



PURE ENERGY MINERALS LTD.
CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024
(Expressed in Canadian Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Pure Energy Minerals Limited:

Opinion

We have audited the consolidated financial statements of Pure Energy Minerals Limited and its subsidiaries (together the "Company"), which comprise the consolidated statements of financial position as at June 30, 2025 and 2024, and the consolidated statements of comprehensive loss, consolidated statements of changes in shareholders' equity, and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at June 30, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with IFRS Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which describes conditions indicating that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended June 30, 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the *Material Uncertainty Related to Going Concern* section of our auditor's report, we have determined the matter described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
<i>Assessment of impairment indicators for exploration and evaluation assets</i>	
Refer to note 5	Our approach to addressing the matter involved the following procedures, among others:
As at June 30, 2025, the carrying amount of the Company's exploration and evaluation assets was \$35,181,862. At each reporting period, management assesses exploration and evaluation assets to determine whether there are any indicators of impairment. If any such indicators exist, the asset's recoverable amount is estimated. An impairment loss is recognized if the carrying amount of an asset exceeds its estimated recoverable amount. Management assesses exploration and evaluation assets for impairment based on, at minimum, the presence of any one of the following indicators: (i) the period for which the Company has the right to explore in the specific area has expired during the year or will expire in the near future, and is not expected to be renewed; (ii) substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned; (iii) the Company has decided to discontinue exploration for and evaluation of mineral resources in the specific area; and/or (iv) for areas of likely development, available data indicates that the carrying amount exceeds the recoverable amount. No impairment indicators were identified by management as at June 30, 2025. We considered this a key audit matter due to the significance of the exploration and evaluation assets and the judgments made by management in their assessment of impairment indicators related to exploration and evaluation assets. These factors have resulted in a high degree of subjectivity in performing audit procedures, related to the judgment applied by management.	Evaluating the judgments made by management in determining impairment indicators, which included the following: • Obtained, for a sample of claims by reference to government registries, evidence to support (i) the right to explore the area and (ii) claim expiration dates. • Read the board of directors' minutes and resolutions and observed evidence supporting the continued and planned expenditures. • Assessed whether available data indicates the potential for commercially viable mineral resources. • Based on evidence obtained in other areas of the audit, considered whether other facts and circumstances suggest that the carrying amount may exceed the recoverable amount.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Management's Discussion and Analysis filed with the relevant Canadian securities commissions.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Doris Yingying Cen.

Baker Tilly WM LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, B.C.
October 22, 2025

PURE ENERGY MINERALS LIMITED

Consolidated Statements of Financial Position

(Expressed in Canadian Dollars)

As at	Notes	June 30, 2025	June 30, 2024
ASSETS			
CURRENT			
Cash		\$ 620,315	\$ 860,948
Goods and Services Tax receivable		1,813	1,982
Prepaid expenses and advances	4	238,561	21,889
		860,689	884,819
NON -CURRENT			
Reclamation bonds	5	-	62,353
Exploration and evaluation assets	5	35,181,862	35,246,002
TOTAL ASSETS		\$ 36,042,551	\$ 36,193,174
LIABILITIES			
CURRENT			
Accounts payable and accrued liabilities	6	\$ 136,175	\$ 188,620
Deferred revenue	5	136,430	136,870
		272,605	325,490
NON -CURRENT			
Decommissioning liabilities	5	-	62,353
TOTAL LIABILITIES		272,605	387,843
SHAREHOLDERS' EQUITY			
Share capital	7	59,731,784	59,731,784
Reserves	7	3,587,636	3,666,686
Foreign currency translation reserve		77,658	76,359
Deficit		(27,627,132)	(27,669,498)
TOTAL SHAREHOLDERS' EQUITY		35,769,946	35,805,331
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		\$ 36,042,551	\$ 36,193,174

Nature of Business and Going Concern (Note 1)

These consolidated financial statements were approved for issue by the Board of Directors on October 22, 2025, and signed on its behalf by:

"Daniel Barnosky"
Director

"Joseph Mullin"
Director

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

PURE ENERGY MINERALS LIMITED

Consolidated Statements of Comprehensive Loss

For the years ended June 30, 2025 and 2024

(Expressed in Canadian Dollars except for number of shares)

Years Ended	Notes	June 30, 2025	June 30, 2024
REVENUE	5	\$ 558,172	\$ 544,100
EXPENSES			
Bank charges and interest		1,132	733
Investor relations		6,561	13,657
Consulting and Management fees	6	225,659	254,441
Office expenses		144,636	88,316
Professional fees	6	81,683	75,755
Share-based compensation	6, 7	215,172	813,195
Transfer agent and filing fees		39,584	48,031
Travel		85,991	84,738
		800,418	1,378,866
LOSS BEFORE OTHER ITEMS		(242,246)	(834,766)
OTHER ITEMS			
Foreign exchange gain (loss)		(9,643)	(342)
Bank interest income		33	264
TOTAL OTHER ITEMS		(9,610)	(78)
NET LOSS FOR THE YEAR		(251,856)	(834,844)
OTHER COMPREHENSIVE INCOME (LOSS)			
Item that may be reclassified subsequently to profit or loss			
Foreign currency translation adjustment		1,299	34,174
COMPREHENSIVE LOSS FOR THE YEAR		\$ (250,557)	\$ (800,670)
Loss per share, basic and diluted		\$ (0.01)	\$ (0.02)
Weighted average number of common shares outstanding			
Basic		33,967,983	33,617,839
Diluted		33,967,983	33,617,839

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

PURE ENERGY MINERALS LIMITED

Consolidated Statements of Changes in Shareholders' Equity

(Expressed in Canadian Dollar, except number of shares)

	Share Capital					
	Number of Common Shares without Par Value	Amount	Reserves	Foreign currency translation reserve	Deficit	Total Shareholders' Equity
Balance, June 30, 2023	33,141,643	\$ 59,291,398	\$ 2,910,183	\$ 42,185	\$ (26,834,654)	\$ 35,409,112
Shares issued for exploration and evaluation assets	663,673	318,563	-	-	-	318,563
Shares issued on exercise of stock options	162,667	65,130	-	-	-	65,130
Issuance of shares upon exercise of stock options	-	56,693	(56,693)	-	-	-
Share-based compensation	-	-	813,196	-	-	813,196
Net loss and comprehensive loss for the year	-	-	-	34,174	(834,844)	(800,670)
Balance, June 30, 2024	33,967,983	59,731,784	3,666,686	76,359	(27,669,498)	35,805,331
Share-based compensation	-	-	215,172	-	-	215,172
Reclassification of fair value of expired stock options	-	-	(294,222)	-	294,222	-
Net loss and comprehensive loss for the year	-	-	-	1,299	(251,856)	(250,557)
Balance, June 30, 2025	33,967,983	59,731,784	3,587,636	77,658	(27,627,132)	35,769,946

