MANAGEMENT'S DISCUSSION AND ANALYSIS
PURE ENERGY MINERALS LIMITED
For the three months ended September 30, 2025

As of November 20, 2025

This management discussion and analysis ("MD&A") of Pure Energy Minerals Limited (the "Company" or "Pure Energy") provides a review of activities, results of operations and financial condition of the Company as at September 30, 2025 and for the three months then ended and is performed by management using information available as of November 20, 2025. We have prepared this MD&A with reference to National Instrument ("NI") 51-102 *Continuous Disclosure Obligations* of the Canadian Securities Administrators.

The unaudited condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The MD&A should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements as at September 30, 2025 and for the three months then ended, the Company's audited consolidated financial statements as at June 30, 2025 and 2024 and for the years then ended with the related notes thereto (the "Financial Statements") and the annual MD&A for the year ended June 30, 2025. All monetary amounts, unless otherwise indicated, are expressed in Canadian dollars. The reader will note several references cited in the text, the details of which are provided at the end of the document.

FORWARD-LOOKING STATEMENTS

Except for statements of historical fact, this MD&A contains certain "forward-looking information" within the meaning of applicable securities law. Forward-looking information is frequently characterized by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate" and other similar terms, or statements that certain events or conditions "might", "may", "could" or "will" occur. In particular, forward-looking information in this MD&A includes, but is not limited to, statements with respect to future events and is subject to certain risks, uncertainties and assumptions. Although we believe that the expectations reflected in the forward-looking information are reasonable, there can be no assurance that such expectations will prove to be correct. We cannot guarantee future results, performance or achievements. Consequently, there is no representation that the actual results achieved will be the same, in whole or in part, as those set out in the forward-looking information. Forward-looking statements in this MD&A include, but are not limited to, statements relating to: resource estimates, our ability to raise additional capital, and Schlumberger Technology Corporation's ("Schlumberger" or "SLB") completion of the Pilot Plant and successful development of the Clayton Valley Lithium Brine Project (the "CV Project").

Forward-looking information is based on the opinions and estimates of management at the date the forward-looking statements are made, and is subject to a variety of risks, uncertainties and other factors that could cause actual events or results to differ materially from those anticipated in the forward-looking information. Some of the risks and other factors that could cause results to differ materially from those expressed in the forward-looking statements include, but are not limited to: general economic conditions in Canada, the United States (or "US") and globally; industry conditions, including fluctuations in commodity prices; governmental regulation of the mining industry, including environmental regulation; geological, technical and drilling problems; unanticipated operating events; competition for and/or inability to retain qualified personnel; competition for drilling rigs and other services; the availability of capital on acceptable terms; the need to obtain required approvals from regulatory authorities; stock market volatility; volatility in market prices for commodities; liabilities inherent in mining operations; changes in tax laws and incentive programs relating to the mining industry; and the other factors described herein under **Risk Factors**, as well as in our public filings available at www.sedar.com. Readers are cautioned that this list of risk factors should not be construed as exhaustive.

The forward-looking information contained in this MD&A is expressly qualified by this cautionary statement. We undertake no duty to update any of the forward-looking information, to conform such information to actual results or to changes in our expectations, except as otherwise required by applicable securities legislation. Readers are cautioned not to place undue reliance on forward-looking information.

BUSINESS OVERVIEW

Pure Energy is a public company incorporated under the laws of British Columbia. The Company is a reporting issuer in British Columbia and Alberta, and its common shares are listed and posted for trading on the TSX Venture Exchange (the “TSX.V”) under the trading symbol "PE". In addition, the Company trades on the OTCQB trading platform in the United States under the trading symbol “PEMIF” and on the Börse Frankfurt (Stock Exchange) under the trading symbol “AHG”. The Company’s offices are located at Suite 1400, 1055 W Hastings Street, Vancouver, BC V6E 2E9.

Pure Energy is a mineral resource company engaged in the exploration and development of mineral properties, with a specialized focus on lithium (or “Li”) brines and related processing of brines into lithium compounds. Historically, the Company has focused its business plan on the exploration for high value lithium compounds, such as lithium hydroxide monohydrate (“LiOH H_2O”) and lithium carbonate (“Li_2CO_3”), which are primarily used in the growing lithium-ion battery market. The Company is planning to review its current business plan as it hired a Chief Executive Officer (“CEO”) in October 2023 and aims to grow its business.

Its primary project is the CV Project, located in Clayton Valley, Esmeralda County, Nevada. The Company entered into an Earn-In Agreement (the "Agreement") with Schlumberger Technology Corp., a subsidiary of SLB (formerly Schlumberger Limited), dated May 1, 2019 whereby the Company has granted SLB an option, in favor of SLB, to acquire all of the Company’s interests in the CV Project (the “Option”). During the Option Period, the Company will be 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. Once the property goes into production, the Company will receive an effective 1.2% net smelter royalty on the first US$111.11million of production and thereafter a 3% net smelter return royalty (“NSR”) on minerals produced at the CV Project. Details of the Agreement are presented in the Circular for the Annual and Special Shareholders’ Meeting, which was held on May 28, 2019, where the Agreement was approved by shareholders.

HIGHLIGHTS

- On August 22, 2024, the Company’s Board of Directors granted 800,000 incentive share purchase options (“the Options”) to officers, directors and consultants, in concordance with the Company’s TSXV-approved Incentive Share Purchase Plan. Each Option entitles the holder to acquire one common share of the Company at an exercise price of $0.30 per common share until August 22, 2029.
- On September 4, 2024, the Company announced it signed a letter of Intent dated August 30, 2024 to acquire up to 85% interest in the Railroad Valley Property, located in Nye County, Nevada, from Ameriwest Lithium Inc. The Railroad Valley property comprises 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
- On September 11, 2024, the Company announced that SLB completed a comprehensive technology demonstration and testing program as required to earn-in to the Company’s 100% owned Clayton Valley Lithium Brine Project in Esmeralda County, Nevada. Upon completion of all earn-in terms, SLB may take ownership of the CV Project claims and the Company will receive a 3% net smelter return (“NSR”) royalty payable on all commodities extracted from the CV Project, net of minimum royalty payments made to the Company and any underlying existing royalties.
- On October 22, 2024 the Company announced that Mary Little resigned as director of the Company effective October 21, 2024. Mary provided essential leadership during an important time. She has been integral in guiding the Company's advancement of the CV Project in Clayton Valley, Nevada. Mary has agreed to continue as an advisor to the Company.

- On May 23, 2025, the Company announced that Mr. Cam Hosie has been appointed to the board of directors of the Company. Mr. Hosie is a Senior Vice President at SLB, helping lead commercial and business development across SLB's New Energy platform. At the same time, Mr. Patrick Galletti has resigned from the Board.
- On November 20, 2025, the Company granted 364,228 options at an exercise price of $0.30.

OUTLOOK

The Company appointment of Mr. Joseph E. Mullin as President and Chief Executive Officer is driving the search for new investment opportunities.

The CV Project is actively advancing. In August 2021, SLB received approval from the BLM for a Plan of Operations covering construction and operation of a Pilot Plant at Pure Energy's CV Project. SLB has also received permit approval for the associated reclamation plan from the NDEP, Bureau of Mining Regulation and Reclamation. The BLM approved the Plan of Operations after completion of the required engineering design, environmental studies and public comment period.

The Mining Water Pollution Control Permit application for the CV Project was submitted in August 2020 and the related approval was received in February 2022.

In August 2022, approval of the Modified Plan of Operation for the Pilot Plant was received from the BLM. Furthermore, in August 2022, the reclamation permit for modifications to the Pilot Plant application was received from NDEP. These permits represent milestones for the CV Project.

In March 2023, the Company and SLB received the last of the required permits from key governmental agencies for the construction and operation of the direct lithium extraction (DLE) pilot plant at its Clayton Valley lithium brine project in Esmeralda County, Nevada. This permit, together with previously approved permits, authorizes the pilot plant's construction and operation at the Clayton Valley site. The Company's partner, SLB, through its New Energy business, is responsible for the design, construction and operation of the pilot plant to produce lithium compounds in a highly sustainable manner.

Construction began of the Li brine pilot plant with equipment mobilization in February 2023 and continued throughout 2023, culminating with testing of the DLE technology and process and finalization of mechanical components, with the objective of uninterrupted process and test-scale production on Li carbonate product.

The development of the pilot plant and application of SLB's sustainable lithium production process at the Company's Clayton Valley project has important potential for lithium brine projects. Its state-of-the-art approach to lithium production conserves water, has a considerably smaller footprint, and reduces environmental impact compared to existing evaporation pond design.

As discussed above, under the terms of the Agreement, on completion and exercise of the Earn-in Option, the Company will own a 3% NSR, and as a result, future financial results will be in part dependent on market conditions for high value lithium compounds. Due to that dependency, it is important for the Company to monitor closely the salient trends, developments and conditions of the lithium market.

