses	40,215	60,593
Accounts payable and accrued liabilities	(99,070)	276,592
Due (from) to related parties	(435,647)	(40,168)
Net cash used in operating activities	(25,254,402)	(15,350,846)
Financing activities		
Proceeds from private placements	49,999,800	22,640,473
Share issuance costs	(2,429,534)	(459,120)
Subscription receipts	-	2,000,000
Exercise of options	1,344,375	872,500
Exercise of warrants	1,016,008	2,318,350
Net cash provided by financing activities	49,930,649	27,372,203
Increase in cash	24,676,247	12,021,357
Cash, beginning of period	6,611,380	216,365
Cash, end of period	\$ 31,287,627	\$ 12,237,722

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

Power Metallic Mines Inc.

Formerly Power Nickel Inc.

Condensed Consolidated Interim Statements of Changes in Shareholders' Equity

(Expressed in Canadian Dollars)

(Unaudited)

	Common Shares		Contributed Surplus	Warrants	Deficit	Non- Controlling interest	Total
	Number	Amount					
Balance, December 31, 2023	149,873,243	\$ 77,376,535	\$ 2,648,929	\$ 3,304,353	\$ (85,875,865)	\$ -	\$ (2,546,048)
Private placement	28,189,873	18,256,843	-	4,383,630	-	-	22,640,473
Flow-through liability	-	(1,650,439)	-	-	-	-	(1,650,439)
Share issuance costs	-	(459,120)	-	-	-	-	(459,120)
Broker warrants	-	(142,955)	-	142,955	-	-	-
Share based compensation	-	-	2,834,230	-	-	-	2,834,230
Exercise of warrants	9,345,950	3,004,818	-	(686,468)	-	-	2,318,350
Exercise of options	4,046,428	1,448,225	(575,725)	-	-	-	872,500
Option expiry	-	-	(10,170)	-	10,170	-	-
Net loss for the period	-	-	-	-	(14,213,050)	-	(14,213,050)
Balance, September 30, 2024	191,455,494	\$ 97,833,907	\$ 4,897,264	\$ 7,144,470	\$ (100,078,745)	\$ -	\$ 9,796,896
Balance, December 31, 2024	196,196,594	\$ 99,522,339	\$ 4,799,574	\$ 6,898,017	\$ (106,637,901)	\$ -	\$ 4,582,029
Private placement	21,030,000	49,999,800	-	-	-	-	49,999,800
Flow-through liability	-	(19,506,300)	-	-	-	-	(19,506,300)
Share issuance costs	-	(2,429,534)	-	-	-	-	(2,429,534)
Li-Fi property acquisition	6,000,000	6,471,807	-	-	-	-	6,471,807
Share based compensation	-	-	3,311,375	-	-	-	3,311,375
Exercise of warrants	3,241,365	1,399,893	-	(420,708)	-	-	979,185
Exercise of options	4,985,472	1,932,417	(648,563)	-	-	-	1,283,854
Chilean Metals Inc. spin-out (note 5)	-	-	-	-	(387,360)	387,360	-
Change in non-controlling interest	-	-	-	-	-	97,343	97,343
Net loss for the period	-	-	-	-	(31,717,433)	(278,977)	(31,996,410)
Balance, September 30, 2025	231,453,431	\$ 137,390,422	\$ 7,462,386	\$ 6,477,309	\$ (138,742,694)	\$ 205,726	\$ 12,793,149

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

Power Metallic Mines Inc.

Formerly Power Nickel Inc.

Notes to Condensed Consolidated Interim Financial Statements

Three and Nine Months Ended September 30, 2025

(Expressed in Canadian Dollars)

(Unaudited)

1. Nature of operations and going concern

Power Metallic Mines Inc. (formerly Power Nickel Inc.) (the "Company" or "Power Metallic") is a mineral exploration company and is in the business of acquiring and exploring mineral properties in Chile and Canada. On February 20, 2025, the Company changed its name from "Power Nickel Inc." to "Power Metallic Mines Inc."

The Company is a publicly listed company incorporated in Canada with limited liability under the legislation of the Province of British Columbia. The Company's shares are listed on the TSX Venture Exchange ("TSX-V"), and Santiago Stock Exchange, Venture Market. The head office and principal address of the Company are located at the Canadian Venture Building, 82 Richmond Street East, Suite 202, Toronto, Ontario, M5C 1P1. The Company's registered and records office address is at Suite 700 – 595 Burrard Street, PO Box 49290, Vancouver, British Columbia, Canada, V7X 1S8.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements, unregistered claims, aboriginal claims and non-compliance with regulatory and environmental requirements. The Company's property interests may also be subject to increases in taxes and royalties, renegotiation of contracts, and political uncertainty. The Company's Chilean mineral property maintenance payments are in arrears (see note 12) and as a result, the Copiapó Court has been notified by the General Treasury of the Republic of Chile. The Copiapó Court may initiate the auction of the properties. If the Company's claims are put up for auction the Company, as concession holder, is not allowed to place bids on its claims under auction; however, the Company understands that the concession holder may remove a concession from auction by paying the penalty amount which is equal to double the patent amount outstanding. Accordingly, there is a risk that the Company will not be able to retain title to its mineral claims in Chile.

These unaudited condensed consolidated interim financial statements have been prepared on the going concern basis, which assumes that the Company will be able to continue as a going concern and realize its assets and discharge its liabilities in the normal course of business. These unaudited condensed consolidated interim financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern. During the three and nine months ended September 30, 2025, the Company incurred a net loss of \$17,235,476 and \$31,996,410, respectively (three and nine months ended September 30, 2024 - \$6,458,099 and \$14,213,050, respectively). As at September 30, 2025, the Company has incurred significant losses since inception totaling \$138,742,694 (December 31, 2024 - \$106,637,901). As at September 30, 2025, the Company has a working capital of \$12,782,621 (December 31, 2024 - \$4,568,441); the continuing operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing. Management is of the opinion that additional funds will be obtained from external financing to meet the Company's liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These factors indicate the existence of material uncertainties that cast significant doubt as to the Company's ability to continue as a going concern and accordingly use accounting principles applicable to a going concern.

Power Metallic Mines Inc.

Formerly Power Nickel Inc.

Notes to Condensed Consolidated Interim Financial Statements

Three and Nine Months Ended September 30, 2025

(Expressed in Canadian Dollars)

(Unaudited)

2. Basis of presentation

Statement of compliance

These financial statements have been prepared in accordance with IFRS® Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and IFRIC® Interpretations of the IFRS Interpretations Committee ("IFRIC").

These unaudited condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by IASB and interpretations issued by IFRIC.

The preparation of financial statements in accordance with International Accounting Standards (IAS) 34 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity or areas where assumptions and estimates are significant to these unaudited condensed consolidated interim financial statements were the same as those that applied to the Company's annual consolidated financial statements as at and for the year ended December 31, 2024, except as noted below.

