



ATLAS SALT INC.

**MANAGEMENT DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS**

For the years ended December 31, 2025, and 2024

April 28, 2026

Cautionary Note Regarding Forward-Looking Statements

Certain statements in this MD&A are forward-looking statements or contain forward-looking information, which may include, but are not limited to, statements with respect to the future financial or operating performance of Atlas Salt Inc. (“Atlas Salt” or the “Company”) and its projects, business strategy, corporate plans, objectives and goals, as well as the market conditions applicable to Atlas Salt. Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “expects”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates”, or “believes” or variations (including negative variations) of such words and phrases, or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved. Forward-looking statements include, among others: expectations regarding commodity prices; statements relating to the business and future activities of and developments related to Atlas Salt; statements relating to the finances of Atlas Salt not based on the audited financial statements of Atlas Salt; the expected success of business activities; expectations for other economic, business, regulatory and/or competitive factors related to Atlas Salt in general; the business objectives and milestones of Atlas Salt; the amount and principal uses of available funds; and other events or conditions that may occur in the future.

Forward-looking information and statements are based on current expectations, beliefs, assumptions, estimates and forecasts about the Company’s business and the industry and markets in which it operates, as of the date of this MD&A. Although the assumptions made by the Company in providing forward looking information or making forward looking statements are considered reasonable by management at the time, there can be no assurance that such assumptions will prove to be accurate.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of Atlas Salt to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, but are not limited to, the risk factors discussed in this MD&A, including risks relating to the development of Atlas Salt’s Great Atlantic Salt Project. Although Atlas Salt has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking statements contained herein are made as of the date of this MD&A and, other than as required by law, Atlas Salt disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

This Management's Discussion and Analysis ("MD&A") is prepared by management and approved by the Board of Directors as of April 28, 2026. This MD&A should be read in conjunction with the audited financial statements for the year ended December 31, 2025.

GENERAL BUSINESS

Atlas Salt Inc. is a mineral exploration company engaged in the evaluation and exploration of mineral properties in Newfoundland and Labrador with a strong commitment to responsible and sustainable mining practices. The Company's principal asset is the Great Atlantic salt deposit project (the "Great Atlantic Salt Project" or the "Project"), located in the St. George's Bay basin of Western Newfoundland. With a focus on innovation and efficiency, the Company is poised to make significant contributions to the North American salt market while upholding its values of environmental stewardship and community engagement.

The Company was listed on the TSX Venture Exchange on August 17, 2012, as a result of a corporate reorganization of Vulcan Minerals Inc. ("Vulcan"), whereby Vulcan transferred its 100% working interest in its St. George's Bay mineral assets to the Company. On August 24, 2021, the Company announced that it changed its name from Red Moon Resources Inc. to Atlas Salt Inc. The Company's common shares commenced trading under the new stock symbol "SALT" on September 1, 2021.

On July 25, 2022, the Company announced that it entered into a definitive arrangement agreement with Triple Point Resources Ltd. ("Triple Point") with respect to the spin-out of Atlas Salt's Fischell's Brook Salt Dome Property and related mineral licences comprising 226 sq. km in Southwest Newfoundland.

On September 22, 2022, the Company closed the Triple Point spin-out through a Plan of Arrangement (the "Arrangement"). As part of the Arrangement, the Company distributed 23,747,026 common shares of Triple Point that it received under the Arrangement to holders of common shares of Atlas Salt on a pro rata basis, such that Atlas Salt shareholders as of the Record Date received one share of Triple Point for every 3.68 shares owned of Atlas Salt. As at August 10, 2025, the Company's ownership in Triple Point was 27.25%, which management determined gave it significant influence over Triple Point. As a result, the Company applied the equity method of accounting for its investment in Triple Point. On August 11, 2025, Triple Point closed a \$4.5 million private placement of common shares. Due to this financing and the resulting dilution to Atlas Salt's ownership position (14.4% ownership), the Company concluded that it no longer exercises significant influence over Triple Point. The investment is therefore accounted for in accordance with IFRS 9 Financial Instruments and is measured at Fair Value Through Profit or Loss (FVPL).