Although lithium demand has grown steadily in recent years, the worldwide market for lithium is still relatively small compared to other metallic commodities, and its pricing is opaque, with most sales of lithium products under private contracts. Lithium prices and demands have been positive.

The worldwide market price of Li carbonate and Li monohydrate fell during 2023 by an average of 15%, which impacted share prices for many early-stage and junior companies. However, advanced exploration and Li plant development projects, such as the Clayton Valley Project, continued to advance as planned with visions to future completion.

The Company's outlook remains positive for lithium. On December 9, 2022, the Canadian Government released a report entitled "The Canadian Critical Minerals Strategy". It recognizes that critical minerals represent an opportunity for Canada's workers, economy and net-zero future. These minerals are the foundation for the modern economy. From electric (zero emission) vehicles to semi-conductors, solar panels and wind turbines, these critical minerals are needed to manufacture those products. The Strategy is aimed to boost the production and processing of the country's 31 identified critical minerals; however, six minerals are prioritized in the Strategy for their distinct potential to spur Canadian economic growth and their necessity as inputs for priority supply chains. These six minerals are Lithium, graphite, nickel, cobalt, copper and rare earth elements.

THE CLAYTON VALLEY PROJECT, ESMERALDA COUNTY, NEVADA

The CV Project is at the pre-development stage and has advanced through various preliminary engineering and processing studies. Under the terms of the Agreement, SLB is the operator of the CV Project and is responsible for all costs associated with the project and Pilot Plant. SLB will have three years following acquiring the necessary permits to construct a Pilot Plant, test lithium brine fluids, and produce lithium products at a determined rate and capacity. Despite the COVID-19 health crisis, the Company and SLB have significantly advanced the permitting steps for Pilot Plant construction during 2020 with the permitting process being substantially complete as of March 17, 2023.

During the year ended June 30, 2020, SLB, as operator, initiated drilling of a new hole, CV-9, at the CV Project. Drill hole CV-9 was a new, previously permitted hole, which provided initial lithium brine samples for chemical testing. In January 2019, the Company had received approval from the Nevada Department of Water Resources ("NDWR") for a 50-acre-foot Finite Term Water Right permit, which is sufficient for planned testing at Pilot Plant scale. The 50-acre-foot Finite Term Water Right permit application was renewed and received approval in January 2024.

In July 2020, drilling of well CV-9 was completed to the planned depth of approximately 1,500 feet, the well was constructed and well development completed. SLB then began collection of lithium brine samples for chemical analysis and testing.

The CV-9 drill hole exhibits similar stratigraphy and lithologies to those encountered in Pure Energy's previous drilling of eight nearby exploration wells, as anticipated. CV-9 is located within the resource area encompassed by Pure Energy's Preliminary Economic Assessment study ("PEA") for the CV Project (see news releases of June 26, 2017 and April 6, 2018).

The project received all necessary permits from the State of Nevada and the Nevada Division of Water Resources for the demonstration plant construction and water discharge in 2022 and 2023, respectively. Construction was largely completed by Q3 of 2023 (News release of March 28, 2023).

On July 2, 2024, the Company provided an update on its Clayton Valley Lithium Brine Project. SLB has developed a demonstration plant onsite to test an integrated approach that combines subsurface expertise and surface engineering of advance technologies including direct lithium extraction.

The significant advances made on the project include:

1. Application for, and receipt of, final permits from government agencies for the construction and operation of the demonstration plant;
2. Completion of plant construction;
3. Plant commissioning,
4. Commencement of technical trials, which are ongoing, for DLE recovery of Lithium Carbonate product,
5. Successful completion of all of the Agreement’s Earn-in criteria, including plant construction, continuous Li2CO3 production, capacity production and specified purity criteria.

On September 11, 2024, the Company announced that SLB had completed a comprehensive technology demonstration and testing program as required to earn-in to the Company’s 100%- owned Clayton Valley lithium brine project. SLB demonstrated completion of specific technical milestones to qualify the earn-in to 100% ownership of the CV Project, which include continuous production of lithium carbonate for an extended period and achieving a material quantity of lithium product in excess of a required purity threshold, which was verified by a third party.

Upon completion of all earn-in terms, SLB may take ownership of the CV Project claims and the Company will receive a 3% net smelter return ("NSR") royalty payable on all commodities extracted from the Project, net of minimum royalty payments made to the Company.

Exploration Potential

Significant exploration potential remains at depth at the CV Project property and at all depths in the portion of the property south, north and east of the existing Silver Peak operation. Under the terms of the Agreement, SLB will be responsible for any future exploration work on the property.

CLAYTON VALLEY LITHIUM PROJECT PRELIMINARY ECONOMIC ASSESSMENT

A PEA technical report on the CV Project was filed on SEDAR+ on August 10, 2017. A revised PEA technical report was filed on SEDAR on April 5, 2018 in response to comments received from the British Columbia Securities Commission to assure independence of the report. Both are filed under the Company's profile at www.sedarplus.ca and the revised report is available on the Company's website. As mentioned above, SLB has assumed management responsibilities for the CV Project and the development of the project may vary from the plans envisioned in the PEA.

Unless otherwise stated, the information that follows relating to the CV Project is derived from, and in some instances is an extract from, the Revised Technical Report entitled *Clayton Valley Lithium Project Preliminary Economic Assessment, Esmeralda County, Nevada* dated March 23, 2018 (the "Technical Report") prepared by Ron Molnar, P.Eng of MetNetH_2O; Daniel S. Weber, P.G. of Montgomery & Associates; Ernie Burga, P.Eng. of Andeburg Consulting Services; Valerie Sawyer, P.E. of SRK Consulting; Raymond P. Spanjers and Jeffrey A. Jaacks, CPG of Geochemical Applications International Inc. The authors of the Technical Report are "Qualified Persons" ("QPs"), as such term is defined in NI 43-101 *Standards of Disclosure for Mineral Projects*, and are independent of the Company within the meaning of NI 43-101. Certain information below is based on assumptions, qualifications and procedures that are set out only in the Technical Report, and reference should be made to the full text of the Technical Report. The Company filed the Technical Report under its profile at www.sedarplus.ca and on the Company's website on April 5, 2018.

Property Description, Location and Access

As shown in *Figure 1* below, the CV Project is located in central Esmeralda County, Nevada, approximately halfway between Las Vegas and Reno, Nevada, USA.

Access to and across the site from Silver Peak is via a series of gravel/dirt roads. The main gravel roads that run south and southeast from Silver Peak into the project area are well maintained and easily accessible with a normal two-wheel drive vehicle. The minor gravel/dirt roads that crisscross the property are typically not maintained and can require four-wheel drive vehicles to navigate safely, particularly after high winds have caused drifting sand to form on the roads.

Clayton Valley lies in a complex zone of disrupted geologic structure between the northwest trending Sierra Nevada Mountain Range to the west, and the north-south trending Basin and Range province to the north and east. The valley has a total watershed area of 1,437 km^2 (555 mi^2), and the floor of the valley lies at an elevation of approximately 1,320 metres (4,331 feet) above sea level.

Mineral Tenure and Surface Rights

As described in the PEA technical report, the CV Project initially consisted of 1,085 lithium placer claims held on Bureau of Land Management ground, covering about 10,600 hectares in Clayton Valley. On August 24, 2017, the Company terminated its option to explore and develop potential claystone resources on a set of claims controlled by Cypress Development Corporation. In November 2017, the Company acquired 74 lithium placer claims covering 599 hectares from Advantage Lithium Corp. ("Advantage Lithium") and Nevada Sunrise Gold Corporation ("Nevada Sunrise"). With these transactions, the property consisted of 1,083 lithium placer claims in Clayton Valley as of June 30, 2018.