The same accounting policies and methods of computation are followed in these unaudited condensed consolidated interim financial statements as compared with the most recent annual financial statements as at and for the year ended December 31, 2024. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending December 31, 2025 could result in restatement of these unaudited condensed consolidated interim financial statements.

The policies applied in these unaudited condensed consolidated interim financial statements are based on IFRS, which have been applied consistently to all periods presented. These unaudited condensed consolidated interim financial statements were issued and effective as of December 1, 2025, the date the Board of Directors approved the statements.

Basis of consolidation

These unaudited condensed consolidated interim financial statements incorporate the assets, liabilities and results of operations of all entities controlled by the Company. The effects of all transactions between entities in the consolidated group have been eliminated.

Prior to January 31, 2025, the consolidated financial statements included the accounts of the Company and its wholly owned Chilean subsidiary, Minera IPBX Ltda., and its wholly-owned Canadian subsidiaries, Tierra de Oro Resources Ltd. and Consolidated Copper and Gold Inc. (Previously Chilean Metals Exploration Ltd). The Company also indirectly owned 100% Canadian subsidiaries SPN Metals Exploration Ltd., TDO Metals Exploration Ltd., Pintada Minerals Inc., Pintada Holdings Inc., Palo Negro Mining Inc., Palo Negro Holdings Inc., Verna Exploration Ltd., and Verna Holdings Ltd. The Company also has a 100% indirect interest in three Chilean subsidiaries: Minera Tierra de Oro Ltda., Minera Palo Negro Ltda. and Minera Sierra Pintada Ltda. All material inter-company balances and transactions have been eliminated on consolidation.

On January 31, 2025, the Company completed a corporate reorganization whereby Chilean Metals Inc., was made the parent of the certain subsidiaries (see below). On February 3, 2025, the Company completed a spin-out transaction whereby approximately 50% of the shares in Chilean Metals Inc., were distributed to shareholders of the Power Metallic Inc.

Power Metallic Mines Inc.

Formerly Power Nickel Inc.

Notes to Condensed Consolidated Interim Financial Statements

Three and Nine Months Ended September 30, 2025

(Expressed in Canadian Dollars)

(Unaudited)

2. Basis of presentation (continued)

Basis of consolidation (continued)

These consolidated financial statements include the accounts of the Company, its 50% owned subsidiary Chilean Metals Inc. and its subsidiaries. Chilean Metals Inc. has the following wholly-owned subsidiaries: Consolidated Gold and Copper Inc., SPN Metals Exploration Ltd., TDO Metals Exploration Ltd., Pintada Minerals Inc., Pintada Holdings Inc., Palo Negro Mining Inc., Palo Negro Holdings Inc., Verna Explorations Ltd., Verna Holdings Ltd., Minera Tierra de Oro Ltda., Minera Palo Negro Ltda., and Minera Sierra Pintada Ltda.

On March 26, 2025, the Company incorporated a new limited liability company in Saudi Arabia called Power Metallic Mines Inc.

Subsidiaries are entities over which the Company has control, where control is defined to exist when the Company is exposed to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries are fully consolidated from the date control is transferred to the Company and are deconsolidated from the date control ceases.

New standards adopted

During the nine months ended September 30, 2025, the Company adopted a number of new IFRS standards, interpretations, amendments and improvements of existing standards. These new standards and changes did not have any material impact on the Company's unaudited condensed consolidated interim financial statement.

New standards not yet adopted

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2026. Many are not applicable or do not have a significant impact to the Company and have been excluded.

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements to improve reporting of financial performance. The new standard replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new categories and required subtotals in the statement of profit and loss and also requires disclosure of management-defined performance measures. It also includes new requirements for the location, aggregation and disaggregation of financial information. The standard is effective for annual reporting periods beginning on or after January 1, 2027, including unaudited condensed consolidated interim financial statements. Retrospective application is required and early adoption is permitted. The Company is currently assessing the impact of this new accounting standard on its unaudited condensed consolidated interim financial statements.

In May 2024, the IASB issued amendments to the classification and measurement requirements in IFRS 9. The amendments will address diversity in accounting practice by making the requirements more understandable and consistent. These include: (1) Clarifying the classification and assessment of contractual cash flows of financial assets with environmental, social and corporate governance ("ESG"), (2) Settlement of liabilities through electronic payment systems - the amendments clarify the date on which a financial asset or financial liability is derecognized. The IASB also decided to develop an accounting policy option to allow a company to derecognize a financial liability before it delivers cash on the settlement date if specified criteria are met. With these amendments, the IASB has also introduced additional disclosure requirements to enhance transparency for investors regarding investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features, for example features tied to ESG-linked targets. The amendments are effective for annual reporting periods beginning on or after January 1, 2026. The Company does not expect any material impact as a result of this new accounting standard on its unaudited condensed consolidated interim financial statements.

Power Metallic Mines Inc.

Formerly Power Nickel Inc.

Notes to Condensed Consolidated Interim Financial Statements

Three and Nine Months Ended September 30, 2025

(Expressed in Canadian Dollars)

(Unaudited)

3. Equipment

<i>Cost</i>	Automobiles	Field Equipment	Furniture and office equipment	Total
Balance, December 31, 2023	\$ 16,342	\$ 83,278	\$ 126,697	\$ 226,317
Additions	-	-	9,368	9,368
Disposals	-	-	(3,721)	(3,721)
Balance, December 31, 2024 and September 30, 2025	\$ 16,342	\$ 83,278	\$ 132,344	\$ 231,964

<i>Accumulated amortization</i>	Automobiles	Field Equipment	Furniture and office equipment	Total
Balance, December 31, 2023	\$ 11,067	\$ 82,950	\$ 125,985	\$ 220,002
Additions	1,584	100	372	2,056
Disposals	-	-	(3,682)	(3,682)
Balance, December 31, 2024	12,651	83,050	122,675	218,376
Additions	831	51	2,178	3,060
Balance, September 30, 2025	\$ 13,482	\$ 83,101	\$ 124,853	\$ 221,436

<i>Net book value</i>	Automobiles	Field Equipment	Furniture and office equipment	Total
Balance, December 31, 2024	\$ 3,691	\$ 228	\$ 9,669	\$ 13,588
Balance, September 30, 2025	\$ 2,860	\$ 177	\$ 7,491	\$ 10,528

4. Mineral exploration expenditures

Exploration and acquisition costs for the nine months ended September 30, 2025 and September 30, 2024 are as follows:

	Zulema and Others	Nisk	Golden Ivan	Total
Assays	\$ -	\$ 90,278	\$ -	\$ 90,278
Claim costs	163,725	-	-	163,725
Drilling	3,485	2,953,382	-	2,956,867
Feasibility study	-	2,625,200	-	2,625,200
Field costs	114,151	436,785	-	550,936
Geophysics and geological	149,767	3,603,671	104,196	3,857,634
Nine months ended September 30, 2024	\$ 431,128	\$ 9,709,316	\$ 104,196	\$ 10,244,640

	Zulema and Others	Nisk	Golden Ivan	Total
Assays	\$ -	\$ 461,142	\$ -	\$ 461,142
Claim costs	151,126	13,508	-	164,634
Drilling	1,462	5,907,255	-	5,908,717
Feasibility study	-	627,535	-	627,535
Field costs	87,788	1,065,728	-	1,153,516
Geophysics and geological	82,633	6,817,102	46,454	6,946,189
Option payments	-	7,171,807	-	7,171,807
Nine months ended September 30, 2025	\$ 323,009	\$ 22,064,077	\$ 46,454	\$ 22,433,540

Power Metallic Mines Inc.