Atlas Salt recognizes environmental, social and governance ("ESG") best practices as key components to a responsible mineral exploration and mining sector. The Company's exploration programs are conducted in a way that meets or exceeds environmental regulations, while respecting the communities and environments in which we operate. Atlas

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Salt strives to earn its social license wherever it is active, endeavouring to meet regularly with local communities, regulators and other concerned parties before, and during, exploration work to understand issues important to local and Indigenous communities. Atlas Salt's approach is based on transparency, open communication, inclusivity and respect, to enable social and economic benefits for communities as well as value for investors.

OVERALL PERFORMANCE

The Company is at the project development stage and does not have revenue from operations. The Company recorded a loss of \$3,712,415 for the year ended December 31, 2025 (December 31, 2024 - \$3,675,923). A comparable net loss in 2025 to 2024 resulted primarily from decreased share-based compensation and the gain on derecognition of associate, the investment in Triple Point of \$776,644. The negative share-based compensation reflects the cancellation of restricted and performance share units granted to former executives, following the termination of those contracts. Management and subcontractor fees increased substantially in the year ended December 31, 2025 due to fees associated with the termination of a former executive.

Mineral Properties – Background

Great Atlantic Salt Project (the "Project")

The Company acquired a 100% working interest in mineral licences located in the St. George's Bay basin in Western Newfoundland in August 2012, as a result of a corporate re-organization of Vulcan Minerals Inc. The licences included the mineral rights to lands that have potential for salt, gypsum, potash, and other mineral deposits. The Company has pursued exploration for salt and potash since 2013 and has delineated a significant salt resource.

During 2021, the Company initiated a feasibility study on the Project. SLR Consulting ("SLR") was selected in July 2021 to undertake the analysis with the objective of producing a feasibility study (the "2023 Feasibility Study"). As part of the feasibility analysis, SLR delivered a positive Preliminary Economic Assessment on January 30, 2023. On August 28, 2023, the results of the 2023 Feasibility Study were received.

On February 28, 2024, the Company announced the submission of the Project Registration Document for the Project, pursuant to Part X of the Newfoundland and Labrador Environmental Protection Act.

On April 19, 2024, the Company announced that the NL Minister of Environment and Climate Change, had released, with conditions, the Project from the provincial environmental assessment process.

On May 2, 2024, the Company announced the filing of an amended technical report for the Project prepared by SLR. The Mineral Resource and Mineral Reserve Estimates and financial assumptions in the feasibility study were unchanged from the October 2023 Report. The Amended Technical Report reflects the removal of a preliminary economic assessment of an expansion case originally presented in the October 2023 Report, as well as other minor changes to align with Form 43-101F1.

On June 9, 2025, Atlas Salt announced that it had initiated an updated feasibility (the “UFS”) on the Project. Prepared by SLR, and building on the 2023 Feasibility Study, the UFS incorporated significant advancements and optimizations to enhance the Project’s development strategy. The UFS focused on optimizing the production rate while balancing capital expenditure, refining mine planning parameters, and integrating recently completed technical studies to improve operational efficiency and economic outcomes. On September 30, 2025, the results of the UFS were received as set forth below.

On July 10, 2025, the Company announced that the Minister of the Department of Industry, Energy and Technology (“IET”) for Newfoundland and Labrador has formally approved the Early Works Mine Development, Rehabilitation and Closure Plan (the “Early Works Development Plan”) for the Project. Approval of the Early Works Development Plan authorizes Atlas Salt to proceed with site preparation and surface infrastructure activities. This will enable the Project to advance toward full mine construction, further reduce associated risks, and keep the Project on schedule.