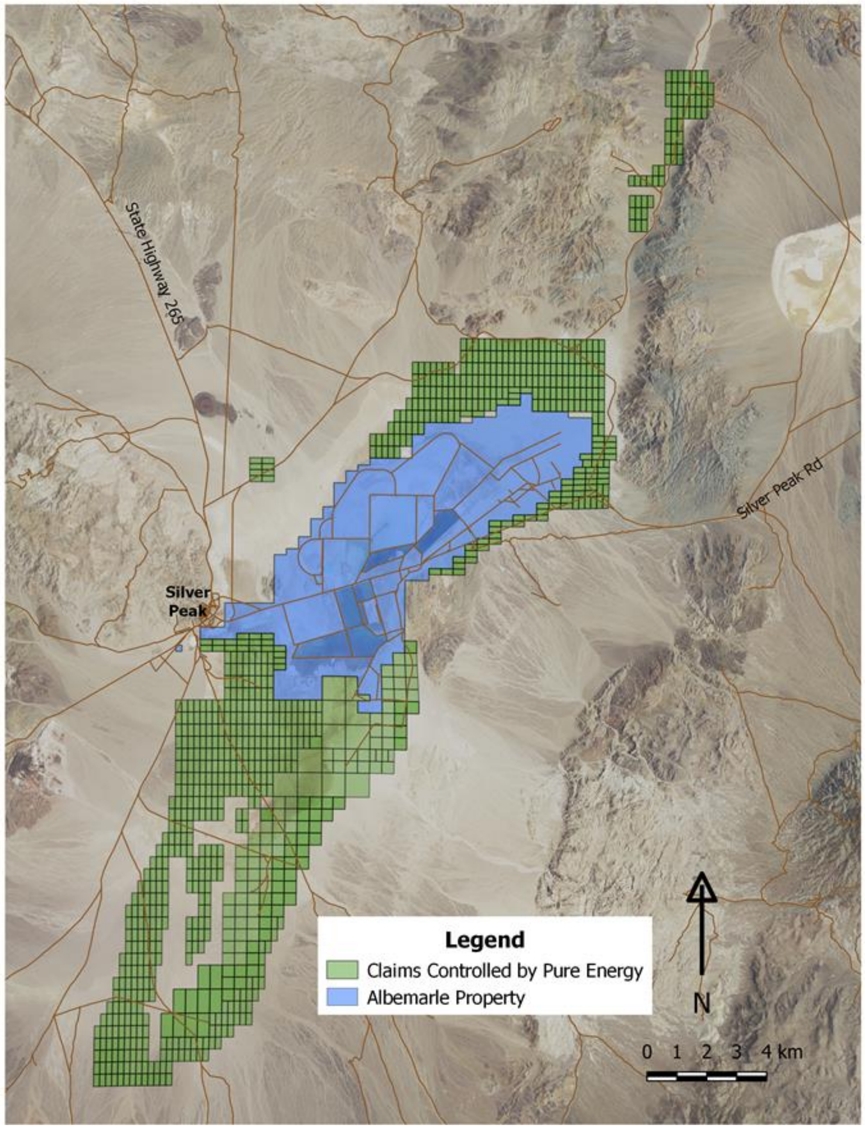
In August 2018, the Company released 135 claims to better refine its land position. Subsequently, two older placer association claims were re-staked and converted into four placer claims. As a result, the Company controls 950 placer claims located in blocks to the south, east and north of Albemarle Corp.'s ("Albemarle") existing lithium brine operation. In their entirety, the claims controlled by Pure Energy as of September 1, 2024 occupy approximately 94 km^2 (9,400 hectares or 23,360 acres).

All 950 claims are located on unencumbered public land managed by the federal BLM and shown in the claim map below in *Figure 2*, and are held in good standing. Of these, 541 claims representing about 4,400 hectares are owned by the Company or its subsidiaries as the claimant, and 409 claims representing about 5,000 hectares are leased through option agreements with underlying claim holders.

Under the Agreement, SLB has the obligation to maintain all 950 claims in good standing with the BLM and with Esmeralda County, and is current in its filings.

Figure 1: Clayton Valley Project Location Map

Figure 2: Clayton Valley Project Map



Mineral Resource Estimate

The Resource Estimate at an Inferred Mineral Resource category for lithium is based on the total amount of lithium that is theoretically drainable from the aquifer system within the boundary of the resource area. The volumes within the resource area where lithium concentration is inferred to be less than the cut-off grade of 22 mg/L are not included in the resource calculations. In some areas, there are volumes of brine included in the Resource Estimate even where they extend beyond data points from wells. These zones (usually at depth below known data points or extending laterally from known data points) are included in the Resource Estimate based on the substantial amount of geophysical information obtained that justifies extrapolating the resource to its logical boundary conditions (such as lateral property or geological boundaries, lithological characteristics or basin depth constraints imposed by the deepest project data point in well CV-8). The Resource Estimate does not include brine aquifer volumes at depths greater than the bedrock contact at CV-8 (below elevations of approximately 361 metres or 1,184 feet amsl). In some areas, deep brine aquifer volumes remain open for further exploration and characterization.

The lithium concentration volumes are used to calculate the drainable brine volume of the aquifer for the Resource Estimate using an estimated specific yield of 6%. The table below summarizes the Resource Estimate expressed as elemental lithium (Li), $LiOH \cdot H_2O$ (lithium hydroxide) and LCE at the Inferred category.

Inferred Resource Estimate for Lithium

	Average Lithium Concentration in Brine Volume (mg/L)	Brine Volume (m^3) x 10^3	Specific Yield	Drainable Brine Volume (m^3) x 10^3	Lithium (kTonnes)	$LiOH \cdot H_2O$ (kTonnes)	LCE (kTonnes)
Resource Volumes by Average Lithium Concentration	22	550,600	0.06	33,040	0.7	4.39	3.87
	65	2,424,000	0.06	145,400	9.5	57.16	50.32
	132	579,200	0.06	34,750	4.6	27.73	24.41
	221	1,971,000	0.06	118,200	26.1	158.00	139.09
Total	**123**	**5,524,800**	**0.06**	**331,390**	**40.9**	**247.3**	**217.7**

Notes:

1) The concentration and mass estimates represent the Inferred Resource of elemental lithium prior to pumping. To obtain the resource tonnage expressed as $LiOH \cdot H_2O$ and LCE, the estimated mass of elemental lithium was multiplied by a factor that is based on the atomic weights of each element in LiOH H_2O and Li_2CO_3 to obtain the final compound weight. The conversion factor from lithium to LCE is 5.322785. The conversion factor from lithium to $LiOH \cdot H_2O$ is 6.046398.
2) The average lithium concentration is based on the final calculated lithium mass and drainable volume. Brine with estimated lithium concentrations below the cut-off grade of 22 mg/L was not included in the resource calculation.
3) The Resource Estimate is for claims controlled by Pure Energy based on an effective date of June 15, 2017.
4) Comparisons of values in the table may differ due to rounding and averaging methods.
5) Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability.
6) The PEA is preliminary in nature and includes Inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the PEA will be realized.

The Resource Estimate totals 40,900 tonnes (45,085 tons) of elemental lithium. This can also be represented as 217,700 tonnes (239,973 tons) on an LCE basis or 247,300 tonnes (272,602 tons) as $LiOH \cdot H_2O$. The average lithium concentration is 123 mg/L based on the calculated lithium mass and the theoretical drainable volume of the host brine aquifer. A substantial part of the brine volume falls between concentrations of 65 mg/L and 221 mg/L lithium.

The Mineral Resource Estimate has not been updated based on the results from analyses of samples from well CV-9. No Mineral Reserves have been declared at present, pending further exploration work expected to be completed.

Historical Exploration

In 1997, the United States Geological Survey drilled five exploration holes in Clayton Valley on what is now the Silver Peak operations patented property, all north of the original Pure Energy claims. Albemarle and others have stated that several hundred exploration and production wells, which ranged in depth from 70 metres to 355 metres (230 feet to 1,165 feet), were drilled in the valley by the Silver Peak operation between 1964 and 2004. The drilled area encompassed some of the southern portion of Clayton Valley, including part of the Pure Energy claims.

During 2010, Rodinia Lithium Inc. completed nine Dual Wall Reverse Circulation (“DWRC”) boreholes around the perimeter of the existing Albemarle operation. Two of these boreholes, SPD-8 and SPD-9, located within the current CV Project claims, and near the southeast portion of Albemarle’s patented claim block, penetrated zones of anomalous Li content. Locations of SPD-8 and SPD-9 are shown in *Figure 3*.

In 2014 and 2015, the Company commenced exploration drilling at the CV Project at exploration wells CV-1 and CV-2. Drilling continued at exploration wells CV-3 through CV-8 in 2016 and 2017. Drilling methods included DWRC, conventional mud rotary and diamond-drill coring. Downhole geophysics and depth-specific sampling activities were conducted at all wells. Pure Energy's holes CV-1 through CV-8 are exploratory and not production wells. Pure Energy staff and its consultants performed pumping tests to evaluate aquifer properties at CV-3, CV-7 and CV-8. In June of 2020, SLB initiated drilling of well CV-9.

Locations of exploration wells CV-1 through CV-9 are shown in *Figure 3* below. Only exploration wells CV-7, CV-8 and CV-9 remained in place as of June 30, 2020. Exploration wells CV-1 through CV-6 have been plugged and abandoned pursuant to Nevada regulatory requirements.