Formerly Power Nickel Inc.

Notes to Condensed Consolidated Interim Financial Statements

Three and Nine Months Ended September 30, 2025

(Expressed in Canadian Dollars)

(Unaudited)

4. Mineral exploration expenditures (continued)

(a) *Tierra de Oro, Chile*

Tierra de Oro is an exploration project located in Region III on the eastern flank of Chile's Coastal Iron Oxide Copper Gold belt. The Company owns a 100% interest in exploration concessions in Region III, Chile. See Note 1 and 12 for status of claims in Chile.

(b) *Zulema also known as Chicharra Property, Chile*

The Company owns 100% of the rights to certain exploitation concessions and certain exploration concessions in Region III, Chile. See Note 1 and 12 for status of claims in Chile.

(c) *Other Properties, Chile*

During the year ended December 31, 2020, the Government of Chile, released the Company from paying for a number of claims which had taxes owing. These claims related to non-core properties, and properties where the Company had ceased its exploration programs. See Note 1 and 12 for status of claims in Chile.

(d) *Nisk Property, Quebec, Canada*

On December 22, 2020 (the "Effective Date") the Company entered into an option agreement with Critical Elements Limited ("Critical") to acquire a 50% interest in the Nisk property (the "First Option"). Upon completion of the terms of the First Option the Company also has a Second Option to increase its interest from 50% to 80% by incurring or funding additional work in the amount of \$2,200,000 including a Resource Estimate for a period of four years from the effective date of completion of the First Option. On February 24, 2021 ("Closing Date") the Company closed the option acquisition transaction.

Under the terms of the agreement the requirements to exercise the First Option are:

- (1) Make cash payments totaling \$500,000 to Critical on or before the dates set out below:
 - (i) A non-refundable amount of \$25,000 on the date of execution of the agreement; (paid)
 - (ii) An amount of \$225,000 within five (5) Business Days following the Effective Date; and (paid)
 - (iii) An amount \$250,000 within six (6) months from the Effective Date; (paid)
- (2) issue 12,051,770 Shares within five (5) Business Days following the Effective Date. (issued)
- (3) incur an aggregate of \$2,800,000 of exploration expenditures on the Property on or before the dates set out below:
 - (i) \$500,000 in exploration expenditures on or before the date that is one (1) year from the Closing Date; (completed)
 - (ii) \$800,000 in exploration expenditures on or before the date that is two (2) years from the Closing Date; (completed)
 - (iii) \$1,500,000 in exploration expenditures on or before the date that is three (3) years from Closing Date; (complete)

Following the exercise of the First Option Critical will receive a 2% net smelter return from the extraction and production of lithium products, of which the Company may, following the payment of \$2,000,000 in cash, reduce to 1%.

In connection with closing of the Nisk property agreement, the Company issued to Paradox Equity Partners Ltd a finders fee of 668,377 shares on February 24, 2021.

The 12,720,147 common shares issued during the year ended December 31, 2021 in connection with this property option agreement were valued at \$3,943,246 based on the trading price of the Company's shares on the date of issuance.

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Formerly Power Nickel Inc.

Notes to Condensed Consolidated Interim Financial Statements

Three and Nine Months Ended September 30, 2025

(Expressed in Canadian Dollars)

(Unaudited)

4. Mineral exploration expenditures (continued)

(d) Nisk Property, Quebec, Canada (continued)

On August 2, 2023, the Company entered into a piloting and engineering study, with CVMR Corporation to coordinate the production of advanced bench scale, piloting and engineering studies on the Nisk to determine project feasibility. Under the terms of the contract the Company will make payments totaling \$7,500,000 as various milestones are met.

On July 31, 2023, the Company announced that it has exercised its option to acquire 50% of the Nisk project. Further on April 24, 2024, the Company announced that it acquired an additional 30% of the Nisk project bringing ownership in the project to 80%.

On June 9, 2025 (the "Effective Date") the Company entered into a purchase agreement with LI-FT Power Ltd. ("LI-FT") to acquire a 100% interest in the 313 mineral claims. Additionally, Li-FT retains a 0.5% NSR on all acquired claims under a royalty agreement between Li-FT and the Company effective the closing date. Certain of the claims also retain certain underlying royalties and in some cases buy back rights that were contained in previous agreements between Li-FT and prior property vendors. Under the terms of the agreement the Company paid \$700,000 in cash and issued 6,000,000 common shares. The shares are valued at the market price on the day of the closing of the acquisition except for 3,000,000 shares that have a one year trading restriction and a discount on lack of marketability of 17% was applied when determining the fair value of the shares.

(e) Golden Ivan, British Columbia, Canada

On January 14, 2021, the Company announced it finalized an option agreement dated October 7, 2020, to acquire 100% of the Golden Ivan property via a series of option payments and work commitments. On June 29, 2021, the agreement was revised to eliminate the cash payments and work commitment and expedite the payment by shares while reducing the overall quantity of shares by 1,000,000 shares from the original agreement. The revised terms are as follows:

- (i) 3,900,000 common shares within five Business Days after receipt of the TSXV Approval. These common shares were valued at \$1,209,000 based on the trading price of the Company's shares on the date of issuance.
- (ii) 6,500,000 common shares on or before June 29, 2021 subject to TSXV Approval. These common shares were valued at \$620,100 based on the trading price of the Company's shares on the date of issuance.

The Company has completed all option payments and has acquired a 100% interest subject only to a 2.5% NSR royalty. The Company retains the option to purchase 40% of this royalty for a one-time payment of \$1,000,000.

5. Spin-out pursuant to the plan of arrangement

On February 3, 2025, the Company completed the plan of arrangement (the "Arrangement") whereby the Company spun out its Golden Ivan and Chilean properties assets and liabilities (the "Spin-Out"), at book value through an equity distribution. Prior to the completion of the Spin-out, the Company subscribed to 3,298,598 common shares of Chilean Metals Inc. ("Chilean") for gross proceeds of \$1,000,000. Immediately before the Spin-out transaction Power Metallic Inc. had 19,725,617 common shares 50% were retained by Power Metallic Inc., and 50% were provided to the shareholders of the Power Metallic Inc. on a basis of one common share of Chilean for each twenty common share of the Company. In addition, option holders of the Company will be issued, for each stock option held, one replacement stock option to acquire one New Share of the Company and one Chilean stock option to acquire 0.05 of a Chilean share. Subsequent to the spin-out transaction any warrants held prior to the Spin-out, when exercised will also grant .05 of a Chilean share.