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

PURE ENERGY MINERALS LIMITED

Consolidated Statements of Cash Flows

For the years ended June 30, 2025 and 2024

(Expressed in Canadian Dollars)

Years Ended	June 30, 2025	June 30, 2024
Cash provided by (used in):		
OPERATING ACTIVITIES		
Net loss for the year	\$ (251,856)	\$ (834,844)
Items not involving cash		
Unrealized loss (gain) on foreign exchange	1,488	(11,901)
Share-based compensation	215,172	813,196
	(35,196)	(33,549)
Net changes in non-cash working capital items		
Goods and Services Tax receivable	169	342
Prepaid expenses	(19,502)	19,740
Accounts payable and accrued liabilities	(52,445)	64,710
Deferred revenue	-	136,870
Net cash (used in) provided by operating activities	(106,974)	188,115
INVESTING ACTIVITIES		
Advance for exploration and evaluation assets	(197,170)	-
Refund of reclamation bonds	65,492	-
Net cash provided by investing activities	(131,678)	-
FINANCING ACTIVITY		
Proceeds from stock options exercised	-	65,130
Net cash provided by financing activity	-	65,130
Effect of exchange rate changes on cash	(1,981)	27,825
Change in cash during the year	(240,633)	281,070
Cash, beginning of the year	860,948	579,878
Cash, end of the year	\$ 620,315	\$ 860,948

Supplemental cash flow information (Note 11)

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

PURE ENERGY MINERALS LIMITED

Notes to the Consolidated Financial Statements

For the years ended June 30, 2025 and 2024

(Expressed in Canadian Dollars)

1. NATURE OF BUSINESS AND GOING CONCERN

Pure Energy Minerals Limited ("Pure Energy" or the "Company") was incorporated on May 10, 2007 under the *British Columbia Business Corporations Act*. The Company's principal business activities are the acquisition, exploration and development of mineral properties. The Company is domiciled in Canada and is a reporting issuer in British Columbia and Alberta. Its common shares are publicly traded on the TSX Venture Exchange (the "Exchange") under the stock symbol "PE". In addition, the Company trades on the OTCQB trading platform in the United States ("US") under the trading symbol "PEMIF" and on the Börse Frankfurt (Stock Exchange) under the trading symbol "AHG". The address of its registered office is 15th Floor, 1111 West Hastings Street, Vancouver, British Columbia, Canada, and head office is 1400-1055 W. Hastings St, Vancouver, British Columbia, Canada.

At June 30, 2025, the Company had not yet determined whether its mineral properties contain ore reserves that are economically recoverable. The recoverability of amounts shown for mineral properties and related exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain necessary financing to complete development and upon future profitable production from the mineral properties or proceeds from the disposition of the mineral properties. Under the terms of an earn-in agreement dated May 1, 2019 (the "Transaction") with Schlumberger Technology Corporation ("SLB"), a subsidiary of Schlumberger Limited, SLB is responsible for all costs associated with the Clayton Valley Project ("CV Project") and Pilot Plant (Note 5).

For the year ended June 30, 2025, the Company recognized royalty revenue of \$558,172 (2024 - \$544,100), and incurred costs including share-based compensation of \$215,172 (2024 - \$813,195), resulting in a net loss of \$251,856 (2024 - \$834,844). At June 30, 2025, the Company had an accumulated deficit of \$27,627,132 (2024 - \$27,669,498). The Company's ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs. The Company will require further financing to meet its financial obligations, fund its exploration programs, and sustain its operations in the normal course of business. The necessity that the Company raise sufficient funds to carry out its exploration and development plans is conditional, in part, on the continuation of its agreements and investor support. The material uncertainty raised by these conditions may cast significant doubt about the Company's ability to continue as a going concern.

These consolidated financial statements do not give effect to any adjustments, which would be necessary should the Company be unable to continue as a going concern. In such circumstances, the Company would be required to realize its assets and discharge its liabilities outside of the normal course of business, and the amounts realized could differ materially from those reflected in the accompanying consolidated financial statements.

2. BASIS OF PRESENTATION**a) Statement of compliance**

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

b) Basis of preparation and presentation

These consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments that are measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

PURE ENERGY MINERALS LIMITED

Notes to the Consolidated Financial Statements

For the years ended June 30, 2025 and 2024

(Expressed in Canadian Dollars)

2. BASIS OF PRESENTATION (continued)

c) Consolidation

The consolidated financial statements include the accounts of the Company and its 100% wholly owned subsidiaries, 0891884 B.C. Ltd., Esmeralda Minerals, LLC, 1056625 B.C. Ltd., 1061582 B.C. Ltd. and LT Capital Holdings, LLC (collectively referred to as the "Company"). Subsidiaries are entities controlled by the Company. Control exists when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Intercompany balances and transactions are eliminated on consolidation.

d) Significant accounting estimates and judgments

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of revenue and expenses during the reporting period. These consolidated financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions, and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual outcomes could differ from these estimates.

Significant assumptions about the future that management has made and other sources of estimation uncertainty at the reporting date, which could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to the following.

Critical accounting judgments

- *Impairment of exploration and evaluation assets*

The net carrying value of an exploration and evaluation asset is reviewed regularly for conditions that suggest potential indications of impairment. This review requires significant judgment. In determining if indicators of impairment exist, management considers the legal title to properties, expectations for future exploration programs and funds available for such, intentions to abandon exploration and evaluation assets, and whether information is available to assess the overall economic viability of the exploration property.

PURE ENERGY MINERALS LIMITED

Notes to the Consolidated Financial Statements

For the years ended June 30, 2025 and 2024

(Expressed in Canadian Dollars)

2. BASIS OF PRESENTATION (continued)

d) Significant accounting estimates and judgments (continued)

- *Functional currency*

The functional currency for the Company's subsidiary, Esmeralda Minerals, LLC, is the US dollar, which is the currency of the primary economic environment in which this entity operates. Determination of functional currency may involve certain judgments to determine the primary economic environment and the Company reconsiders the functional currency of its entities if there is a change in events and conditions that determined the primary economic environment.