Technical Summary

Overview

The UFS considers developing the Project into an underground operating mine capable of producing 4.0 Mtpa of rock salt (the “Base Case”) Construction of the mine would occur over four years, with access to the deposit via twin declines. Extraction of rock salt would occur using the room and pillar method, with continuous mining equipment. Salt would be processed to a specific size and grade using a crushing and screening plant located within the underground mine and then brought to surface via conveyor belts. An overland conveyor will transport the rock salt from the mine area to the existing Turf Point port, located 3 km from the project site, for loading onto ships destined for Canadian and American markets.

Mineral Resources

Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Definition Standards for Mineral Resources and Mineral Reserves (CIM (2014) definitions) were used for Mineral Resource classification. The UFS includes 383 Mt of Indicated Mineral Resources plus 868 Mt of Inferred Resources. Table 1 provides a summary of the Great Atlantic Mineral Resource estimate prepared by SLR, with an effective date of September 30, 2025. The estimate is unchanged from the previous estimate dated May 11, 2023.

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Table 1: Summary of Great Atlantic Mineral Resources

Category	Tonnage (Mt)	Grade (% NaCl)	Contained NaCl (Mt)
Indicated	383	96.0	368
Inferred	868	95.2	827

Notes:

1. CIM (2014) definitions were followed.
2. Mineral Resources are constrained within Mineable Shape Optimizer (MSO) volumes demonstrating reasonable prospects for eventual economic extraction.
3. MSO parameters include minimum mining height of 5 m, minimum width of 20 m, minimum length of 40 m, minimum grade of 90% NaCl, and 5 m pillar separation.
4. Bulk density of 2.16 t/m³ has been applied.
5. Mineral Resources are inclusive of Mineral Reserves.
6. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.
7. Grades exceed ASTM D632-12 specification of 95% NaCl ($\pm 0.5\%$).
8. Totals may not sum due to rounding.

SLR's QP is not aware of any environmental, permitting, legal, title, taxation, socio-economic, marketing, political, or other relevant factors that could materially affect the Mineral Resource estimate.

Mining and Mineral Reserves

The Mineral Reserve estimate has been updated in the NI 43-101 and supersedes the previously disclosed July 31, 2023 estimate.

Mining is based on a fully electric, mechanized room-and-pillar operation utilizing continuous miners, with crushed and screened salt conveyed to surface via an underground and overland conveyor system to the Turf Point port.

The updated Mineral Reserve estimate, effective September 30, 2025, is summarized below:

Table 2: Summary of Great Atlantic Mineral Reserves

Category	Tonnage (Mt)	Grade (% NaCl)	Contained NaCl (Mt)
Probable	95.0	95.9%	91.1

Notes:

1. CIM (2014) definitions were followed for Mineral Reserves.
2. Mineral Reserves are estimated at a cut-off grade of 90% NaCl.
3. Salt prices are not directly incorporated into the Mineral Reserve designs, however, the mean Mineral Reserve grades exceed the 95% NaCl ($\pm 0.5\%$) specification outlined in ASTM D632-12.
4. A minimum mining height of 5.0 m and width of 17.0 m were used for production rooms.
5. Sterilization zone 8.0 m below the top of salt and 5.0 m above the bottom of salt have been applied.

6. A mining extraction factor of 100% was applied to all excavations.
7. Bulk density is 2.16 t/m³.
8. Planned process recovery is 95%.
9. Numbers may not add due to rounding.

The QP is not aware of any mining, metallurgical, infrastructure, permitting, or other relevant factors that could materially affect the Mineral Reserve estimate.

Economic Outcomes

The economic analysis presented in the UFS is based on a 4.0 Mtpa production scenario and reflects updated capital costs, operating costs, and market assumptions.