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Notes to Condensed Consolidated Interim Financial Statements

Three and Nine Months Ended September 30, 2025

(Expressed in Canadian Dollars)

(Unaudited)

5. Spin-out pursuant to the plan of arrangement (continued)

As the shareholders of the Company continued to hold their respective interests in Chilean; there was no resulting change of control Chilean Metals Inc. The Company retains control after the spin out transaction through its ownership and management of the Company's ownership of common shares on a combined basis being greater than 50%. As a result of the Arrangement there is a reduction in the ownership of Chilean. As such, the assets and liabilities assumed by Chilean, were originally recognized at the date of the acquisition at their historical costs as follows:

	February 3, 2025
Assets	\$ 1,022,855
Liabilities	(248,136)
Total	\$ 774,719
Distribution of 50% of Chilean Metals Inc. equity	\$ 387,360

6. Issued capital

a) Authorized share capital

At September 30, 2025, the authorized share capital consisted of an unlimited number of common shares, non-voting Class A preference shares with a par value of \$4.00 and Class B preference shares with a par value of \$20.00. The common shares do not have a par value. No Class A or Class B preference shares have been issued.

b) Common shares issued

	Number of Shares	Amount
Balance, December 31, 2023	149,873,243	\$ 77,376,535
Private placement (v)(vi)(vii)	28,189,873	18,256,843
Flow-through liability (vi)(vii)	-	(1,650,439)
Share issuance costs (v)(vi)(vii)	-	(459,120)
Broker warrants (v)(vii)	-	(142,955)
Exercise of warrants (ii)	9,345,950	3,004,818
Exercise of options (i)	4,046,428	1,448,225
Balance, September 30, 2024	191,455,494	\$ 97,833,907
Balance, December 31, 2024	196,196,594	\$ 99,522,339
Private placement (viii)	21,030,000	49,999,800
Flow-through liability (viii)	-	(19,506,300)
Share issuance costs (viii)	-	(2,429,534)
LI-FT property acquisition (note 4)	6,000,000	6,471,807
Exercise of warrants (iv)	3,241,365	1,399,893
Exercise of options (iii)	4,985,472	1,932,417
Balance, September 30, 2025	231,453,431	\$ 137,390,422

(i) During the nine months ended September 30, 2024, 4,046,428 stock options were exercised with a weighted average exercise price of \$0.22 and a black scholes value of \$575,725.

(ii) During the nine months ended September 30, 2024, 9,345,950 warrants were exercised with a weighted average exercise price of \$0.25 and a black scholes value of \$686,468.

(iii) During the nine months ended September 30, 2025, 4,985,472 stock options were exercised with a weighted average exercise price of \$0.26 and a black scholes value of \$648,563.

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6. Issued capital (continued)

b) Common shares issued (continued)

(iv) During the nine months ended September 30, 2025, 3,241,365 warrants were exercised with a weighted average exercise price of \$0.31 and a black scholes value of \$420,708.

(v) On April 12, 2024, the Company closed a private placement of 11,889,875 common shares of the Company, at a price of \$0.20 per share for aggregate gross proceeds of \$2,377,975. The directors of the Company participated in the private placement for aggregate investment of \$333,125. The Company had share issuance costs including finder's fees of \$138,998 and issued 117,250 non-transferable finder's warrants. Each finders warrant is exercisable into one non-flow-through common share at exercise price of \$0.20 per share for a period of three years. The broker warrants were valued at \$15,265 using the relative fair value approach and the Black-Scholes option-pricing model. The following weighted average assumptions were used: share price - \$0.25; risk free interest rate – 4.26%; expected volatility – 95% (which is based on historical volatility of the Company's share price); expected dividend yield - nil; expected life - 3 years.

(vi) On June 10, 2024, the Company closed the private placement of 250,000 flow-through units of the Company, at a price of \$0.80 per flow-through units for aggregate gross proceeds of \$200,000. The Company had share issuance costs including finder's fees of \$2,412. Each unit is comprised of one flow-through share, and one non transferable non-flow-through common share purchase warrant. Each warrant will be exercisable into one non-flow-through common share at exercise price of \$0.80 per share for a period of three years from the date of issuance. The warrants were valued at \$95,570 using the relative fair value approach and the Black-Scholes option-pricing model. The following weighted average assumptions were used: share price - \$0.80; risk free interest rate – 3.86%; expected volatility – 106% (which is based on historical volatility of the Company's share price); expected dividend yield - nil; expected life - 3 years.

(vii) On June 21, 2024, the Company closed a private placement of 16,049,998 flow-through units of the Company, at a price of \$1.25 per flow-through units for aggregate gross proceeds of \$20,062,498. The Company had share issuance costs including finder's fees of \$317,709 and issued 265,727 non-transferable finder's warrants. Each unit is comprised of one flow-through share, and one-half of one transferable non-flow-through common share purchase warrant. Each warrant and finders warrant will be exercisable into one non-flow-through common share at exercise price of \$1.25 per share for a period of three years and one and a half years, respectively from the date of issuance. The warrants and broker warrants were valued at \$4,288,060 and \$17,690 respectively using the relative fair value approach and the Black-Scholes option-pricing model. The following weighted average assumptions were used: share price - \$1.25; risk free interest rate – 3.75% - 3.93%; expected volatility – 108% - 139% (which is based on historical volatility of the Company's share price); expected dividend yield - nil; expected life - 1.5 - 3 years.

(viii) On February 27, 2025, the Company closed a private placement of 14,135,000 flow-through shares of the Company, at a price of \$2.83 per flow-through shares, and 6,895,000 common shares at a price of \$1.45 per share for aggregate gross proceeds of \$49,999,800. The Company had share issuance costs including finder's fees of \$2,429,534.

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7. Stock options

The Company has implemented a stock option plan (“the Plan”) to be administered by the Board of Directors. Pursuant to the Plan the Board of Director’s has discretion to grant options for up to a maximum of 10% of the issued and outstanding common shares of the Company at the date the options are granted. The option price under each option shall be not less than, the discounted market price on the grant date. The expiry date of an option shall be set by the Board of Directors at the time the option is awarded, and shall not be more than ten years after the grant date. Options granted to directors, employees and consultants, other than consultants engaged in investor relations activities, will vest immediately upon granting, unless otherwise approved by the relevant regulatory authorities. Options granted to employees and consultants engaged in investor relations activities will vest in stages over a minimum period of 12 months with no more than one-quarter of the options vesting in any three-month period.

Power Metallic Inc. Stock Options

The following table reflects the continuity of stock options for the periods presented:

	Number of stock options	Weighted average exercise price (\$)
Balance, December 31, 2023	12,475,000	0.25
Expired	(850,000)	0.25
Granted (i)(ii)(iii)(iv)(v)(vi)(vii)(viii)(ix)	11,700,000	0.51
Exercised (note 6(b)(i))	(4,046,428)	0.22
Balance, September 30, 2024	19,278,572	0.27
Balance, December 31, 2024	18,805,472	0.44
Granted (x)(xi)(xii)(xiii)(xiv)	4,975,000	1.42
Exercised (note 6(b)(iii))	(4,985,472)	0.26
Balance, September 30, 2025	18,795,000	0.73

(i) During the three and nine months ended September 30, 2025, the Company recorded share-based compensation of \$nil (September 30, 2024 - \$nil and \$8,643) related to the grant of stock options prior to fiscal 2024 in the unaudited condensed consolidated interim statement of loss.