3. MATERIAL ACCOUNTING POLICY INFORMATION

a) Foreign currency translation

The functional currency is the currency of the primary economic environment in which an entity operates and may differ from the currency in which the entity enters transactions. The functional currency of the Company, 0891884 B.C. Ltd., 1056625 B.C. Ltd., 1061582 B.C. Ltd. and LT Capital Holdings, LLC is the Canadian dollar. The functional currency of Esmeralda Minerals, LLC is the US dollar ("US"). The presentation currency of Pure Energy is the Canadian dollar.

Transactions in currencies other than the functional currency are translated to the functional currency at exchange rates prevailing on the dates of the transactions. Monetary assets and liabilities that are denominated in currencies other than the functional currency are translated to the functional currency using the exchange rate prevailing on the date of the consolidated statement of financial position, while non-monetary assets and liabilities are translated at historical rates.

Exchange gains and losses arising from the translation of foreign currency-denominated transactions or balances are recorded as a component of profit or loss in the period in which they occur.

The results of operations and financial position of each subsidiary where the functional currency is different from the presentation currency are translated as follows: assets and liabilities for each consolidated statement of financial position presented are translated at the closing rate at the date of that consolidated statement of financial position; revenues and expenses are translated at the average exchange rate for the period in which they are incurred, all resulting exchange differences are recognized in other comprehensive income or loss.

b) Exploration and evaluation assets

Pre-exploration costs are those costs incurred prior to obtaining the legal right to explore and are expensed as project evaluation expense in the period in which they are incurred.

All costs related to the acquisition, exploration and development of mineral properties are capitalized once the legal right to explore is acquired. Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as "mines under construction".

The property is tested for impairment before it is transferred to development properties. Upon commencement of commercial production, the related accumulated costs are amortized using the units of production method over estimated recoverable reserves.

PURE ENERGY MINERALS LIMITED

Notes to the Consolidated Financial Statements

For the years ended June 30, 2025 and 2024

(Expressed in Canadian Dollars)

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**b) Exploration and evaluation assets (continued)**

Exploration and evaluation assets are carried at cost less accumulated impairment losses, if any. Management annually assesses the facts and circumstances of exploration stage properties and determines if there are events and circumstances that may indicate possible impairment. Indicators that a property may be impaired include, but are not limited to: (i) whether the period for which the entity has the right to explore a specific area has expired or will expire in the near future; (ii) where substantive expenditures on further exploration for and evaluation of mineral resources in the specific areas is neither budgeted nor planned; (iii) where exploration for and evaluation of mineral resources in a specific area have not led to the discovery of commercially viable quantities of mineral resources and the Company has decided to discontinue activities in the specific area; and (iv) where sufficient data exist to indicate that, although a development in a specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

Where an indicator of impairment is present, the Company determines the recoverable amount of the specific asset by determining the asset's value in use or fair value less costs of disposal, and comparing this to the carrying amount as at the reporting date. In the event that recoverable amount is determined by management to be insufficient to recover the carrying amount of the property, an impairment loss is recognized in profit or loss. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

The recoverability of mineral properties and exploration and evaluation costs is dependent on the existence of economically recoverable reserves, the ability to obtain the necessary financing to complete development of the reserves, and the profitability of future operations. The Company has not yet determined whether or not any of its mineral properties contain economically recoverable reserves.

Exploration and evaluation expenditures are classified as intangible assets.

c) Income taxes

Income tax on the profit or loss for the years presented comprises current and deferred tax. Income tax is recognized in profit or loss, except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the year, calculated using tax rates enacted or substantively enacted at year end, adjusted for amendments to tax payable with regard to previous years.

Deferred tax is determined using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position reporting date applicable to the period of expected realization or settlement.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

PURE ENERGY MINERALS LIMITED

Notes to the Consolidated Financial Statements

For the years ended June 30, 2025 and 2024

(Expressed in Canadian Dollars)

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**d) Decommissioning, restoration and similar liabilities**

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration or development of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized to the carrying amount of the asset, along with a corresponding liability as soon as the obligation to incur such costs arises. These costs are charged against profit or loss over the economic life of the related asset through amortization using either the unit-of-production or the straight-line method. The timing of the actual rehabilitation expenditure is dependent on a number of factors such as the life and nature of the asset, the operating license conditions and, when applicable, the environment in which the mine operates.

Discount rates based on a pre-tax rate that reflects the time value of money are used to calculate the net present value. The corresponding liability is progressively increased as the effect of discounting unwinds, creating an expense recognized in profit or loss.

Decommissioning costs are also adjusted for changes in estimates. Those adjustments are accounted for as a change in the corresponding capitalized cost, except where a reduction in costs is greater than the unamortized capitalized cost of the related assets, in which case the capitalized cost is reduced to nil and the remaining adjustment is recognized in profit or loss.

The operations of the Company have been, and may in the future be, affected from time to time in varying degree by changes in environmental regulations, including those for site restoration costs. Both the likelihood of new regulations and their overall effect upon the Company are not predictable.

e) Share-based compensation

Share-based compensation to employees and others providing similar services are measured at the estimated fair value of the instruments issued on the grant date and expensed over the vesting periods. Share-based compensation to non-employees is measured at the fair value of the goods or services received or the fair value of the equity instruments issued, if the fair value of the goods or services cannot be reliably measured, and is recorded at the date the goods or services are received. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. The amount recognized as an expense is adjusted to reflect the number of awards when ultimately vest. Share-based compensation expense is recognized in profit or loss with a corresponding adjustment to reserves.

Proceeds from the exercise of stock options and warrants are recorded as share capital in the amount for which the option or warrant enabled the holder to purchase a share in the Company. Any previously recorded share-based compensation included in the reserves account is transferred to share capital on exercise of options. Charges for options or warrants that are cancelled or expired are reclassified from reserves to deficit.

f) Share capital

The proceeds from issuance of units are allocated between common shares and warrants based on the residual method. Under this method, the proceeds are allocated first to share capital based on the fair value as determined by the quoted bid price of the common shares and any residual value is allocated to reserves. Share capital issued for non-monetary consideration is valued at the closing market price at the date of issuance.