The total work program completed at the CV Project to date has included:

- Surface geophysics (gravity, seismic and HSAMT) for bedrock control, stratigraphic information, basin boundary conditions and fluid salinity;
- Drilling and sampling exploration boreholes (SPD-8 and SPD-9) for lithology and hydrochemistry;
- Drilling, constructing and sampling wells (CV-1 through CV-8) for lithology, hydrochemistry and aquifer parameters;
- Borehole geophysical logging (natural gamma, temperature, fluid conductivity, induction resistivity, sonic, caliper, deviation, NMR, well video) for lithologic features, hydro stratigraphy and aquifer characteristics;
- Multi-day pumping tests (CV-3, CV-7 and CV-8) for aquifer parameters and brine chemistry;
- Brine sampling for determining spatial variability of brine chemistry and brine process test work;
- Laboratory (RBRC) and borehole geophysics (NMR) measurements for estimating drainable porosity;
- Water level monitoring for determining direction of groundwater movement, hydraulic gradient and aquifer characteristics;
- Drilling and sampling of exploration boreholes performed by Nevada Sunrise in late 2016 and early 2017 on claims purchased by the Company in November 2017. These data were not available for inclusion in the PEA technical report; and
- Drilling and sampling of new well CV-9 in 2020.

Results indicate the aquifer penetrated by the Clayton Valley exploration wells is a single, multi-layer unconfined aquifer system. Hydro stratigraphy has proven to be highly variable with poor correlation of units between most well locations, meaning neither clay confining units nor permeable sand units have extensive continuity.

Typically, at brine well locations, a shallow, fresher groundwater zone is first encountered, which is underlain by a transitional interface with increasing salt concentrations leading to consistent brine concentrations at depth. Historical results from SPD-8 and SPD-9 yielded the highest lithium content at SPD-9 and lower values at SPD-8. This relationship is consistent with results of newer logging and sampling conducted in the vicinity of these boreholes at exploration wells CV-1, CV-3 and CV-7. At those exploration wells, below the depth of the brine interface, lithium concentrations of discrete samples tend to increase with depth and in the northeast of the original Pure Energy claim block. Pump testing and larger volume samples have demonstrated consistent lithium grades over multi-day pumping periods.

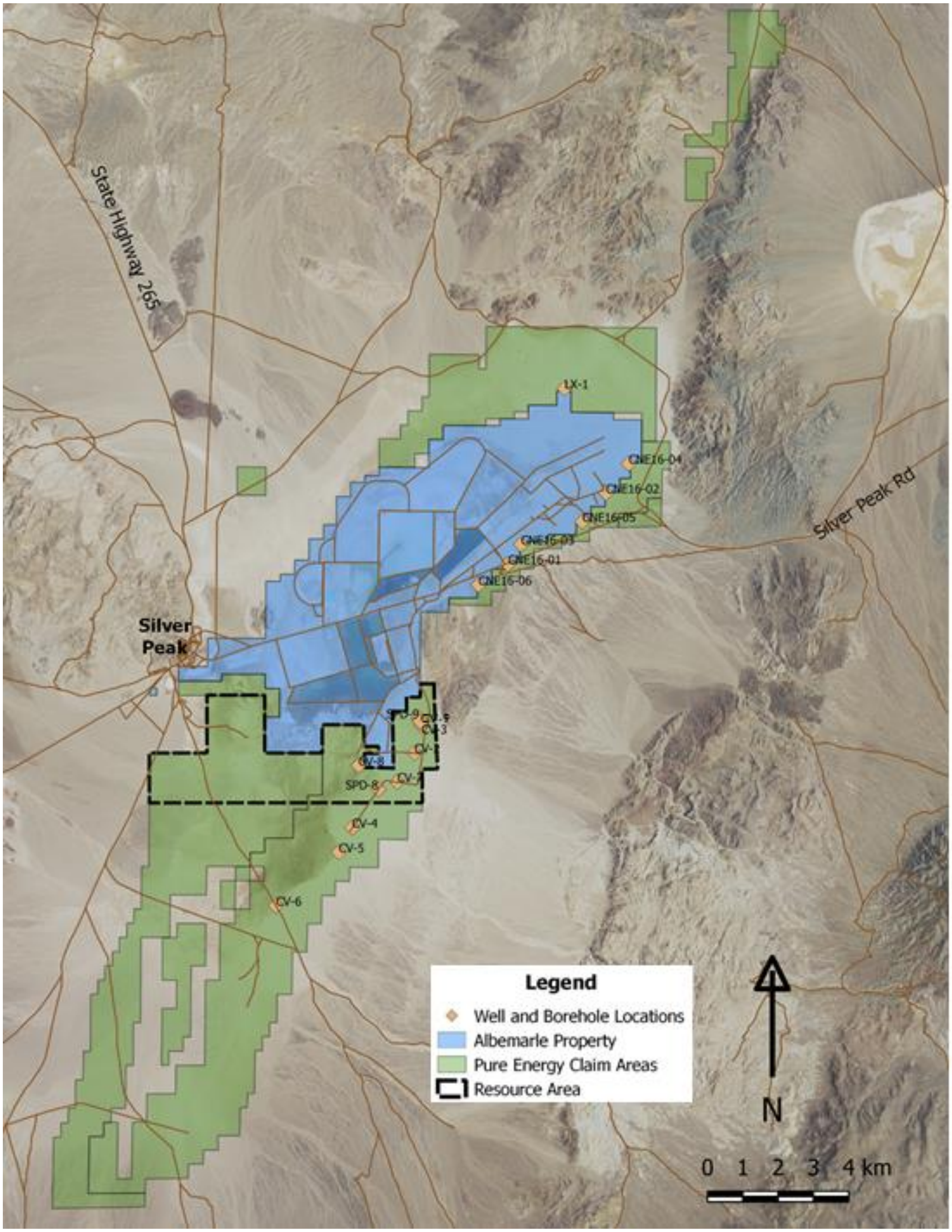
Data from the Clayton NE exploration boreholes collected in late 2016 and early 2017 show similar patterns of lithium grades increasing with depth in brine beneath the claims to the east of Albemarle's existing Silver Peak operation. No pumping tests have been performed at locations within the claim blocks acquired in 2017 from Nevada Sunrise and Advantage Lithium.

Sample Preparation, Analyses and Data Verification

The characterization of the lithium brine resource and quantification of the resource estimate requires collection and laboratory analysis of representative lithologic samples and brine samples. The lithologic samples provide information on the hydro stratigraphy of the brine aquifer, as well as drainable porosity parameters. Brine samples provide an indication of the concentration or grade of lithium and other ions.

Independent QPs verified the hydro chemical sample results for the PEA, as well as the chain of custody documentation and quality assurance protocols employed by the Company. As documented in the PEA technical report, the Company made use of accredited laboratories for brine analyses, and the chain of custody was simplified due to the use of in-state laboratories. The Company's project team carefully verified the original laboratory assay certificates before uploading and further processing the data in a database management system. The electronic database matches with original assay certificates and accurately reflects the data used in the resource estimate. These verifications confirm that the analytical results delivered by the participating laboratories and the exploration data are sufficiently reliable for the purpose of the resource estimate.

Figure 3: Clayton Valley Well and Borehole Location Map



Lithium Brine Process Testing

As discussed above, with conventional techniques, most lithium is extracted from brines through the use of evaporation ponds and subsequent processing of a lithium brine concentrate. The efficacy of evaporation-based processing technology is dependent on evaporation rate, precipitation and brine chemistry. Even in ideal climates, concentration by evaporation typically requires months. The climate at Clayton Valley, Nevada, is less suited for evaporation processing than the Chilean Atacama Desert or the Argentinean Puna. Nevada has lower net evaporation rates, due in large part to the higher precipitation rate. Hence, it is reasonable to expect longer lead times to lithium production and higher in-process inventory and associated costs, if operating such ponds in the Nevada climate.

The Company published a PEA study for the CV Project (news releases of June 26, 2017 and April 6, 2018) that details the Project's drilling results, brine testing and resource calculation for a partial area of the CV Project (*Figure 3* and at www.sedarplus.com). The lithium-bearing brines identified at the CV Project are of high quality with very low impurity levels and have been shown by small scale pumping tests to be amenable to direct lithium extraction from the aquifer, utilizing new proprietary recovery processes. For further details, please refer to Pure Energy's Annual General and Special Meeting Management Information Circular dated April 4, 2019, available on www.sedarplus.com.

SLB plans to utilize both in-house and commercially available technology in the design of the CV Pilot Plant. SLB's costs, technical parameters and ultimate technology are anticipated to differ from the published PEA.

Environment, Permitting, Compliance Activities and Social License

There are currently no known environmental conditions associated with the CV Project. Cultural resources are generally minimal on the playas, and the probability of the presence of threatened and endangered faunal or floral species is considered low. Limited liabilities remain from the reclamation obligations associated with the current exploration program.