(ii) During the nine months ended September 30, 2024, the Company granted stock options to consultants of the Company for the purchase of a total of 1,150,000 common shares, exercisable for 3 years from grant. The options have an exercise price of \$0.25, and vest immediately. The fair value of these options at the date of grant was estimated using the Black-Scholes option pricing model with the following assumptions: share price - \$0.25; risk free interest rate – 3.99%; expected volatility – 111% (which is based on historical volatility of the Company’s share price); expected dividend yield - nil; expected life - 3 years. During the three and nine months ended September 30, 2025, the Company recorded share-based compensation of \$nil (September 30, 2024 - \$19,255 and \$144,762) related to the grant in the unaudited condensed consolidated interim statement of loss.

(iii) During the nine months ended September 30, 2024, the Company granted stock options to a company controlled by a family member of the CEO and Director of the Company for the purchase of a total of 1,000,000 common shares, exercisable for one year from grant. The options have an exercise price of \$0.25, and vest immediately. The fair value of these options at the date of grant was estimated using the Black-Scholes option pricing model with the following assumptions: share price - \$0.25; risk free interest rate – 4.41%; expected volatility – 76% (which is based on historical volatility of the Company’s share price); expected dividend yield - nil; expected life - 1 year. During the three and nine months ended September 30, 2025, the Company recorded share-based compensation of \$nil (September 30, 2024 - \$nil and \$71,430) related to the grant in the unaudited condensed consolidated interim statement of loss.

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(Unaudited)

7. Stock options (continued)

Power Metallic Inc. Stock Options (continued)

(iv) During the nine months ended September 30, 2024, the Company granted stock options to consultants of the Company for the purchase of a total of 2,350,000 common shares, exercisable for one year from grant. The options have an exercise price of \$0.25, and vest immediately. The fair value of these options at the date of grant was estimated using the Black-Scholes option pricing model with the following assumptions: share price - \$0.25; risk free interest rate - 4.25%; expected volatility - 73% (which is based on historical volatility of the Company's share price); expected dividend yield - nil; expected life - 1 year. During the three and nine months ended September 30, 2025, the Company recorded share-based compensation of \$nil (September 30, 2024 - \$nil and \$118,255) related to the grant in the unaudited condensed consolidated interim statement of loss.

(v) During the nine months ended September 30, 2024, the Company granted stock options to consultants of the Company for the purchase of a total of 1,000,000 common shares, exercisable for one year from grant. The options have an exercise price of \$0.64, and vest immediately. The fair value of these options at the date of grant was estimated using the Black-Scholes option pricing model with the following assumptions: share price - \$0.64; risk free interest rate - 4.24%; expected volatility - 103.3% (which is based on historical volatility of the Company's share price); expected dividend yield - nil; expected life - 1 year. During the three and nine months ended September 30, 2025, the Company recorded share-based compensation of \$nil (September 30, 2024 - \$354,885) related to the grant in the unaudited condensed consolidated interim statement of loss.

(vi) During the nine months ended September 30, 2024, the Company granted stock options to consultants of the Company for the purchase of a total of 1,000,000 common shares, exercisable for one year from grant. The options have an exercise price of \$0.82, and vest immediately. The fair value of these options at the date of grant was estimated using the Black-Scholes option pricing model with the following assumptions: share price - \$0.82; risk free interest rate - 4.05%; expected volatility - 101.6% (which is based on historical volatility of the Company's share price); expected dividend yield - nil; expected life - 2 year. During the three and nine months ended September 30, 2025, the Company recorded share-based compensation of \$nil (September 30, 2024 - \$nil and \$394,170) related to the grant in the unaudited condensed consolidated interim statement of loss.

(vii) During the nine months ended September 30, 2024, the Company granted stock options to an officer, directors and consultants of the Company for the purchase of a total of 4,300,000 common shares, exercisable for one year from grant. The officers and directors were granted 2,400,000 stock options. The options have an exercise price of \$0.66, and vest immediately. The fair value of these options at the date of grant was estimated using the Black-Scholes option pricing model with the following assumptions: share price - \$0.66; risk free interest rate - 3.60%; expected volatility - 93.5% (which is based on historical volatility of the Company's share price); expected dividend yield - nil; expected life - 2 year. During the three and nine months ended September 30, 2025, the Company recorded share-based compensation of \$nil (September 30, 2024 - \$1,348,960) related to the grant in the unaudited condensed consolidated interim statement of loss.

(viii) During the nine months ended September 30, 2024, the Company granted stock options to consultants of the Company for the purchase of a total of 300,000 common shares, exercisable for one year from grant. The options have an exercise price of \$0.66, and vest immediately. The fair value of these options at the date of grant was estimated using the Black-Scholes option pricing model with the following assumptions: share price - \$0.66; risk free interest rate - 3.31%; expected volatility - 93.5% (which is based on historical volatility of the Company's share price); expected dividend yield - nil; expected life - 2 year. During the three and nine months ended September 30, 2025, the Company recorded share-based compensation of \$nil (September 30, 2024 - \$112,190) related to the grant in the unaudited condensed consolidated interim statement of loss.

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(Unaudited)

7. Stock options (continued)

Power Metallic Inc. Stock Options (continued)

(ix) During the nine months ended September 30, 2024, the Company granted stock options to consultants of the Company for the purchase of a total of 600,000 common shares, exercisable for five years from grant. The options have an exercise price of \$0.66, and vest immediately. The fair value of these options at the date of grant was estimated using the Black-Scholes option pricing model with the following assumptions: share price - \$0.66; risk free interest rate – 2.77%; expected volatility – 125.1% (which is based on historical volatility of the Company's share price); expected dividend yield - nil; expected life - 5 year. During the three and nine months ended September 30, 2025, the Company recorded share-based compensation of \$nil (September 30, 2024 - \$280,935) related to the grant in the unaudited condensed consolidated interim statement of loss.

(x) During the nine months ended September 30, 2025, the Company granted stock options to consultants of the Company for the purchase of a total of 350,000 common shares, exercisable for two years from grant. The options have an exercise price of \$0.99, and vest immediately. The fair value of these options at the date of grant was estimated using the Black-Scholes option pricing model with the following assumptions: share price - \$1.01; risk free interest rate – 3.15%; expected volatility – 77.7% (which is based on historical volatility of the Company's share price); expected dividend yield - nil; expected life - 2 years. During the three and nine months ended September 30, 2025, the Company recorded share-based compensation of \$nil and \$156,080 (September 30, 2024 - \$nil) related to the grant in the unaudited condensed consolidated interim statement of loss.