PURE ENERGY MINERALS LIMITED

Notes to the Consolidated Financial Statements

For the years ended June 30, 2025 and 2024

(Expressed in Canadian Dollars)

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

g) Earnings (loss) per share

Basic earnings (loss) per share is computed by dividing net income (loss) attributable to common shareholders by the weighted average number of common shares outstanding during the period. Diluted earnings per share is computed similar to basic earnings (loss) per share except that the weighted average number of shares outstanding is increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The Company applies the treasury stock method in calculating diluted earnings per share, which assumes that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common shares at the average market price during the reporting periods. Diluted loss per share excludes all dilutive potential common shares, as their effect would be anti-dilutive.

h) Revenue recognition

Revenue is comprised of payments received pursuant to contractual agreements. Revenue is recognized when the Company has a contractual right to consideration and has fulfilled its obligations under the agreement, by granting access or rights to the property, and when the collectability of the consideration is reasonably assured. After the property goes into production, royalty income will be recognized upon the transfer of control of the relevant commodity from the operator to the end customers in an amount that reflects the consideration to which the Company expects to be entitled. Revenue is measured at the fair value of the consideration received or receivable when management can reliably estimate the amount pursuant to the terms of the agreement.

i) Financial Instruments

(i) Classification

The Company classifies its financial instruments in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The following table shows the classification of the Company's financial assets and liabilities:

Financial assets/liabilities	Classification
Cash	FVTPL
Reclamation bonds	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Advances	Amortized cost

PURE ENERGY MINERALS LIMITED

Notes to the Consolidated Financial Statements

For the years ended June 30, 2025 and 2024

(Expressed in Canadian Dollars)

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

i) Financial Instruments (continued)

(ii) Measurement

Financial assets and liabilities at FVTOCI or amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment. Financial instruments measured at amortized cost utilize the effective interest method of accounting. The 'effective interest rate' is the rate that discounts estimated future cash payments over the expected life of the financial instrument to the gross carrying amount of the financial asset or the amortized cost of the financial liability. The effective interest rate is calculated considering all contractual terms of the financial instruments, except for the expected credit losses of financial assets. Interest expense is reported in profit or loss.

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in profit or loss in the period in which they arise.

(iii) Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

(iv) Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are recognized in profit or loss.

Financial liabilities

Financial liabilities are derecognized when the obligation specified in the contract is discharged, cancelled or expires. Gains and losses on derecognition of financial liabilities are recognized in profit or loss.

j) Recent accounting pronouncements

Accounting standards adopted during the year

The Company adopted the following new and amended standards issued by the IASB. The adoption of these standards did not result in a material impact on the disclosures or amounts reported in these consolidated financial statements.

IAS 1 – Classification of Liabilities as Current or Non-current

These amendments clarify that the classification of liabilities as current or non-current is based on rights that exist at the end of the reporting period. Specifically, a liability is classified as non-current if the entity has a substantive right to defer settlement for at least twelve months after the reporting date.

PURE ENERGY MINERALS LIMITED

Notes to the Consolidated Financial Statements

For the years ended June 30, 2025 and 2024

(Expressed in Canadian Dollars)

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

i) Financial Instruments (continued)

Accounting standards issued but not yet effective

The following new standards and interpretations have been issued by the IASB, but are not yet effective and have not been applied in preparing these consolidated financial statements. The Company will adopt the amendments on their effective dates.

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, Presentation and Disclosure in the Financial Statements. IFRS 18 will replace IAS 1 Presentation of Financial Statements but carries forward many of the requirements from IAS 1. The standard introduces new defined subtotals to be presented in the Company's statement of loss and comprehensive loss, disclosure of any management-defined performance measures related to the statement of loss and comprehensive loss and requirements for grouping of information. IFRS 18 is effective for annual periods beginning on or after January 1, 2027, with earlier adoption permitted, and will apply retrospectively. The Company is currently in the process of assessing the impact of IFRS 18 (and applicable amendments to other standards) on the consolidated financial statements and notes to the consolidated financial statements.

Amendments to IFRS 9, *Financial Instruments*, and IFRS 7, *Financial Instruments: Disclosures*

In May 2024, the IASB issued Amendments to the Classification and Measurement of Financial Instruments. The amendments clarify that a financial liability is derecognized on the settlement date and introduce an accounting policy choice to derecognize a financial liability settled using an electronic payment system before the settlement date. Other clarifications include guidance on the classification of financial assets with ESG-linked features, non-recourse loans and contractually linked instruments. The amendments are effective for annual periods beginning on or after January 1, 2026. Early adoption is permitted, with an option to early adopt only the amendments to the classification of financial assets (for contingent features). The Company is currently in the process of assessing the impact of the amendments on the consolidated financial statements and notes to the consolidated financial statements.

4. PREPAID EXPENSES AND ADVANCES

		June 30, 2025	June 30, 2024
Railroad Valley claims advance payment (note 5)	\$	163,070	\$ -
Railroad Valley option deposit (note 5)		34,100	-
Other prepaid expenses		41,391	21,889
Total	\$	238,561	\$ 21,889

PURE ENERGY MINERALS LIMITED

Notes to the Consolidated Financial Statements

For the years ended June 30, 2025 and 2024

*(Expressed in Canadian Dollars)***5. EXPLORATION AND EVALUATION ASSETS**

		Clayton Valley Claims
Acquisition costs		
Balance, June 30, 2023	\$	20,488,447
Shares issued for property		318,563
Impact of foreign exchange		3,027
Balance, June 30, 2024		20,810,037
Impact of foreign exchange		(298)
Balance, June 30, 2025	\$	20,809,739
Exploration and evaluation		
Balance, June 30, 2023	\$	14,418,821
Impact of foreign exchange		17,144
Balance, June 30, 2024		14,435,965
Decommissioning cost derecognized		(65,492)
Impact of foreign exchange		1,650
Balance, June 30, 2025	\$	14,372,123
Total, June 30, 2024	\$	35,246,002
Total, June 30, 2025	\$	35,181,862

Clayton Valley Claims**Schlumberger transaction**

The Company entered into an agreement with SLB on May 28, 2019 (the "Earn-In Agreement") for an earn-in option (the "Option") of, and if completed, the sale of the CV Project to SLB.

Concurrently, SLB undertook a private placement in the Company for US\$1,500,000 and converted convertible debt of US\$400,000 and interest of \$19,765. These transactions resulted in SLB holding 5,915,440 common shares, a 17.8% interest in Pure Energy at June 30, 2025 (2024 - 17.8%).

The Earn-In Agreement provides a three-year earn-in period (the "Option Period") commencing on the receipt of the final federal and state permits necessary for the construction of the Pilot Plant. The Company and SLB received the required permits from key governmental agencies for the construction and operation of the Pilot Plant. Further, SLB has completed a comprehensive technology demonstration and testing program as required to earn-in to the Company's CV Project during the year ended June 30, 2025. SLB may now exercise the Option at any time during the Option Period by giving notice to exercise the option. The option period expires on December 31, 2025.