From a permitting perspective, the hydrographic basin of Clayton Valley was designated as in need of possible revision in early 2016 by the Office of the State Engineer of Nevada (the "State Engineer"). Whether this designation will have material impacts on the Company's ability to obtain the necessary water rights to develop the resource into a reserve, and ultimately, produce lithium, is unknown at this time. Because lithium, a locatable mineral under the US *General Mining Act of 1872,* is dissolved in non-potable water beneath the ground surface, different and competing technical and legal opinions exist regarding the extent to and manner in which state water law applies to or limits Pure Energy's ability to explore for lithium, obtain water rights associated therewith or develop its federal mining claims. Administrative, judicial and appellate proceedings are pending with the NDWR and in Nevada District Court regarding these matters, and the outcome of such is uncertain. For further discussion of possible risks associated with these matters, please refer to material contained in **Risk Factors** under Changes to Government Laws and Regulations.

The CV Project is located primarily on unpatented federal mineral claims within Esmeralda County, Nevada. The federal claims encompass public lands administered by the BLM. Processing facilities could be located either on BLM land or on private land in the unincorporated town of Silver Peak. The CV Project, therefore, falls under the jurisdiction and permitting requirements of Esmeralda County, the State of Nevada (primarily the NDEP and the NDWR (also known as the State Engineer's office)) and the BLM.

On December 26, 2018, the NDWR granted the Company's application, through its wholly owned subsidiary, Esmeralda Minerals, LLC, for a finite-term water right with the total withdrawal not to exceed 50 acre-feet over a five-year period. The water right provides the permit necessary to pump brine from the Clayton Valley aquifer and deliver the brine to a future Pilot Plant for testing lithium processing methods and can be extended if needed.

OUTSTANDING SHARE CAPITAL

As at the date of this MD&A, the common shares issued and outstanding, and other securities convertible into common shares are summarized in the following table:

	Number Outstanding as of the Date of this MD&A	Number Outstanding as of September 30, 2025
Common shares issued and outstanding	33,967,983	33,967,983
Options	2,819,048	2,538,153

On November 20, 2025, the Company granted 364,228 options at an exercise price of $0.30.

On August 22, 2024, the Company granted a total of 800,000 stock options to officers, directors and consultants exercisable at a price of $0.30 per share for a period of five years.

OVERALL PERFORMANCE AND RESULTS OF OPERATIONS

Three Months Ended September 30, 2025 compared to the Three Months Ended September 30, 2024

During the three months ended September 30, 2025, the Company had a net income of $37,704 (2024 - net loss of $69,982). Operating expenses for the three months ended September 30, 2025 were $106,619 (2024 - $204,804).

The Company received advance royalty payment of US$100,000 pursuant to the SLB Earn-in Agreement during the three months ended September 30, 2025 and recorded royalty revenue of $137,754 (2024 - $136,365). Significant items affecting expenses are as follows:

- *Share-based compensation* decreased by $77,431 from $83,426 during the three months ended September 30, 2024 to $5,995 during the current period. The decrease was as a result of options granted during the period ended September 30, 2024, and amortization of options granted in prior periods while no options were granted in the current period.
- *Transfer agent and filing* fees remained relatively consistent year to year with a marginal increase of $731 from $5,691 during the three months ended September 30, 2024 to $6,422 during the current period.
- *Investor relations fees* remained relatively unchanged with a decrease of $1,843 from $2,174 during the three months ended September 30, 2024 to $331 during the current period.
- *Professional fees* remained relatively unchanged with a decrease of $4,222 from $22,203 during the three months ended September 30, 2024 to $17,981 during the current period.
- *Management fees* and salaries decrease by $22,453 from $70,699 during the three months ended September 30, 2024 to $48,246 during the current period. The decrease was due to the amount incurred during the three months ended September 30, 2024 included fees paid to the chief executive officer as well as advisor fees paid to the former CEO while during the three months ended September 30, 2025 advisor fees to the former CEO are no longer being paid.
- *Office and rent* expenses remained relatively unchanged with an increase of $3,460 from $18,638 during the three months ended September 30, 2024 to $22,098 during the current period.

Other comprehensive income (loss) adjusted the net income (loss) for the foreign currency translation adjustment as income of $16,987 (2024 – loss of $15,603) for the three months ended September 30, 2025.

SUMMARY OF QUARTERLY RESULTS

	For the quarter ended	Revenue $	Net income (loss) $	Comprehensive income (loss) $	Basic and diluted earnings (loss) per common share $
Q1/26	September 30, 2025	137,754	37,704	54,691	(0.00)
Q4/25	June 30, 2025	138,407	(41,147)	(88,063)	(0.00)
Q3/25	March 31, 2025	139,964	(10,510)	(9,270)	(0.00)
Q2/25	December 31, 2024	143,436	(130,217)	(67,639)	(0.00)
Q1/25	September 30, 2024	136,365	(69,982)	(85,585)	(0.00)
Q4/24	June 30, 2024	136,837	(200,588)	(189,063)	(0.01)
Q3/24	March 31, 2024	134,883	(251,856)	(225,005)	(0.01)
Q2/24	December 31, 2023	138,264	(419,744)	(445,818)	(0.01)

	As at	Total assets $	Exploration assets $
Q1/26	September 30, 2025	35,965,485	35,193,141
Q4/25	June 30, 2025	36,042,551	35,181,862
Q3/25	March 31, 2025	36,194,827	35,448,963
Q2/25	December 31, 2024	36,252,284	35,277,681
Q1/25	September 30, 2024	36,099,404	35,237,518
Q4/24	June 30, 2024	36,193,174	35,246,002
Q3/24	March 31, 2024	36,020,141	35,239,819
Q2/24	December 31, 2023	35,988,805	35,225,197

In the last eight quarters, the Company has worked hard to manage costs and continue to support the project without significant carrying costs. Some increases in professional fees and share-based compensation will occur in the short term, as the Company periodically needs to update and maintain existing agreements. The Company continues to incur funds for project evaluation as it continues assessing new potential projects.

The variations in the Company's quarterly financial results above are primarily impacted by fluctuations in operating expenses. However, the financial results for the each of the quarters show revenue generated from minimum royalty payments received. In addition, Q1/24 to Q4/24 also showed variations in share-based compensation expense which are as a result of option grants and the price of the stock in the various period causing this non-cash expense to vary from period to period. Given most of the exploration activities are incurred by SLB on behalf of the Company, the Company has not incurred any significant exploration expenditures and its exploration asset has remained unchanged other than for fluctuations in exchange rate between the US and Canadian dollar. The Company's exposure to US dollar currency fluctuations could be significant in future years, as the Company's principal asset is US-based. Refer to Overall Performance and Results of Operations above for discussion of certain key factors that cause year-to-year variations in the Company's financial condition and performance.

LIQUIDITY AND CAPITAL RESOURCES

The Company's cash position at September 30, 2025 was $368,081, compared to $620,315 at June 30, 2025. The Company has working capital of $637,491, compared to working capital of $588,084 at June 30, 2025.

The Agreement with SLB provides that SLB will assume all costs related to property, technical, permitting and development studies related to the CV Project.

Subsequent to the signing of the Agreement and the related private placement, the Company had adequate cash to cover its accrued liabilities and cover most of its cash requirements for the coming year. There does remain risk, however, that the Company's cash needs could exceed its current treasury.

The Company has historically relied upon equity financing to satisfy its capital requirements and will continue to depend heavily upon equity capital to finance its near-term activities. The Company may pursue debt financing in the medium term, if it is able to procure such debt on terms more favorable than the available equity financing; however, there can be no assurance the Company will be able to obtain any required financing in the future on acceptable terms. The Company could also receive cash proceeds from the exercise of options and warrants; however, the Company cannot predict the timing or amount of additional options and warrants that may be exercised, if any.

The ability of the Company to arrange additional financing in the future will depend, in part, on the prevailing capital market conditions and progress by SLB. Any quoted market for the Company's shares may be subject to market trends generally, notwithstanding any potential success of the Company in creating additional revenue, cash flows or earnings.

Historically, the Company has used net proceeds from issuances of common shares to provide sufficient funds to meet its near-term exploration and development plans and other contractual obligations when due.

Operating Activities

During the three months ended September 30, 2025, the Company's operating activities used $259,433 of cash compared $275,773 used during the three months ended September 30, 2024. The cash provided by operating activities reflects the Company's operating income or losses (after adjusting for items not involving cash) and adjusting for non-cash working capital items.

Investing Activities

The Company's primary investing activity is its expenditure on exploration and evaluation assets. During the three months ended September 30, 2025 and 2024, the Company did not invest in exploration and evaluation assets. Under the agreement with SLB on May 28, 2019 for an earn-in option, during the option period, SLB will assume all project-related property, permitting and development costs and will act as operator of the Project.

Financing Activities

The Company had no financing activities during the quarter ended September 30, 2025 and during the year ended June 30, 2025.

TRANSACTIONS WITH RELATED PARTIES

Related parties include the Company’s Board of Directors, officers, close family members and enterprises controlled by these individuals, as well as certain persons performing similar functions. Apart from those transactions detailed in this section, there were no other related party transactions.