(xi) During the nine months ended September 30, 2025, the Company granted stock options to consultants of the Company for the purchase of a total of 500,000 common shares, exercisable for three years from grant. The options have an exercise price of \$0.99, and vest immediately. The fair value of these options at the date of grant was estimated using the Black-Scholes option pricing model with the following assumptions: share price - \$1.01; risk free interest rate – 3.09%; expected volatility – 96.6% (which is based on historical volatility of the Company's share price); expected dividend yield - nil; expected life - 3 years. During the three and nine months ended September 30, 2025, the Company recorded share-based compensation of \$nil and \$312,920 (September 30, 2024 - \$nil) related to the grant in the unaudited condensed consolidated interim statement of loss.

(xii) During the nine months ended September 30, 2025, the Company granted stock options to consultants of the Company for the purchase of a total of 1,475,000 common shares, exercisable for one years from grant. The options have an exercise price of \$1.63, and vest immediately. The fair value of these options at the date of grant was estimated using the Black-Scholes option pricing model with the following assumptions: share price - \$1.63; risk free interest rate – 2.55%; expected volatility – 87.4% (which is based on historical volatility of the Company's share price); expected dividend yield - nil; expected life - 1 year. During the three and nine months ended September 30, 2025, the Company recorded share-based compensation of \$nil and \$832,730 (September 30, 2024 - \$nil) related to the grant in the unaudited condensed consolidated interim statement of loss.

(xiii) During the nine months ended September 30, 2025, the Company granted stock options to a consultants of the Company for the purchase of a total of 600,000 common shares exercisable for two years from grant, The options have an exercise price of \$1.45, and vest immediately. The fair value of these options at the date of grant was estimated using the Black-Scholes option pricing model with the following assumptions: share price - \$1.42; risk free interest rate – 2.55%; expected volatility – 74.6% (which is based on historical volatility of the Company's share price); expected dividend yield - nil; expected life - 2 years. During the three and nine months ended September 30, 2025, the Company recorded share-based compensation of \$350,310 (September 30, 2024 - \$nil) related to the grant in the unaudited condensed consolidated interim statement of loss.

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7. Stock options (continued)

Power Metallic Inc. Stock Options (continued)

(xiv) During the nine months ended September 30, 2025, the Company granted stock options to a consultants of the Company for the purchase of a total of 2,050,000 common shares, which vest immediately. 1,150,000 stock options expiry five years after grant, 250,000 options expire two years after grant, and the remaining 100,000 expire one year after grant. The options have an exercise price of \$1.45. The fair value of these options at the date of grant was estimated using the weighted average Black-Scholes option pricing model with the following assumptions: share price - \$1.39; risk free interest rate - 2.92%; expected volatility - 99.96% (which is based on historical volatility of the Company's share price); expected dividend yield - nil; expected life - 4.11 years. During the three and nine months ended September 30, 2025, the Company recorded share-based compensation of \$1,659,335 (September 30, 2024 - \$nil) related to the grant in the unaudited condensed consolidated interim statement of loss.

The following table reflects the stock options issued and outstanding as of September 30, 2025:

Expiry Date	Exercise Price (\$)	Remaining Contractual Life (years)	Number of Options Outstanding	Number of Options Vested (Exercisable)
October 9, 2025	0.13	0.02	400,000	400,000
October 22, 2025	0.71	0.06	250,000	250,000
February 25, 2026	0.29	0.41	3,850,000	3,850,000
March 18, 2026	1.63	0.46	1,475,000	1,475,000
May 24, 2026	0.61	0.65	470,000	470,000
July 2, 2026	0.78	0.75	1,000,000	1,000,000
August 16, 2026	0.63	0.88	300,000	300,000
August 25, 2026	1.45	0.90	650,000	650,000
November 27, 2026	0.74	1.16	600,000	600,000
January 14, 2027	0.99	1.29	350,000	350,000
August 25, 2027	1.45	1.90	250,000	250,000
September 17, 2027	1.45	1.96	600,000	600,000
November 28, 2027	0.19	2.16	450,000	450,000
January 15, 2028	0.99	2.29	500,000	500,000
June 15, 2028	0.24	2.71	1,600,000	1,600,000
July 26, 2029	0.63	3.82	4,300,000	4,300,000
September 9, 2029	0.63	3.95	600,000	600,000
August 25, 2030	1.45	4.90	1,150,000	1,150,000
	0.73	2.01	18,795,000	18,795,000

Chilean Metals Inc. Stock Options

The following table reflects the continuity of Chilean Metals Inc. stock options for the periods presented:

	Number of stock options	Weighted average exercise price (\$)
Balance, December 31, 2024	-	-
Granted through plan of arrangement (i)	962,250	0.41
Exercised	(157,960)	0.22
Balance, September 30, 2025	804,290	0.24

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7. Stock options (continued)

Chilean Metals Inc. Stock Options (continued)

(i) In accordance with the Plan of Arrangement, the Company granted stock options to purchase a total of 962,250 common shares, exercisable for 0.04 - 4.48 years from grant. The options have an exercise price of \$0.20 - \$1.00, and vest immediately. The fair value of these options at the date of grant was estimated using the Black-Scholes option pricing model with the following weighted assumptions: share price - \$0.07; risk free interest rate - 2.63%; expected volatility - 89.78% (which is based on historical volatility of the Power's share price); expected dividend yield - nil; expected life - 0.04 - 4.48 years.

The following table reflects the stock options issued and outstanding as of September 30, 2025:

Expiry Date	Exercise Price (\$)	Remaining Contractual Life (years)	Number of Options Outstanding	Number of Options Vested (Exercisable)
October 7, 2025	0.20	0.02	32,500	32,500
October 22, 2025	0.60	0.06	13,290	13,290
February 25, 2026	0.20	0.41	192,500	192,500
May 24, 2026	0.60	0.65	23,500	23,500
July 2, 2026	0.80	0.75	50,000	50,000
July 26, 2026	0.60	0.82	30,000	30,000
August 16, 2026	0.60	0.88	15,000	15,000
November 27, 2026	0.80	1.16	30,000	30,000
January 14, 2027	1.00	1.29	17,500	17,500
February 9, 2027	0.20	1.36	57,500	57,500
November 28, 2027	0.20	2.16	22,500	22,500
January 14, 2028	1.00	2.29	25,000	25,000
June 15, 2028	0.20	2.71	80,000	80,000
July 26, 2029	0.60	3.82	185,000	185,000
September 9, 2029	0.60	3.95	30,000	30,000
	0.45	1.81	804,290	804,290

8. Warrants

The following table reflects the continuity of warrants for the periods presented:

	Number of warrants	Weighted average exercise price (\$)
Balance, December 31, 2023	40,590,030	0.28
Granted (note 6(b))	8,657,976	1.22
Expired	(205,080)	0.50
Exercised (note 6(b)(ii))	(9,345,950)	0.25
Balance, September 30, 2024	39,696,976	0.50
Balance, December 31, 2024	36,162,976	0.52
Exercised (note 6(b)(iv))	(3,241,365)	0.31
Balance, September 30, 2025	32,921,611	0.54