During the Option Period, SLB will assume all project-related property, permitting and development costs, and will act as operator of the Project.

During the Option Period, the Company is entitled to receive a non-refundable minimum royalty ("MR") payment of US\$400,000 annually commencing January 1, 2021 for a period of five years or until the CV Project achieves commercial production. At June 30, 2025 the Company has collected US\$1,800,000. Once the property goes into production, the Company will receive an effective 1.2% net smelter royalty on the first US\$111.11 million of production and thereafter a 3% net smelter return royalty ("NSR") on minerals produced at the CV Project.

PURE ENERGY MINERALS LIMITED

Notes to the Consolidated Financial Statements

For the years ended June 30, 2025 and 2024

*(Expressed in Canadian Dollars)***5. EXPLORATION AND EVALUATION ASSETS (continued)**

During the year ended June 30, 2025, the Company recognized \$558,172 (US\$400,000) (2024 - \$544,100 (US\$400,000)) of royalty revenue related to the AMR payments outlined in the Earn-In Agreement.

The movement of deferred revenue is presented in the table below:

	\$
Balance, June 30, 2023	-
Addition	680,970
Recognized in revenue	(544,100)
Balance, June 30, 2024	136,870
Addition	557,732
Recognized in revenue	(558,172)
Balance, June 30, 2025	136,430

GeoXplor Corp. ("GeoXplor") and Clayton Valley Lithium Inc. for the CV and DB claims in Clayton Valley, Esmeralda County, Nevada

On May 12, 2014, the Company entered into a definitive option agreement with GeoXplor to earn a 100% interest in the CV and DB claims in Clayton Valley, Esmeralda County, Nevada (the "Property"). Under the agreement, GeoXplor was the operator, and the Company had an option to earn a 100% interest for the following consideration:

Date	Cash Payment US\$	Expenditure Requirement US\$	Share Issuance
Effective date (paid/issued)	100,000	-	166,667
Within one year (paid/issued/incurred)	250,000	750,000	29,485
Within two year (paid/issued/incurred)	250,000	1,000,000	29,485
Within three years (superseded)	250,000	2,000,000	29,485
Within four years (superseded)	250,000	Pre-feasibility study or commercial production	29,485
Total	1,100,000	3,750,000	284,607

On May 10, 2017, the Company entered into a new option agreement with GeoXplor (described below under "GeoXplor-LiX consolidated agreement"). The new option agreement supersedes the original May 12, 2014 agreement. Once the earn-in is complete, GeoXplor will receive a 3% NSR royalty on commercial production, which may be purchased at a future date.

GeoXplor is a private company that holds the CV and DB mineral claims, subject to the option agreement described above. Prior to this new agreement, GeoXplor also provided contract exploration services to Pure Energy at the CV Project.

PURE ENERGY MINERALS LIMITED

Notes to the Consolidated Financial Statements

For the years ended June 30, 2025 and 2024

(Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS (continued)**Clayton Valley Claims (continued)****Nevada Alaska Option and Lease Agreement for the CD and CE claims in Clayton Valley, Esmeralda County, Nevada**

On May 31, 2015 (the "Effective date"), the Company entered into an option and lease agreement whereby the Company acquired an exclusive lease and exploration license to conduct exploration and evaluation work on certain unpatented placer mining claims located in Esmeralda County, Nevada. Consideration for this acquisition is as follows:

Date	Cash Payment	Share Issuance
Effective date (paid/issued)	\$35,000	37,770
Within one year (paid/issued)	\$35,000	2,380
Within two years (paid/issued)	\$35,000	2,564
Within three years (paid/issued)	\$35,000	6,369
Within four years (paid by SLB, issued)	\$35,000	21,653
Within five years and each year thereafter ⁽¹⁾	US\$75,000	-

⁽¹⁾ SLB has made the US\$75,000 payments starting from May 28, 2021 to date.

The Company can acquire a 100% interest in the property by making a payment to the optionor of US\$500,000 or issuing shares of the Company of equal value. The optionor will retain a 3% NSR on the property

GeoXplor-LiX consolidated agreement for NSP, PM, CV, DB, CVL and CVS claims in Clayton Valley, Esmeralda County

On May 10, 2017, the Company entered into an agreement to acquire Lithium X Energy Corp.'s ("Lithium X") subsidiaries holding certain Clayton Valley properties and property options and to consolidate the claims with the GeoXplor claims under a revised option agreement. The Transaction resulted in 100% acquisition of three subsidiaries, 1056625 B.C. Ltd., 1061582 B.C. Ltd. and LT Capital Holdings, LLC.

The Company issued 3,339,697 common shares at a fair value of \$12,022,909 and 337,048 share purchase warrants measured at a fair value of \$724,223. The fair value of the shares and warrants issued, along with the costs incurred to complete the Transaction, were capitalized in accordance with the Company's accounting policy for its evaluation and exploration assets. On acquisition, the Company also assumed and recognized decommissioning liability, measured at a fair value of \$81,381. The warrants expired unexercised during the year ended June 30, 2020.

In addition, Lithium X acquired 595,238 units of the Company for gross proceeds of \$2,000,000. Each unit consisted of one common share and one-half of one share purchase warrant. The warrants expired unexercised during the year ended June 30, 2020. As part of the agreement, the Company was assigned the obligation to pay a 2% NSR from the production of minerals and mineral ores that are extracted from the CVS and CVL claims to the original seller of such claims to Lithium X. On May 26, 2021, the Company entered into an agreement to purchase the 2% NSR. The purchase of the underlying royalty removes any future obligation by the Company for royalty payments on these properties. The purchase price consisted of 75,000 common shares of the Company, valued at \$89,250 and a cash payment of \$30,985 (US\$25,000). The Company also reimbursed the seller \$6,411 (US\$5,000) of legal expenses.

On May 10, 2017, the Company also entered into a new option agreement with GeoXplor, closing June 5, 2017. The option agreement superseded the May 12, 2014 agreement (CV and DB claims). Under the option agreement, the Company decreases its royalty obligations and assumes operatorship over an expanded group of optioned mineral claims. The agreement required the completion of a feasibility study by December 31, 2019 and the payment of US\$4,500,000 on or before July 1, 2021 (amended as per April 20, 2021 amending agreement below).