Summary of Economic Outcomes – Updated Feasibility Study Case (4.0 Mtpa)

Metric	Units	Value
Pre-Tax Payback Period	yrs	3.6
Pre-Tax IRR	%	27.1
Pre-tax NPV at 5% discounting	C\$ '000	2,758,831
Pre-tax NPV at 8% discounting	C\$ '000	1,682,806
Pre-tax NPV at 10% discounting	C\$ '000	1,219,722
Post-Tax Payback Period	yrs	4.2
Post-tax IRR	%	21.3
Post-tax NPV at 5% discounting	C\$ '000	1,574,169
Post-tax NPV at 8% discounting	C\$ '000	920,433
Post-tax NPV at 10% discounting	C\$ '000	609,418

Notes:

1. Economic results are based on a discounted cash flow model using a real discount rate of 8%.
2. The project includes an initial capital development period of approximately four years.
3. Payback period is measured from the commencement of commercial production.
4. The analysis incorporates updated operating costs, capital costs, and salt pricing assumptions consistent with current market conditions and logistics via Turf Point.
5. The economic model reflects a fully integrated mine, processing, and port operation.

Gypsum Properties:

Three kilometers southwest of the Great Atlantic Salt deposit is the location for the Ace Gypsum deposit, part of the Flat Bay Gypsum Project. As outlined in the Ace mine's development plan, The Company's internal estimates, based on the evaluation of historical drilling data and Atlas's field investigations, shows the Ace mining lease area has the potential to contain 3 to 5 million tonnes of gypsum/anhydrite of commercial grade at \$2.00 per tonne net of cost to produce. The project was registered pursuant to the provincial environmental review process on December 13, 2017 and released from further review on February 21, 2018. The company retained an external engineering firm to prepare a mine

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development plan which was submitted to the Department of Natural Resources (DNR) on April 6, 2018. On July 19, 2018 the mine development plan was approved by DNR. The Company initiated production operations on July 20, 2018 including removal of overburden. A contract mining distribution and marketing arrangement was entered into with Vinland Materials Inc. (and subsequent to Vinland, with Turf Point Resources). The Company has recorded sales of \$2,112,861 (account 13101) to date. This figure is reflected as net proceeds from sales of the Ace gypsum mine to December 31, 2025. In March 2025, a development plan for ACE gypsum was approved by the Newfoundland and Labrador government. The cash flows generated in accordance with the mine are not in excess of the carrying value of the exploration and evaluation asset associated with this project. Atlas Salt Inc. subcontracted a vendor to mine and sell the material in this quarry and collected a royalty per tonne.

An amount of \$8,750 was spent, and an amount of \$122,500 restricted for the property in 2025. In anticipation of future demands for gypsum, the Company has been evaluating further development opportunities in the historic Flat Bay mines. This includes the possible extraction of saleable gypsum from the tailings waste piles left over from historic operations. It is internally estimated, based on drone surveys and site visits, that the tailings pile contains approximately one million tonnes of gypsum tailings. The tailings were never processed with chemicals and as such are not toxic. The Company continues to evaluate the opportunity and is working with the Province of Newfoundland and Labrador with respect to permitting.

An agreement with Turf Point Resources is currently in place that will see anhydrite and/or gypsum mined from the Flat Bay Gypsum Project and exported by Turf Point Resources in 2026. Atlas Salt would realize a royalty for the gypsum mined and management has determined that the funds generated will be more than the funds spent on this property.

Black Bay Nepheline Property:

An amount of \$15,078 was spent on the Black Bay Nepheline project in southern Labrador. Testing in 2016 carried out on this property indicated that the chemistry of the syenite material has the potential to meet the specifications for industrial uses. Nepheline is an industrial mineral used in the manufacture of glass, ceramics, extenders and fillers. In 2017, the Company obtained, through surface channel sampling, in excess of three tonnes of material to scale up the 2016 analysis. In 2018, Atlas announced that it had received final results from its Phase 3 metallurgical study, conducted on a bulk composite of previously collected rock samples. These results allow Atlas to commence focused marketing of the project in conjunction with detailed planning for Phase 4, which will include 3D characterization of the nepheline body through diamond drilling. Metallurgy test results are encouraging, demonstrating positive mineralogy and excellent concentration results, with a final product of magnetic separation testing being very low-iron (0.16% Fe₂O₃), high-aluminum (22.4% Al₂O₃) concentrate. In 2026, the Company has intentions to complete additional work on this property.