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8. Warrants (continued)

The following table reflects the warrants issued as of September 30, 2025:

Expiry Date	Exercise Price (\$)	Remaining Contractual Life (years)	Number of Warrants Outstanding	Grant date Fair Value (\$)
December 21, 2025	1.25	0.22	265,727	127,690
December 29, 2025	0.50	0.25	1,880,000	128,497
October 23, 2026	0.50	1.06	2,000,000	249,850
November 14, 2026	0.50	1.12	1,100,000	180,700
June 10, 2027	0.80	1.69	250,000	95,570
June 21, 2027	1.25	1.72	8,024,999	4,288,060
November 22, 2027	0.20	2.15	16,500,000	902,803
March 30, 2028	0.50	2.50	634,885	324,307
April 25, 2028	0.50	2.57	1,650,000	373,817
May 4, 2028	0.50	2.59	516,000	120,015
August 14, 2028	0.25	2.87	100,000	96,000
	0.54	1.85	32,921,611	6,887,309

9. Net loss per share

The calculation of basic and diluted loss per share for the three and nine months ended September 30, 2025 was based on the loss attributable to common shareholders of \$17,099,233 and \$31,717,433, respectively (three and nine months ended September 30, 2024 - \$6,458,099 and \$14,213,050, respectively) and the weighted average number of common shares outstanding of 229,872,095 and 219,794,997, respectively (three and nine months ended September 30, 2024 - 190,362,465 and 169,038,350, respectively). Diluted loss per share did not include the effect of 18,795,000 options outstanding (three and nine months ended September 30, 2024 - 19,278,572 options outstanding) or the effect of 32,921,611 warrants outstanding (three and nine months ended September 30, 2024 - 39,696,976 warrants outstanding) as they are anti-dilutive.

10. Related party balances and transactions

Related parties include the Board of Directors, officers, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

As at September 30, 2025 and December 31, 2024, the Company is not aware of any insiders that control a significant portion of the total common shares outstanding. To the knowledge of directors and officers of the Company, the remainder of the outstanding common shares are held by diverse shareholders. These holdings can change at any time at the discretion of the owner.

(a) The Company entered into the following transactions with related parties:

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Administration expense	\$ 296,250	\$ 87,500	\$ 1,540,750	\$ 262,500
Accounting expense	\$ 20,435	\$ 11,009	\$ 66,327	\$ 66,327
Share-based compensation	\$ -	\$ 1,033,843	\$ -	\$ 1,033,843

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10. Related party balances and transactions (continued)

(i) For the three and nine months ended September 30, 2025, the Company incurred consulting fees and bonuses from a company controlled by an officer and a director of \$175,000 and \$812,500 (three and nine months ended September 30, 2024 - \$56,250 and \$168,750) recorded in administration fees.

(ii) For the three and nine months ended September 30, 2025, the Company incurred accounting expenses from companies related to an officer of \$20,435 and \$66,327 (three and nine months ended September 30, 2024 - \$11,009 and \$66,327) recorded in professional fees.

(iii) For the three and nine months ended September 30, 2025, the Company incurred directors fees and bonuses of \$121,250 and \$728,250 to directors of the Company (three and nine months ended September 30, 2024 - \$31,250 and \$93,750) recorded in administration fees.

(iv) For the three and nine months ended September 30, 2025, the Company incurred consulting fees from family members of the CEO and Director of \$250,045 (September 30, 2024 - \$nil and \$133,370) recorded in professional fees.

(v) As at September 30, 2025, included in amounts due from related parties, the Company has a receivable of \$517,435 (December 31, 2024 - outstanding of \$40,168) from an officer and director. This amount is unsecured, non-interest bearing and due on demand.

(vi) As at September 30, 2025, included in accounts payable and accrued liabilities is \$1,671 (December 31, 2024 - \$54,000) due to directors, these amounts are unsecured, non-interest bearing, and due on demand. As at September 30, 2025, included in due from related parties is \$77,125 (December 31, 2024 - \$nil) advanced to directors.

(vii) As at September 30, 2025, included in accounts payable and accrued liabilities is \$nil (December 31, 2024 - \$51,000) due to these family members. As at September 30, 2025, included in prepaid deposits is \$63,417 (December 31, 2024 - \$63,417) paid to these family members.

(viii) As at September 30, 2025, the Company has a balance payable to shareholders of \$7,000 (December 31, 2024 - \$7,000). This amount is unsecured, due on demand, and non-interest bearing.

(ix) See note 6, 7 and 12.

Payments to directors and key management personnel of the Company include certain transactions with related parties in above, noted transactions are in the normal course of business and approved by the Board of Directors.

11. Segmented information

The Company operates in one industry segment, namely exploration of mineral resources in two geographic regions, Canada and Chile. Geographical segmentation of the Company's non-current assets is as follows:

September 30, 2025	Canada	Chile	Total
Equipment	\$ -	\$ 10,528	\$ 10,528

December 31, 2024	Canada	Chile	Total
Equipment	\$ -	\$ 13,588	\$ 13,588

Power Metallic Mines Inc.

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(Unaudited)

11. Segmented information (continued)

Three months ended September 30, 2025	Canada	Chile	Total
Operating expenses			
Administration fees	\$ 347,210	\$ -	\$ 347,210
Amortization	-	1,020	1,020
Accretion, bank and interest fees	3,198	-	3,198
Exploration expenditures	14,131,144	131,183	14,262,327
Foreign exchange loss (gain)	(1,972)	-	(1,972)
Investor relations	578,450	-	578,450
Office and miscellaneous	31,359	-	31,359
Professional fees	243,389	-	243,389
Share-based payments	2,009,645	-	2,009,645
Transfer and regulatory	98,062	-	98,062
Travel, promotion and mining shows	8,913	-	8,913
Interest income	(290,319)	-	(290,319)
Business Development and Advisory	525,040	-	525,040
Shareholder Communications	225,100	-	225,100
Total expenses	(17,909,219)	(132,203)	(18,041,422)
Other items			
Flow-through liability amortization	805,946	-	805,946
Net loss and comprehensive loss for the period	\$ (17,103,273)	\$ (132,203)	\$ (17,235,476)
Three months ended September 30, 2024	Canada	Chile	Total
Operating expenses			
Administration fees	\$ 387,500	\$ -	\$ 387,500
Amortization	-	474	474
Accretion, bank and interest fees	1,435	164	1,599
Exploration expenditures	2,869,267	35,666	2,904,933
Foreign exchange loss (gain)	(9,203)	13,355	4,152
Investor relations	373,817	-	373,817
Office and miscellaneous	11,239	9,559	20,798
Professional fees	101,326	4,855	106,181
Share-based payments	2,155,510	-	2,155,510
Transfer and regulatory	28,221	-	28,221
Travel, promotion and mining shows	89,577	-	89,577
Business Development and Advisory	587,276	-	587,276
Shareholder Communications	175,643	-	175,643
Total expenses	(6,771,608)	(64,073)	(6,835,681)
Other items			
Flow-through liability amortization	377,582	-	377,582
Net loss and comprehensive loss for the period	\$ (6,394,026)	\$ (64,073)	\$ (6,458,099)