PURE ENERGY MINERALS LIMITED

Notes to the Consolidated Financial Statements

For the years ended June 30, 2025 and 2024

(Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS (continued)**Clayton Valley Claims (continued)**

The Company entered into amending agreements with GeoXplor dated June 8, 2018, August 10, 2018, October 1, 2018 and April 20, 2021. Total cash consideration of US\$1,037,500 was paid to GeoXplor between May 10, 2017 and May 30, 2019. Total share consideration of 1,083,333 common shares was issued to GeoXplor between May 10, 2017 and December 31, 2018.

The fourth amending agreement dated April 20, 2021 provides a modified payment schedule as follows, and eliminates the feasibility requirement in exchange for a final investment decision by SLB.

- (i) US\$500,000 in value of the Company's shares on the signing of the fourth amending agreement (issued);
- (ii) US\$250,000 of the Company's shares on or before June 30, 2021 (transferred from SLB's existing holdings);
- (iii) US\$250,000 of the Company's shares on or before December 31, 2021 (transferred from SLB's existing holdings);
- (iv) US\$500,000 on June 30, 2022 (paid by SLB);
- (v) US\$500,000 on December 31, 2022 (paid by SLB);
- (vi) US\$3,000,000 on December 31, 2023 or earlier at the discretion of SLB (paid by SLB); and
- (vii) US\$1,000,000 in value of the Company's shares on the earlier of the date of the final investment decision or December 31, 2023 on December 2023 this payment was amended via letter dated December 20, 2023, whereby instead of issuing US\$1,000,000 the payment would be US\$750,000 (paid by SLB) in cash and US\$250,000 (\$318,563) in shares which was made before December 31, 2023.

The terms of the royalty obligation with GeoXplor are as follows:

- (i) A 3% royalty on all minerals produced and extracted from the GeoXplor property;
- (ii) Payment of an advance royalty of US\$250,000 on the fourth (paid subsequently by SLB) and fifth anniversaries of the May 10, 2017 option agreement (creditable against the production royalty in (i) above); and
- (iii) Payment of an advance royalty of US\$500,000 on each anniversary thereafter (creditable against the production royalty in (i) above).

The royalty can be purchased by the Company for US\$10,000,000 at any time after the eighth anniversary and prior to the ninth anniversary of the closing date of May 17, 2017.

Under the Bureau of Land Management of the United States (the "Bureau"), the Company is required to hold reclamation bonds that cover the estimated cost to reclaim the disturbed ground. During the year ended June 30, 2025, SLB legally assumed the Clayton Valley claims decommissioning liabilities. As a result the Company received the refund of related reclamation bonds from the Bureau and accordingly derecognized the related decommissioning liability. As at June 30, 2025, the Company has reclamation bonds of \$nil (2024 - \$62,353) relating to its Clayton Valley claims and decommissioning liabilities of \$nil (2024 - \$62,353). There was no change in decommissioning liability before derecognition during the year.

NE Claims

On November 8, 2017, the Company entered into an asset purchase agreement (the "Agreement") with Advantage Lithium Corp. ("Advantage") and Nevada Sunrise Gold Corporation ("Nevada Sunrise") (together, the "Vendors") to acquire the Clayton NE claim blocks (the "Acquired Claims") located in Esmeralda County, Nevada.

Pursuant to the Agreement, Pure Energy issued to the Vendors an aggregate 1,166,667 common shares (the "Consideration Shares") in total amount of \$3,395,000, with 816,667 Consideration Shares issued to Advantage and 350,000 Consideration Shares issued to Nevada Sunrise. In addition, in respect of certain of the Acquired Claims, the Company has agreed to assume a 3% gross overriding royalty granted in favour of a prior owner.

The Agreement required that the Vendors would not, directly or indirectly, sell or transfer any of the Consideration Shares before release as per the Agreement which is 27 months from closing date on February 08, 2020.

PURE ENERGY MINERALS LIMITED

Notes to the Consolidated Financial Statements

For the years ended June 30, 2025 and 2024

(Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS (continued)**Railroad Valley Property**

The Company entered into a letter of intent dated August 30, 2024, and subsequently amended on January 13, 2025 and March 31, 2025 to acquire up to 85% interest in the Railroad Valley Property, located in Nye County, Nevada, from Ameriwest Lithium inc. The property comprises of 563 placer mineral claims granted by the U.S. Bureau of Land Management.

The LOI with Ameriwest provides for the following terms over six years:

- Initial earn-in option over three years to earn a 65% interest in the Property by expenditures in cash and shares of USD \$294,555, plus project expenditures of USD\$1.0 million.
- Second Option over two years to earn-in to a 75% interest in the Property by expenditures of an additional \$500,000 in shares and cash, plus project expenditures of USD\$1.5 million.
- Third Option over one year to earn-in to an 85% interest by US\$1.0 million in cash and shares, and project expenditures of USD\$1.0 million.

As of June 30, 2025, the Company paid the initial \$34,100 (US\$25,000) non-refundable option deposit and paid the claim maintenance for \$163,070 (US\$119,553) to keep the claims in good standing as per the LOI. These amounts are included in prepaid expenses. The Company has until November 1, 2025 to reach a definitive agreement.

6. RELATED PARTY TRANSACTIONS AND BALANCES

The Company's related parties consist of the directors, executive officers and companies owned in whole or in part by them.

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

Compensation of Key Management Personnel

For the years ended:	June 30, 2025	June 30, 2024
Consulting and Management fees	\$ 211,897	\$ 234,615
Share-based compensation – officers and management	15,520	76,135
Share-based compensation – directors	159,941	693,817
Total	\$ 387,358	\$ 1,004,567

Other Related Parties

During the year ended June 30, 2025, the Company incurred professional fees of \$63,227 (2024 - \$47,666) and share-based compensation of \$11,203 (2024- \$22,536) to a company providing key management personnel services.

Amounts Due to Related Parties

At June 30, 2025, accounts payable and accrued liabilities include \$65,818 (2024 - \$130,537) owing to directors and officers of the Company, a company controlled by an officer or director of the Company and a company providing key management personnel services for accrued and unpaid management fees, salaries, expense reimbursements, accounting services and management services. These amounts are unsecured, non-interest-bearing and due on demand.

PURE ENERGY MINERALS LIMITED

Notes to the Consolidated Financial Statements

For the years ended June 30, 2025 and 2024

*(Expressed in Canadian Dollars)***7. SHARE CAPITAL**

a) Authorized

The Company is authorized to issue an unlimited number of common shares without par value.

b) Issued and outstanding

During the year ended June 30, 2025, there were no shares issued.