Bay St. George:

Bay St. George General is also a project which captures ongoing work in the Bay St. George Area. These licences have gypsum and salt exploration potential but are unrelated to other properties. Costs incurred to date are \$48,239 and there was \$nil spent during 2025.

As noted above, licenses and claims remained generally the same. Through the normal course of land management, it is the company's process to allow licenses to lapse to focus their exploration interest. As current property acquisition costs relating to current licenses held by Atlas Salt and are in Good Standing with the Department of Natural Resources, management contend no impairment of these amounts exist. Any amounts relating to licenses which have lapsed or expired have been removed from the Balance Sheet.

Financing

On October 21, 2025, the Company closed a brokered private placement (the "Offering"), raising gross proceeds of \$8,554,400 by issuing 10,880,500 common shares at \$0.80 per share.

In connection with the Offering, the Company paid cash fees of \$522,264 to the agents, and issued 652,830 compensation warrants, each exercisable to acquire one common share at the offering price for 24 months.

It is anticipated that the net proceeds of the financing would be used to start early works and advancing the Great Atlantic Salt Project towards development and for general and working capital purposes

The Company is continuing to progress the following objectives for the Project in 2026:

- Developing salt distribution and monetization strategic partnerships;
- Progressing project financing options;
- Progressing offsite infrastructure agreements and capital investment plans for logistics, including the planned material transportation, conveyor and port loading systems;
- Continuing to advance compliance with the conditions of release from the provincial environmental assessment process;
- Permitting; and
- Project engineering.

MINERAL EXPLORATION AND EVALUATION ASSETS

The major components of the cumulative mineral exploration and evaluation assets on December 31, 2025, are as follows:

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Acquisition costs – licenses	\$ 1,227,067
Mineral licenses and license renewals	\$ 96,621
Asset retirement obligation	\$ 348,977
Drilling, geological, geophysical & related costs	\$ 12,264,008
Share-based compensation	\$ 1,294,998
Feasibility Study	\$ 4,257,522
Gypsum sales	\$ (2,112,861)
Government grants	\$ (682,542)
Balance	\$ 16,693,790

RESULTS OF OPERATIONS

Three and twelve months ended December 31, 2025, compared to 2024.

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2025	2024	2025	2024
Marketing and communications	(405,439)	(404)	(407,329)	(32,751)
Share-based compensation	(325,937)	(190,041)	(169,003)	(1,375,010)
Office, consulting fees, and other	(967,927)	(167,267)	(1,492,893)	(440,135)
Salaries and benefits	(108,139)	(99,391)	(459,696)	(367,288)
Public company expenses	(127,248)	(193,402)	(194,489)	(301,265)
Management and subcontractor fees	(83,031)	(158,588)	(1,162,971)	(646,723)
Investor relations	140,743	-	(3,750)	(13,268)
Conferences and travel	(211,751)	(29,665)	(316,866)	(193,341)
Directors' fees	-	-	(50,000)	(60,000)
Right of use amortization	(4,237)	-	(16,948)	(15,536)
Depreciation	(10,921)	(8,438)	(35,952)	(26,915)
Total Expenses	(2,103,888)	(847,197)	(4,309,897)	(3,472,231)
Interest income	27,422	111,185	47,287	400,161
Interest on lease liability	(60)	-	(589)	(1,267)
Interest on long term debt	(3,265)	-	(10,723)	(614)
Gain (loss) on dilution	-	107,173	-	107,173
Loss from investment in associate	-	(370,086)	(215,137)	(709,145)
Gain on derecognition of associate	-	-	776,644	-
Total Income	24,097	(151,728)	597,482	(203,692)
Net and Comprehensive (Loss) Income	(2,079,791)	(998,924)	(3,712,415)	(3,675,923)

Details of the expenses and other items are as follows:

Marketing and communications: The increase in marketing and communications expenses in 2025 is related to more work being completed in this area by the Company's new management.

Share-based compensation: Share-based compensation in the year ended December 31, 2025, reflects a cancellation of restricted and performance share units granted to former executives following the end of contracts, and the cancellation of deferred share units granted to a former director upon his resignation. As the Company had previously recognized an expense related to these units, the cancellation resulted in a reversal of the previously recognized expense.