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.

For the three months ended September 30, 2025, the Company had the following related party expense transactions:

- Management fees and salaries of $30,000 (2024 - $30,000) were expensed and accrued to Joseph Mullin, CEO and director of the Company;
- Management fees and salaries of $nil (2024 - $20,404) were expensed and accrued to Mary Little, former director of the Company;
- Management fees and salaries of $15,000 (2024 - $15,000) were expensed to Fehr & Associates, a company controlled by the former Chief Financial Officer (“CFO”) and a member of which the current CFO is;
- Professional fees of $9,692 (2024 - $19,275) were expensed to Fehr & Associates, a company controlled by the former CFO and a member of which the current CFO is; and

- Share-based compensation of $1,603 (2024 - $76,237) related to options granted to directors of the Company.
- Share-based compensation of $3,688 (2024 - $9,850) related to options granted to officers of the Company.
- Share-based compensation of $234 (2024 – recovery $5,162) to Fehr & Associates, a company controlled by the former Chief Financial Officer ("CFO") and a member of which the current CFO is.

At September 30, 2025, the Company had the following related party liability balances:

- Management fees and professional fees of $9,133 (June 30, 2024 - $65,818) remained in accounts payable to Fehr & Associates, a company controlled by the former CFO and a member of which the current CFO is;

The transactions noted above were measured at the exchange amounts which were agreed upon by the transacting parties and are on terms and conditions similar to non-related entities.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The information provided in this report, including the consolidated financial statements, is the responsibility of management. In the preparation of the consolidated financial statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates are based on careful judgments and have been properly reflected in the Company's consolidated financial statements.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet arrangements.

PROPOSED TRANSACTIONS

There are at present no transactions outstanding that have been proposed, but not approved by either the Company or regulatory authorities.

SIGNIFICANT ACCOUNTING ESTIMATES, JUDGMENTS AND NEW POLICIES

In applying the Company's accounting policies, management makes a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, revenue and expenses. Actual results may differ from the judgments, estimates and assumptions made by management and will seldom equal the estimated results. Please refer to the Consolidated Financial Statements for the years ended June 30, 2025 and 2024 for a full list of policies.

The following are critical judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements:

- Management is required to assess exploration and evaluation assets for impairment. As part of this assessment, management must make an assessment as to whether there are indicators of impairment. If there are indicators, management performs an impairment test on the major assets within this balance; and
- The determination of the functional currency of each entity within the Company.

FINANCIAL INSTRUMENTS

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

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous reporting years.

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.

RISK FACTORS

There are a number of risks that may have a material and adverse impact on the future operating and financial performance of the Company and could cause the Company's operating and financial performance to differ materially from the estimates described in forward-looking statements relating to the Company. These include widespread risks associated with any form of business and specific risks associated with the Company's business and its involvement in the lithium exploration and development industry.

This section describes risk factors identified as being potentially significant to the Company and its material property, the CV Project. Additional risk factors may be included in technical reports or other documents previously disclosed by the Company. In addition, other risks and uncertainties not discussed to date or not known to management could have material and adverse effects on the valuation of the Company's securities, existing business activities, financial condition, results of operations, plans and prospects.

Process Testing

All current and future process testing will be undertaken by the Company's strategic partner, SLB. The Company previously completed preliminary bench scale and mini-pilot scale process testing on the CV Project, which was detailed in the PEA study. SLB has tested its new DLE technology at the pilot plant and intends to commercialize the process as a service provider. The future development of a commercial lithium processing facility to produce a saleable final product from the CV Project will be dependent on several key permits.

Reliance on Key Personnel

Recruiting qualified personnel as the Company grows is critical to its success. The number of persons skilled in the acquisition, exploration and development of mining properties is limited, and competition for such persons is intense. As the Company's business activity grows, it will require additional key financial, administrative, engineering, geological and mining personnel, as well as additional operations staff. If the Company is not successful in attracting and training qualified personnel, the efficiency of its operations could be affected, which could have an adverse impact on future cash flows, earnings, results of operations and the financial condition of the Company. The Company may be at risk as it relies on a small management team, the loss of any member of which could cause temporary adverse consequences.

Substantial Capital Requirements and Liquidity

The Company will continue to have working capital requirements to fund future exploration activity that will require additional financings. The inability of the Company to access sufficient capital for its operations could have a material adverse effect on the Company's financial condition, results of operations or prospects. Sales of substantial amounts of securities may have a highly dilutive effect on the ownership or share structure of the Company. Sales of a large number of common shares in the public markets, or the potential for such sales, could decrease the trading price of the common shares and could impair the Company's ability to raise capital through future sales of common shares.

Under the terms of the Agreement, SLB has assumed the responsibility for all operating and development costs at the CV Project. As a result, Pure Energy will not have to raise funds to cover CV Project costs thus greatly reducing its funding requirements for the project. However, it does have costs associated with publicly traded companies, including executive salaries, various stock exchange and filing fees, transfer agent, office and travel, insurance and investor relations costs. The Company currently has the funds required to meet these costs. However, the Company may have to raise additional capital if it decides to invest in other opportunities and to fund required expenditures.

Under the terms of the Agreement, in January 2021 the Company started to receive income from the annual US$400,000 advance royalty payable in quarterly increments, which would help offset the various costs associated with a publicly traded company. Further, if SLB commences commercial production, the Company will begin receiving a 3% NSR production royalty, which will give the Company adequate resources to meet its corporate obligations and to potentially pursue other opportunities that may arise.

Property Commitments

The Company's mining properties may be subject to various land payments, royalties and/or work commitments. SLB will assume the obligation to make such payments for the CV Project under the terms of the Agreement.

Exploration and Development

Exploring and developing natural resource projects bears a high potential for all manner of risks. While SLB will be responsible for financing the CV Project exploration, the Company’s future revenue stream from the 3% NSR may be impacted by the success or failure of SLB’s exploration and development of the property, which is subject to all the risks associated with exploration. Natural resource exploration involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. SLB’s operations will be subject to all the hazards and risks normally associated with exploration, development, and production of natural resources, any of which could result in work stoppages, damage to property and possible environmental damage. If any of SLB’s exploration programs are successful, there is a degree of uncertainty attributable to the calculation of resources and corresponding grades being extracted or dedicated to future production. Until actually extracted and processed, the quantity of lithium brine reserves and grade must be considered as estimates only. In addition, the quantity of reserves may vary depending on commodity prices. Any material change in quantity of reserves, grade or recovery ratio may affect the economic viability of the CV Project. In addition, there can be no assurance that results obtained in smaller-scale laboratory and pilot tests will be duplicated in larger scale tests under on-site conditions or during production. The Company will closely monitor SLB’s activities and those factors that could impact them.

Operational Risks

There is no assurance that the foregoing risks and hazards will not result in damage to, or destruction of, the CV Project, personal injury or death, environmental damage or, regarding the exploration or development activities of SLB, increased costs, monetary losses and potential legal liability, and adverse governmental action. These factors could all have an adverse impact on the Company’s future cash flows, earnings, results of operations and financial condition.

The Company carries coverage for Directors’ and Officers’ (“D&O”) insurance, as well as third-party liability insurance.

However, the Company may be subject to liability or sustain loss for certain risks and hazards against which the Company cannot insure or which the Company may elect not to insure due to cost. Possible lack of insurance coverage could have an adverse impact on the Company’s future cash flows, earnings, results of operations and financial condition.

Environmental Risks

All phases of mineral exploration and development businesses present environmental risks and hazards and are subject to environmental regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances used and/or produced in association with natural resource exploration and production operations. The legislation also requires that facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures, and a breach may result in the imposition of fines and penalties, some of which may be material.

Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability, and potentially increased capital expenditures and operating costs. The discharge of pollutants into the air, soil or water may give rise to liabilities to foreign governments and third parties and may require SLB to incur costs to remedy such discharge. No assurance can be given that the application of environmental laws to the business and operations of SLB will not result in a curtailment of production or a material increase in the costs of production, development or exploration activities, or otherwise adversely affect the Company's financial condition, results of operations or prospects.

It should be noted that SLB and the Company have applied for, and received, all necessary permits from State and Federal agencies for the construction and operation of the Pilot Plant. Such permits include required design, planning, and mitigation processes to address potential environmental risks.

Commodity Price Fluctuations

The prices of commodities vary on a daily basis. Price volatility could have dramatic effects on the results of operations and the ability of the Company to execute its business plan. Lithium is a specialty chemical and is not a commonly traded commodity like copper, zinc, gold or iron ore. However, the price of lithium tends to be set through a limited long-term offtake market, contracted between the relatively few suppliers and purchasers.