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11. Segmented information (continued)

Nine months ended September 30, 2025	Canada	Chile	Total
Operating expenses			
Administration fees	\$ 1,592,210	\$ -	\$ 1,592,210
Amortization	-	3,060	3,060
Accretion, bank and interest fees	8,956	172	9,128
Exploration expenditures	22,110,531	323,009	22,433,540
Foreign exchange loss (gain)	72,488	13,709	86,197
Investor relations	1,603,991	-	1,603,991
Office and miscellaneous	88,146	10,950	99,096
Professional fees	1,121,771	2,721	1,124,492
Share-based payments	3,311,375	-	3,311,375
Transfer and regulatory	292,166	-	292,166
Travel, promotion and mining shows	134,787	-	134,787
Interest income	(533,343)	-	(533,343)
Business Development and Advisory	2,049,142	-	2,049,142
Shareholder Communications	1,259,232	-	1,259,232
Total expenses before other items	(33,111,452)	(353,621)	(33,465,073)
Other items			
Flow-through liability amortization	1,468,663	-	1,468,663
Net loss and comprehensive loss for the period	\$ (31,642,789)	\$ (353,621)	\$ (31,996,410)
Nine months ended September 30, 2024	Canada	Chile	Total
Operating expenses			
Administration fees	\$ 612,500	\$ -	\$ 612,500
Amortization	-	1,422	1,422
Accretion, bank and interest fees	7,457	487	7,944
Exploration expenditures	9,813,512	431,128	10,244,640
Foreign exchange loss (gain)	30,454	21,743	52,197
Investor relations	904,738	-	904,738
Office and miscellaneous	18,167	42,667	60,834
Professional fees (note 10)	300,849	11,234	312,083
Share-based payments	2,834,230	-	2,834,230
Transfer and regulatory	95,684	-	95,684
Travel, promotion and mining shows	187,299	-	187,299
Business Development and Advisory	2,479,228	-	2,479,228
Shareholder Communications	642,639	-	642,639
Total expenses before other items	(17,926,757)	(508,681)	(18,435,438)
Other items			
Flow-through liability amortization	4,222,388	-	4,222,388
Net loss and comprehensive loss for the period	\$ (13,704,369)	\$ (508,681)	\$ (14,213,050)

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12. Commitments and contingencies

Consulting

The Company has entered into five consulting agreements with a Director and companies controlled by Directors of the Company. The obligation under these agreements amounts to \$950,000 per year.

Flow-through

The Company is obligated to spend \$20,262,497 by December 31, 2025, and \$40,002,050 by December 31, 2026. The flow-through agreements require the Company to renounce certain tax deductions for Canadian exploration expenditures incurred on the Company's mineral properties to flow-through participants. The Company has indemnified the subscribers for any related tax amounts that become payable by the subscribers as a result of the Company not meeting its expenditure commitments. The Company does not have sufficient working capital to cover its flow-through commitment, and intends to cover its flow-through commitment through additional equity financing.

	Flow-through Liability (\$)	Flow-through commitment (\$)
Balance, December 31, 2023	\$ 4,032,096	\$ 7,155,365
Recognition of flow-through liability	1,650,439	20,262,497
De-recognition of flow-through liability	(4,494,683)	(13,028,511)
Balance, December 31, 2024	1,187,852	14,389,351
Recognition of flow-through liability	19,506,300	40,002,050
De-recognition of flow-through liability	(1,468,663)	(22,705,217)
Balance, September 30, 2025	\$ 19,225,489	\$ 31,686,184

Flow-through indemnification

The flow-through agreements require the Company to renounce certain tax deductions for Canadian exploration expenditures incurred on the Company's mineral properties to flow-through participants. Certain interpretations are required to assess the eligibility of flow-through expenditures that if changed, could result in the denial of renunciation. The Company indemnified the subscribers for any related tax amounts that become payable by the subscribers as a result of the Company not meeting its expenditure commitments. If the Canadian Revenue Agency ("CRA") determined that the Company was not compliant with their flow-through expenditure commitments, the Company may be liable to indemnify subscribers for any related tax amounts. No provision has been recorded in these unaudited condensed consolidated interim financial statements related to this contingency as various triggering events have not taken place.

Environmental and legal

The Company's operations are subject to government environmental protection legislation. Environmental consequences are difficult to identify in terms of results, timetable and impact. At this time, to management's best knowledge, the Company's operations are in compliance with current laws and regulations.

The Company is subject to various claims, lawsuits and other complaints arising in the ordinary course of business. The Company records provisions for losses when claims become probable and the amounts are estimable. Although the outcome of such matters cannot be determined, it is the opinion of management that the final resolution of these matters will not have a material adverse effect on the Company's financial condition, operations or liquidity.

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Notes to Condensed Consolidated Interim Financial Statements

Three and Nine Months Ended September 30, 2025

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12. Commitments and contingencies (continued)

Property taxes

As at September 30, 2025, the Company has unpaid property tax for various mineral exploration property claims totaling approximately 198,021,380 Chilean Pesos (\$286,530) (December 31, 2024 - 154,298,974 Chilean Pesos (\$222,365)) which has been included in accounts payable and accrued liabilities as at September 30, 2025. In the event that the claims are put up for tax auction, the Company expects to have a notice period to make the payment for the portion of this amount required (note 1). The property tax commitment for 2025 fiscal year is 135,310,276 Chilean Pesos (\$197,688).

13. Comparative figures

Certain comparative figures have been reclassified to conform with the current year's presentation. This reclassification had no impact on total expenses or net loss for the comparative periods.

14. Non-Controlling Interest

Through the Plan of Agreement, Power acquired 50% of Chilean on February 3, 2025 (note 5). As of September 30, 2025, the Company has a 49.11% ownership interest in Chilean through its ownership of common shares, however including the shares held by management of the Company, the Company controls over 50% of the common shares of Chilean. The non-controlling interest represents the Chilean Common Shares not attributable to the Company.

Reconciliation of non-controlling interest is as follows:

Balance, December 31, 2024	\$ -
Spin-out	387,360
Change in ownership interest	97,343
Net loss for the period	(278,977)
Balance, September 30, 2025	\$ 205,726

The condensed consolidated interim financial statements incorporate the assets and liabilities of Chilean as of September 30, 2025. The following is summarized financial information for the Chilean subgroup, prepared in accordance with IFRS. The information is before inter-company eliminations with other companies in the Group.

Summarized statement of financial position	\$
Current assets	744,800
Non-current assets	10,528
Current liabilities	(351,071)
Non-current liabilities	-
Net assets	404,257
Net assets attributable to NCI	205,726
	\$
Net loss for the period ended September 30, 2025	415,111
Net loss attributable to NCI	278,977
	\$
Net cash used in operating activities	(436,928)
Net cash provided by financing activities	1,162,166
Net increase in cash	725,238