Office, consulting fees and other: Office, consulting fees and other expenses increased significantly in the year ended December 31, 2025, as compared to the same period in 2024. Nearly \$800,000 of this increase includes the Company's financing expense. Additionally, there was an increase in third party professional fees and recruitment fees related to the hiring of an executive.

Management and subcontractor fees: The large increase in management and subcontractor fees for the year ended December 31, 2025, is primarily due to a termination payment made to a previous executive.

Conference and Travel: As projected, the costs increase in the fourth quarter of 2025 and year over year there was due to an increase in conferences and travel activity by the new management team.

Interest Income: Interest income has decreased significantly as the Company does not hold a large interest-bearing financial instrument as compared to the same period in 2024.

Loss from equity accounted investment in associate: This reflects the Company's share of the losses incurred by Triple Point as a result of Atlas Salt applying the equity method of accounting for its investment through to August 10, 2025.

Gain on derecognition: This reflects the Company's change in accounting for Triple Point a result of losing significant influence when it completed at equity raise on August 11, 2025 and the Company's ownership was diluted to 14.14%. The increase in value is a result of Atlas Salt accounting for the remaining investment at fair value through profit or loss (FVTPL) to value the Company's investment.

SUMMARY OF ANNUAL RESULTS FOR LAST THREE YEARS

Year Ended	Total Income	Net Income (Loss)	Net Income (loss) Per Share	Net Income (loss) Per Share - Diluted	Total Assets	Total Long-Term Liabilities	Cash and Cash Equivalents
31-Dec-25	597,482	(3,712,415)	(0.037)	(0.037)	26,306,828	1,091,524	5,965,954
31-Dec-24	507,334	(3,675,923)	(0.038)	(0.038)	21,965,299	216,550	8,032,910
31-Dec-23	933,844	(4,838,013)	(0.052)	(0.052)	22,374,049	136,931	12,192,483

SUMMARY OF QUARTERLY RESULTS FOR LAST THREE YEARS

Quarter Ended	Total Income	Net Income (Loss)	Net Income (loss) Per Share	Net Income (loss) Per Share - Diluted	Total Assets	Total Long-Term Liabilities	Cash and Cash Equivalents
31-Dec-25	24,096	(2,079,792)	(0.020)	(0.020)	26,306,828	1,091,524	5,965,954
30-Sep-25	752,072	92,066	0.001	0.001	19,629,293	508,566	1,653,864
30-Jun-25	(114,463)	(672,101)	(0.007)	(0.007)	19,297,731	424,920	2,687,338
31-Mar-25	(62,234)	(1,015,585)	(0.010)	(0.010)	19,943,048	212,595	4,910,558
31-Dec-24	(151,728)	(1,000,806)	(0.010)	(0.010)	21,965,299	216,550	8,032,910
30-Sep-24	(4,238)	(821,142)	(0.009)	(0.009)	21,550,668	124,762	8,949,812
30-Jun-24	(65,714)	(1,074,506)	(0.011)	(0.011)	21,949,054	124,845	10,410,821
31-Mar-24	116,611	(779,565)	(0.008)	(0.008)	22,272,827	124,899	11,291,543
31-Dec-23	129,547	(1,132,620)	(0.012)	(0.012)	22,374,049	136,931	12,192,483
30-Sep-23	306,708	(360,207)	(0.004)	(0.004)	22,443,798	137,994	13,408,648
30-Jun-23	293,693	(2,327,446)	(0.025)	(0.025)	23,683,040	135,348	15,151,110
31-Mar-23	203,896	(1,017,740)	(0.011)	(0.011)	24,262,852	139,326	17,417,408

Income for each quarter is comprised of interest income. In the quarters ending December 31, 2024, December 31, 2023, June 30, 2023, and March 31, 2023, income also includes a dilution gain on the Company's investment in Triple Point.