Volatility of the Market Price of the Company’s Common Shares

The Company’s common shares are listed on the TSX.V under the symbol “PE”, on the OTCQB trading platform in the United States under the trading symbol “PEMIF” and on the Frankfurt Stock Exchange under the trading symbol “AHG”. The quotation of Pure Energy common shares on the TSX.V may result in a less liquid market available for existing and potential stockholders to trade common shares, could depress the trading price of the Company’s common stock and could have a long-term adverse impact on the Company’s ability to raise capital in the future.

Securities of junior companies have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments in North America and globally, and market perceptions of the attractiveness of particular industries. The Company's common share price is also likely to be significantly affected by delays experienced in progressing Schlumberger’s development plans, a decrease in the investor appetite for junior stocks, or in adverse changes in our financial condition or results of operations as reflected in our annual and quarterly condensed consolidated interim financial statements. Other factors unrelated to our performance that could influence the price of the Company's common shares include the following:

(a) The trading volume and general market interest in the Company's common shares could affect a shareholder’s ability to trade significant numbers of common shares; and
(b) The size of the public float and/or market price of the Company's common shares may limit the ability of some institutions to invest in the Company’s securities.

As a result of any of these or other factors, the market price of the Company’s common shares at any given point in time might not accurately reflect the Company’s long-term value. Securities class action litigation often has been brought against companies following years of volatility in the market price of their securities. The Company could in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management’s attention and resources.

Future Share Issuances May Affect the Market Price of the Common Shares

In order to finance future operations, the Company may raise funds through the issuance of additional common shares or the issuance of debt instruments or other securities convertible into common shares. The Company cannot predict the size of future issuances of common shares or the issuance of debt instruments or other securities convertible into common shares or the dilutive effect, if any, that future issuances and sales of the Company’s securities will have on the market price of the common shares.

Economic and Financial Market Instability

Global financial markets have been volatile and unstable at times since the global financial crisis that began in 2007. Bank failures, the risk of sovereign defaults, other economic conditions and intervention measures have caused significant uncertainties in the markets. The resulting disruptions in credit and capital markets have negatively impacted the availability and terms of credit and capital. High levels of volatility and market turmoil could also adversely impact commodity prices, exchange rates and interest rates. In the short term, these factors, combined with the Company's financial position, may impact the Company's ability to obtain future equity or debt financing and, if obtained, on terms that are acceptable to the Company. In the longer term, these factors, combined with the Company's financial position, could have important consequences, including the following:

(a) Increasing the Company's vulnerability to general adverse economic and industry conditions;
(b) Limiting the Company's ability to obtain additional financing to fund future working capital, capital expenditures, operating and exploration costs, and other general corporate requirements;
(c) Limiting the Company's flexibility in planning for, or reacting to, changes in the Company's business and the industry; and
(d) Placing the Company at a disadvantage when compared to competitors that have less debt relative to their market capitalization.

Issuance of Debt

From time to time, the Company may enter into transactions to acquire assets or shares of other companies. These transactions may be financed partially or wholly with debt, which may increase the Company's debt levels above industry standards. The Company's articles do not limit the amount of indebtedness that the Company may incur. The level of the Company's indebtedness from time to time could impair the Company's ability to obtain additional financing in the future on a timely basis to take advantage of business opportunities that may arise. The Company's ability to service any existing or future debt obligations will depend on the Company's future operations and access to capital, which are subject to prevailing industry conditions and other factors, many of which are beyond the control of the Company.

Industry Competition and International Trade Restrictions

International resource industries are highly competitive. The value of any future reserves discovered and developed by the Company may be limited by competition from other world resource mining companies or from excess inventories. Existing international trade agreements, tariffs and policies, and any similar future agreements, governmental policies or trade restrictions are beyond the control of the Company and may affect the supply of and demand for minerals, including lithium, around the world.

Governmental Regulation and Policy

Mining operations and exploration activities are subject to extensive laws and regulations. Such regulations relate to production, development, exploration, exports, imports, taxes and royalties, labour standards, occupational health, waste disposal, protection and remediation of the environment, mine decommissioning and reclamation, mine safety, toxic and radioactive substances, transportation safety and emergency response, and other matters. Compliance with such laws and regulations increases the costs of exploring, drilling, developing, constructing, operating, and closing mines and refining and other facilities. It is possible that, in the future, the costs, delays and other effects associated with such laws and regulations may impact decisions of the Company with respect to the exploration and development of properties, such as the CV Project, or any other properties in which the Company has an interest. The Company will be required to expend significant financial and managerial resources to comply with such laws and regulations. Since legal requirements change frequently, are subject to interpretation and may be enforced in varying degrees in practice, the Company is unable to predict the ultimate cost of compliance with these requirements or their effect on operations. Furthermore, future changes in governments, regulations, and policies and practices, such as those affecting exploration and development of the Company's properties, could materially and adversely affect the results of operations and financial condition of the Company in a particular year or in its long-term business prospects.

The development of mines and related facilities is contingent upon governmental approvals, licenses and permits, which are complex and time consuming to obtain and which, depending upon the location of the project, involve multiple governmental agencies. The receipt, duration and renewal of such approvals, licenses and permits are subject to many variables outside the control of the Company, including potential legal challenges from various stakeholders, such as environmental groups or non-government organizations. Any significant delays in obtaining or renewing such approvals, licenses or permits could have a material adverse effect on the Company, including delays and cost increases in the advancement of the CV Project.

Changes to Government Laws and Regulations

The State Engineer, the State of Nevada Department of Conservation and Natural Resources, and NDWR named the Clayton Valley Hydrographic Basin within Esmeralda County as a designated basin on March 7, 2016. Designation of a basin infers higher levels of scrutiny and management of groundwater resources by the State Engineer, but does not necessarily preclude additional future use of groundwater resources over and above that which is currently permitted. The Company, its officers, directors, contractors and agents must comply with all applicable water use laws and regulations when carrying out mineral exploration, project development work and production associated with the CV Project. Water use laws and regulations and the appropriation of water and water use rights are evolving in a manner that may result in stricter and/or modified standards and assessments. Now that the State Engineer has designated the Clayton Valley Hydrographic Basin, there is a risk that exploration work and project development may be impacted by time delays or restrictions that could adversely affect and/or preclude the CV Project and its future development. At this time, these impacts are uncertain and unknown.

The Company’s lithium exploration commenced before the designation of the Clayton Valley Hydrographic Basin. However, with the designation, there is uncertainty about the applicability of some elements of the state water law to lithium exploration in general and the Company’s activities in particular. This creates a risk that practices will change and exploration boreholes previously drilled by the Company will cease to be eligible for brine extraction in Clayton Valley. The Company received notice that its initial application for the appropriation of groundwater for the commercial scale production plant of the CV Project was denied by the State Engineer. This determination does not affect the Company’s current work program since it is still engaged in exploration and early-stage engineering phases of the project, pursuant to the waivers granted by the State Engineer and the regulations pursuant dissolved mineral resource exploration. The Company has filed a new application for appropriation of groundwater based on updated estimates of brine extraction volumes required for commercial production. That application is being held in abeyance by the State Engineer’s office.

On December 26, 2018, the State Engineer granted Pure Energy’s application, through its wholly owned subsidiary, Esmeralda Minerals, LLC, for a finite-term water right with the total withdrawal not to exceed 50 acre-feet over a five-year period. The water right provides the permit necessary to pump brine from the Clayton Valley aquifer and deliver the brine to a future Pilot Plant for testing lithium processing methods.

The Company expects Nevada state statutes and regulations to continue to evolve with respect to water rights and their implications for lithium mineral rights. Such evolution has already been observed in the rapid introduction and passage of Assembly Bill 52 (AB 52) in 2017, a statute that governs exploration for dissolved minerals species. Regulations pursuant to AB 52 that streamline the permitting process for dissolved mineral exploration boreholes and wells have been put in place by the Nevada Division of Mining at Nevada Administrative Code (NAC) Chapter 534B.

Nevada has a long history in mining, and there are indications that the overall state government environment is facilitative and supportive for lithium exploration and mining, but there can be no assurance as to the direction of change in the regulatory environment. For these reasons, the Company has retained specialist water rights consultants and legal counsel in order to proactively pursue its various administrative and legal matters and to develop and evaluate alternatives in the event that water rights for the CV Project are not granted or are not granted on the terms anticipated.

Risk Related to the Cyclical Nature of the Mining Business

The mining business and the marketability of the products that are produced are affected by worldwide economic cycles. At the present time, the significant demand for commodities, such as lithium, in many countries is driving increased prices, but it is difficult to assess how long such demand may continue. Fluctuations in supply and demand in various regions throughout the world are common.

As the Company's mining and exploration business is in the exploration stage and, as the Company does not carry on production activities, its ability to fund ongoing exploration is affected by the availability of financing that is, in turn, affected by the strength of the economy and other general economic factors.