During the year ended June 30, 2024, the Company received \$65,130 related to the issuance of 162,667 shares from the exercise of stock options and reclassified \$ 56,693 from reserves to share capital.

On December 22, 2023, the Company issued 663,673 shares with a fair value which is quoted price on the date of issuance of \$318,563 to GeoXplor in connection with the acquisition of the Clayton Valley property pursuant to the Fourth Amending Agreement dated April 20, 2021.

c) Stock options

The Company grants incentive stock options as permitted pursuant to the Company's Stock Option Plan (the "Plan"), which complies with the rules and policies of the Exchange. Under the Plan, the exercise price of each option may not be less than the discounted market price (as defined). The aggregate number of common shares that may be subject to option at any one time may not exceed 10% of the then issued common shares. The options are subject to vesting provisions as determined by the Board of Directors. The maximum term is 10 years.

The continuity of stock options for the years ended June 30, 2025 and June 30, 2024 is as follows:

	Number of Options	Weighted Average Exercise Price (\$)
Balance, June 30, 2023	1,256,000	0.52
Expired/cancelled	(162,667)	(0.40)
Granted	1,214,820	0.83
Balance, June 30, 2024	2,308,153	0.69
Expired	(570,000)	(0.61)
Granted	800,000	0.30
Balance, June 30, 2025	2,538,153	0.59
Fully vested and exercisable at June 30, 2025	2,338,153	0.61

A summary of the Company's options outstanding as at June 30, 2025 is as follows:

Expiry Date	Exercise Price (\$)	Options Outstanding	Weighted Average Remaining Life of Options (Years)	Options Exercisable
October 27, 2025	0.90	83,333	0.33	83,333
November 30, 2025	0.53	530,000	0.42	530,000
February 27, 2028	0.54	150,000	2.66	150,000
October 4, 2028	0.83	974,820	3.27	974,820
August 21, 2029	0.30	800,000	4.15	600,000
		2,538,153	2.82	2,338,153

PURE ENERGY MINERALS LIMITED

Notes to the Consolidated Financial Statements

For the years ended June 30, 2025 and 2024

(Expressed in Canadian Dollars)

7. SHARE CAPITAL (continued)

d) Share-based compensation

On October 4, 2023, the Company issued 1,214,820 stock options to directors, officer and consultants of the Company. Each option is exercisable into one common shares at a price of \$0.83 per share and expires October 4, 2028. The fair value of the stock options was estimated to be \$831,840 using the Black-Scholes option pricing model using the following inputs: stock price of \$0.83, exercise price of \$0.83, term of 5 years, cumulative volatility of 128.77%, risk-free rate of 4.33%, forfeiture rate 0% and dividend yield of 0%. The related expenses for the year ended June 30, 2025, is \$55,343 (2024 - \$776,497).

On August 21, 2024, the Company issued 800,000 stock options to officers, directors and consultants of the Company. Each option is exercisable into one common shares at a price of \$0.30 per share and expires August 21, 2029. The fair value of the stock options was estimated during the year ended June 30, 2025 at \$168,911 using the Black-Scholes option pricing model using the following inputs: stock price of \$0.27, exercise price of \$0.30, term of 5 years, annual volatility of 122.68%, risk-free rate of 3.57%, forfeiture rate 0% and dividend yield of 0%. The related expenses for the year ended June 30, 2025 was \$159,829.

During the year ended June 30, 2025, the Company expensed \$215,172 (2024 - \$813,195) relating to stock options granted and vested.

e) Reserves

As at June 30, 2025 and 2024, reserves consisted of the following:

	June 30, 2025		June 30, 2024	
Loan forgiveness	\$	2,449,536	\$	2,449,536
Stock options		1,138,100		1,217,150
Total reserves	\$	3,587,636	\$	3,666,686

8. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the sourcing and exploration of mineral properties. The Company considers the items in shareholders' equity as capital, which amounted to \$35,769,946 at June 30, 2025 (2024 - \$35,805,331). There has been no change to what the Company considers capital from the prior year. The Company does not have any externally imposed capital requirements to which it is subject.

The Company manages the capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may issue common shares, dispose of assets or adjust the amount of cash. There has been no change to how capital is managed from the prior year.

PURE ENERGY MINERALS LIMITED

Notes to the Consolidated Financial Statements

For the years ended June 30, 2025 and 2024

(Expressed in Canadian Dollars)

9. FINANCIAL INSTRUMENTS**Fair value**

As at June 30, 2025, the Company's financial instruments consist of cash, advances and accounts payable and accrued liabilities.

IFRS 13 *Fair Value Measurement* establishes a fair value hierarchy based on the level of independent, objective evidence surrounding the inputs used to measure fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. IFRS 13 prioritizes the inputs into three levels that may be used to measure fair value.

- Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical unrestricted assets or liabilities.
- Level 2 – Inputs that are observable, either directly or indirectly, but do not qualify as Level 1 inputs (i.e., quoted prices for similar assets or liabilities).
- Level 3 – Prices or valuation techniques that are not based on observable market data and require inputs that are both significant to the fair value measurement and unobservable.

The reclamation bonds and accounts payable and accrued liabilities have carrying amounts that approximate their fair values, due to either the short-term nature of these instruments or the attached market rate of interest. The Company's cash is carried at fair value in accordance with Level 1 of the fair value hierarchy.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The financial instrument that potentially subjects the Company to concentration of credit risk is cash. To minimize the credit risk, the Company places its cash with high credit quality financial institutions. There has been no material change to the Company's exposure to or management of credit risk during the year ended June 30, 2025.

Liquidity risk

Liquidity risk is the risk that the Company encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company manages liquidity risk through the management of its capital structure, as outlined in Note 8. The Company is working to seek financing to meet its cash needs.

The Company monitors its ability to meet its short-term exploration and administrative expenditure requirements by raising additional funds through equity issuances when required. The Company's accounts payable and accrued liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms. As at June 30, 2025, the Company had cash of \$620,315 (2024 - \$860,948), to meet its financial liabilities of \$136,175 (2024 - \$188,620). There has been no material change to the Company's exposure to or management of liquidity risk during the year ended June 30, 2025.

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(Expressed in Canadian Dollars)

9. FINANCIAL INSTRUMENTS (continued)**Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to currency fluctuations. From time to time, the Company has US dollar balances in cash and accounts payable and accrued liabilities, and is therefore exposed to gains or losses on foreign exchange. A significant change in the foreign exchange rate between the Canadian dollar relative to the US dollar could have an effect on the Company's profit or loss, financial position and/or cash flows. The Company has not hedged its exposure to currency fluctuations at June 30, 2025.