Properties May be Subject to Defects in Title

The Company has investigated its rights to explore and exploit the CV Project and, to the best of its knowledge, its rights in relation to lands covering the CV Project are in good standing. Nevertheless, no assurance can be given that such rights will not be revoked, or significantly altered, to the Company's detriment. There can also be no assurance that the Company’s rights will not be challenged, over-staked or impugned by third parties.

Although the Company is not aware of any existing title uncertainties with respect to lands covering material portions of the CV Project, there is no assurance that such uncertainties will not result in future losses or additional expenditures, which could have an adverse impact on the Company's future cash flows, earnings, results of operations and financial condition.

Legal and Litigation

All industries, including the mining industry, are subject to legal claims, with and without merit. Defense and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, the resolution of any particular legal proceeding to which the Company may become subject could have a material adverse effect on the Company’s business, prospects, financial condition and operating results. Defense and settlement of costs of legal claims can be substantial. There is no current litigation outstanding against the Company.

Insurance

The Company is also subject to a number of operational risks and may not be adequately insured for certain risks, including accidents or spills, industrial and transportation accidents, which may involve hazardous materials, labour disputes, catastrophic accidents, fires, blockades or other acts of social activism, changes in the regulatory environment, impact of non-compliance with laws and regulations, natural phenomena, such as inclement weather conditions, floods, earthquakes, tornados, thunderstorms, ground movements, cave-ins, and encountering unusual or unexpected geological conditions and technological failure of exploration methods.

There is no assurance that the foregoing risks and hazards will not result in damage to, or destruction of, the properties of the Company, personal injury or death, environmental damage or, regarding the exploration or development activities of the Company, increased costs, monetary losses and potential legal liability and adverse governmental action, all of which could have an adverse impact on the Company’s future cash flows, earnings, results of operations and financial condition. The payment of any such liabilities would reduce the funds available to the Company. If the Company is unable to fully fund the cost of remedying an environmental problem, it might be required to suspend operations or enter into costly interim compliance measures pending completion of a permanent remedy.

No assurance can be given that insurance to cover the risks to which the Company's activities are subject will be available at all or at commercially reasonable premiums. The Company is not currently covered by any form of environmental liability insurance, since insurance against environmental risks (including liability for pollution) or other hazards resulting from exploration and development activities is unavailable or prohibitively expensive. This lack of environmental liability insurance coverage could have an adverse impact on the Company’s future cash flows, earnings, results of operations and financial condition.

SLB, as operator, is required to comply with all State and Federal legislation and in accordance with the Earn-in Agreement, would be responsible to rectify any potential environmental liabilities related to activities at the CV Project, should they occur.

Currency

The Company is exposed to foreign currency fluctuations to the extent that the Company's material mineral properties are located in the US, and its expenditures and obligations are denominated in US dollars, yet the Company is currently headquartered in Canada, is listed on a Canadian stock exchange and typically raises funds in Canadian dollars. In addition, a number of the Company’s key vendors are based in Canada, including vendors that supply geological, process engineering and chemical testing services. As such, the Company's results of operations are subject to foreign currency fluctuation risks and such fluctuations may adversely affect the financial position and operating results of the Company.

Conflicts of Interest

The Company's directors and officers are or may become directors or officers of other mineral resource companies or reporting issuers, or may acquire or have significant shareholdings in other mineral resource companies and, to the extent that such other companies may participate in ventures in which the Company may or may also wish to participate, the directors and officers of the Company may have a conflict of interest with respect to such opportunities, or in negotiating and concluding terms respecting the extent of such participation.

The Company and its directors and officers will attempt to minimize such conflicts. If such a conflict of interest arises at a meeting of the directors of the Company, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In appropriate cases, the Company will establish a special committee of independent directors to review a matter in which several directors, or officers, may have a conflict. In determining whether the Company will participate in a particular program and the interest to be acquired by it, the directors will primarily consider the potential benefits to the Company, the degree of risk to which the Company may be exposed and its financial position at that time. Other than as indicated, the Company has no other procedures or mechanisms to deal with conflicts of interest.

Decommissioning and Reclamation

Environmental regulators are increasingly requiring financial assurances to ensure that the cost of decommissioning and reclaiming sites is borne by the parties involved, and not by government. It is not possible to predict what level of decommissioning and reclamation (and financial assurances relating thereto) may be required in the future by regulators.

Dividends

The Company has never paid cash dividends on its common shares and does not expect to pay any cash dividends in the future in favor of utilizing cash to support the development of its business. Any future determination relating to the Company’s dividend policy will be made at the discretion of the Company’s Board of Directors and will depend on a number of factors, including future operating results, capital requirements, financial condition, and the terms of any credit facility or other financing arrangements the Company may obtain or enter into, future prospects and other factors the Company’s Board of Directors may deem relevant at the time such payment is considered. As a result, shareholders will have to rely on capital appreciation, if any, to earn a return on their investment in the common shares for the foreseeable future.

Hedging

Although there were no hedging arrangements in place as of September 30, 2025, management may elect to use such instruments in the future. Derivative instruments may be used to manage changes in commodity prices, interest rates, foreign currency exchange rates, energy costs and the costs of other consumable commodities. Common inherent risks associated with derivative transactions include (a) credit risk resulting from a counterparty failing to meet its obligation, (b) market risk associated with changes in market factors that affect fair value of the derivative instrument, (c) basic risk resulting from ineffective hedging activities, and (d) legal risk associated with an action that invalidates performance by one or both parties. There is no assurance that any hedging or other derivative program will be successful.

Time and Cost Estimates

Actual time and costs of the CV Project may vary significantly from estimates for a variety of reasons, both within and beyond the control of SLB. Failure to achieve time estimates and significant increases in costs may adversely affect the revenue from the 3% NSR. There is no assurance that estimates of the time and costs will be achievable.

Consumables Availability and Costs

The planned development activities and operations, including the profitability thereof, will continue to be affected by the availability and costs of consumables used in connection with the Company's activities. Of significance, this may include concrete, steel, copper, piping, diesel fuel, processing reagents and electricity. Other inputs, such as labour, consultant fees and equipment components, are also subject to availability and cost volatility. If inputs are unavailable at reasonable costs, this may delay or indefinitely postpone planned activities. Furthermore, many of the consumables and specialized equipment used in exploration, development and operating activities are subject to significant volatility. There is no assurance that consumables will be available at all or at reasonable costs.

Mineral Resource Uncertainties

Mineral resources that are not mineral reserves do not have demonstrated economic viability. Due to the uncertainty that may attach to mineral resources, there can be no assurances that mineral resources will be upgraded to mineral reserves as a result of continued exploration or during the course of operations.

There can be no assurances that any of the mineral resources stated in this MD&A or published technical reports of the Company will be realized. Until a deposit is extracted and processed, the quantity of mineral resources or reserves, grades, recoveries and costs must be considered as estimates only. In addition, the quantity of mineral resources or reserves may vary depending on, among other things, product prices. Any material change in the quantity of mineral resources or reserves, grades, dilution occurring during mining operations, recoveries, costs or other factors may affect the economic viability of stated mineral resources or reserves. In addition, there is no assurance that chemical recoveries in limited, small scale laboratory tests will be duplicated by larger scale tests or during production. Fluctuations in lithium/lithium product prices, results of future drilling, metallurgical testing, actual mining and operating results, and other events subsequent to the date of stated mineral resources and reserves estimates may require revision of such estimates. Any material reductions in estimates of mineral resources or reserves could have a material adverse effect on the Company.

Taxation

The Company is affected by the tax regimes of numerous jurisdictions. Revenues, expenditures, income, investments, land use, intercompany transactions and all other business conditions can be taxed. Tax regulations, interpretations and enforcement policies may differ from the Company's applied methods and may change over time due to circumstances beyond the Company's control. The effect of such events could have material adverse effects on the Company's anticipated tax consequences. There is no assurance regarding the nature or rate of taxation, assessments and penalties that may be imposed.

The Company may be Reliant on Third Party Reporting

The Company relies, and will rely, on public disclosure and other information regarding the properties in which it has an interest that it receives from the owners, operators and independent experts of such operations, and certain of such information is included in this MD&A. Such information is necessarily imprecise as it depends upon the judgment of the individuals who operate the properties, as well as those who review and assess the geological and engineering information. In addition, the Company must rely on the accuracy and timeliness of the public disclosure and other information it receives from the owners and operators of the properties, and uses such information in its analyses, forecasts and assessments relating to its own business and to prepare its disclosure with respect to its streams and royalties. If the information provided by such third parties to the Company contains material inaccuracies or omissions, the Company's disclosure may be inaccurate and its ability to accurately forecast or achieve its stated objectives may be materially impaired, which may have a material adverse effect on the Company.

OTHER

Additional information about the Company, including the Financial Statements and technical reports, are available on the Company's website at www.pureenergyminerals.com, or on SEDAR+ at www.sedarplus.ca.