At June 30, 2025, the Company, through its wholly owned subsidiaries, had a foreign currency cash balance of US\$450,283 (2024 - US\$622,524), reclamation bonds of US \$Nil (2024 - US\$45,556), advances of US \$ 119,553 (2024-Nil) and accounts payable and accrued liabilities of US\$150,537 (2024 - US\$39,487). The Company is committed to certain property payments and exploration and evaluation expenditures that are denominated in US dollars (Note 5). A 10% change in the Canadian dollar versus the US dollar would give rise to a gain/loss of approximately \$41,000 (2024 - \$86,000) based on the Company's current net exposure. In practice, the actual results may differ from this sensitivity analysis, and the difference may be material. Management considers currency risk to be a significant risk and did not see a material change in the Company's exposure to or management of this risk during the year ended June 30, 2025.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The interest earned on cash balances approximates fair value rates, and the Company is not at a significant risk to fluctuating interest rates. At June 30, 2025, the Company did not hold any liabilities that are subject to interest rates. The Company's exposure to and management of interest rate risk has not changed during the year ended June 30, 2025.

Other price risk

Other price risk is defined as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer or by factors affecting all similar financial instruments traded in the market. The Company's ability to raise capital to fund exploration and evaluation activities is subject to risks associated with fluctuations in the market price of lithium. The Company closely monitors commodity prices to determine the appropriate course of action to be taken. There has been no material change to the Company's exposure to or management of other price risk during the year ended June 30, 2025.

10. SEGMENT INFORMATION

The Company operates in one reportable segment, the exploration and development of unproven exploration and evaluation assets. The Company's primary exploration and evaluation assets are located in the US, and its corporate assets, comprising mainly cash, are located in Canada. The Company is in the exploration stage and has no reportable segment revenues from the sale of minerals or related operating results. The Company received royalty income of US\$400,000 per year in the US starting January 1, 2021.

PURE ENERGY MINERALS LIMITED

Notes to the Consolidated Financial Statements

For the years ended June 30, 2025 and 2024

*(Expressed in Canadian Dollars)***10. SEGMENT INFORMATION (continued)**

The Corporation's total assets are segmented geographically as follows:

	Canada		US		Total
As at June 30, 2025					
Current assets	\$	516,591	\$	344,098	\$ 860,689
Reclamation bonds		-		-	-
Exploration and evaluation assets		-		35,181,862	35,181,862
	\$	516,591	\$	35,525,960	\$ 36,042,551
As at June 30, 2024					
Current assets	\$	26,301	\$	858,518	\$ 884,819
Reclamation bonds		-		62,353	62,353
Exploration and evaluation assets		-		35,246,002	35,246,002
	\$	26,301	\$	36,166,873	\$ 36,193,174

11. SUPPLEMENTAL CASH FLOW INFORMATION

Non-cash Financing and Investing Activities	June 30, 2025		June 30, 2024	
Shares issued for exploration and evaluation assets	\$	-	\$	318,563
Advances for exploration and evaluation assets		(197,170)		
Fair value of options exercised		-		56,693
Interest received		33		264

There were no cash flows for income taxes during the years ended June 30, 2025 and 2024.

12. INCOME TAXES

The following table reconciles the amount of income tax expenses on application of the combined statutory Canadian federal and provincial income tax rates with reported taxes:

For the years ended	2025		2024	
Loss before income taxes		(251,856)		(834,844)
Combined statutory tax rate		27.00%		27.00%
Income tax recovery at combined statutory rate	\$	(68,000)	\$	(225,400)
Foreign tax and foreign exchange rates and other		104,700		(31,200)
Non-deductible expenses		57,200		219,100
Adjustment to prior years provision versus statutory tax		474,600		131,400
Change in unrecognized deferred tax assets and liabilities		(568,500)		(93,900)
Income tax expense	\$	-	\$	-

PURE ENERGY MINERALS LIMITED

Notes to the Consolidated Financial Statements

For the years ended June 30, 2025 and 2024

*(Expressed in Canadian Dollars)***12. INCOME TAXES (continued)**

Significant components of the Company's unrecognized deferred tax assets (liabilities) are shown below:

For the years ended	2025	2024
Property and equipment	\$ -	\$ 5,800
Decommissioning liabilities	-	16,800
Capital loss carry forwards	218,200	706,200
Non-capital loss carry forwards	6,748,300	6,704,000
Total deferred income tax assets	6,966,500	7,432,800
Exploration and evaluation assets	(2,320,200)	(2,218,000)
Total deferred income tax liabilities	(2,320,200)	(2,218,000)
Total deferred tax assets, net	4,646,300	5,214,800
Unrecognized deferred tax assets	(4,646,300)	(5,214,800)
Net deferred tax assets	\$ -	\$ -

The significant components of the Company's unrecognized temporary differences and tax losses are as follows:

	2025	Expiry Date Range	2024	Expiry Date Range
Exploration and evaluation assets	\$ (8,593,200)	No expiry date	\$ (8,214,500)	No expiry date
Decommissioning liabilities	-	No expiry date	62,400	No expiry date
Allowable capital losses	892,700	No expiry date	2,502,400	No expiry date
Non-capital losses available for future periods	24,993,400	As below	24,733,800	As below

PURE ENERGY MINERALS LIMITED

Notes to the Consolidated Financial Statements

For the years ended June 30, 2025 and 2024

(Expressed in Canadian Dollars)

12. INCOME TAXES (continued)

Non-capital losses available for future periods in Canada and US expire as follows:

Expiry	Canada	US	Total
2045	\$ 491,500	\$ -	\$ 491,500
2044	563,700	-	563,700
2043	467,100	-	467,100
2042	554,400	-	554,400
2041	893,200	-	893,200
2040	4,444,000	-	4,444,000
2039	2,309,300	-	2,309,300
2038	3,256,300	-	3,256,300
2037	2,622,800	-	2,622,800
2036	2,489,300	-	2,489,300
2035	1,261,300	-	1,261,300
2034	579,900	-	579,900
2033	801,900	-	801,900
2032	1,369,200	-	1,369,200
2031	1,559,500	-	1,559,500
2030	701,100	-	701,100
2029	160,500	-	160,500
2028	142,600	-	142,600
2027 -	182,800	-	182,800
2026	143,000	-	143,000
	\$ 24,993,400	\$ -	\$ 24,993,400

Tax attributes are subject to review, and potential adjustment, by tax authorities.