LIQUIDITY, CAPITAL RESOURCES, AND GOING CONCERN

The Company had total assets of \$26,306,828 as at December 31, 2025, including cash of \$5,965,954, accounts receivable of \$463,880, prepaid expenses of \$747,750 and short-term investment of \$175,562. The Company had current liabilities in the amount of \$722,085 resulting in positive working capital of \$6,631,061 (December 31, 2024 - \$7,129,606).

The Company completed an equity financing in October 2025 for gross proceeds of \$8,554,400.

The Company has an unsecured loan with the Business Development Bank of Canada (BDC) bearing interest at a fixed rate of 8.40% and as such is not sensitive to interest rate

fluctuations. The loan matures on June 23, 2030. The Company has financed a light duty vehicle bearing interest at a fixed rate of 5.52% and as such is not sensitive to interest rate fluctuations. The loan matures on June 16, 2032. The Company has no contingent liabilities that could materially affect its financial position.

The Company carries out exploration on mineral licences in Newfoundland and Labrador. These tenure instruments require work obligations to maintain ownership. Failure to fulfill work obligations would result in loss of ownership interest. The Company originally held 13 mineral licences represented by 36,375 hectares. From 2013 to 2019, in addition to the acquisition of additional mineral licences, the Company reorganized several of its original mineral licences, resulting in the Company holding 20 mineral licences on December 31, 2025, representing approximately 8,025 hectares in the Bay St. George region of Western Newfoundland and in Black Bay, Labrador. The Company's current mineral licences are in good standing in respect of ongoing work obligations.

Year Required	Required Expenditures (Estimated)	Notes
2026	\$200	There is sufficient cash on hand and the plan is to complete work on these licences to maintain their good standing.
2027	\$31,000	There is sufficient cash on hand and the plan is to complete work on these licences to maintain their good standing.
2028	\$2,800	There is sufficient cash on hand and the plan is to complete work on these licences to maintain their good standing.
2029	\$6,900	There is sufficient cash on hand and the plan is to complete work on these licences to maintain their good standing.
Estimated Total	\$40,900	The total is \$40,900 over the next five years. There is sufficient cash on hand and the plan is to complete work on all current licences to maintain their good standing.

With the cash balance of \$6 million, the Company has the capacity to maintain its current licences in addition to being able to work on its 2026 objectives as noted above.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements in the current or prior periods.

RELATED PARTY TRANSACTIONS

Vulcan Minerals Inc. owned 27.02% of the Company's common shares at December 31, 2025 (December 31, 2024 – 29.79%), giving it significant influence over the Company. The following transactions were carried out with Vulcan Minerals Inc.:

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Paid/payable (reimbursements and other) to Vulcan Minerals Inc. on behalf of the Company:	December 31, 2025	December 31, 2024
Mineral exploration and evaluation assets	8,911	26,857
Royalty	3,684	-
General and administrative expenses	815	31,914
Rent paid to a corporation which is controlled by a director of the Company	-	12,000
	13,410	70,771

Compensation for key management personnel, which includes the former and current Chief Executive Officer, former and current Chief Financial Officer and Directors, is as follows:

Paid/payable to members of key management and directors:	December 31, 2025	December 31, 2024
Directors' fees	50,000	60,000
Management and subcontractor fees	1,230,244	747,525
Compensation capitalized as mineral exploration and evaluation assets	111,044	185,393
Share-based compensation:		
General and administrative expenses	159,621	1,300,187
Mineral exploration and evaluation assets	(272,615)	564,294
	1,278,294	2,857,399

Trade payables and accrued liabilities include \$14,375 owing to related parties as at December 31, 2025 (December 31, 2024 – \$72,362).

SHARE CAPITAL

The Company has issued and outstanding common shares of 110,667,906 as at the date of this MD&A. The Company's share capital consists of an unlimited number of voting common shares, and an unlimited number of preferred shares of which there are none outstanding.

As of the date hereof, the Company has 5,200,000 stock options with exercise prices ranging from \$0.40 to \$2.35, 700,000 Restricted Share Units ("RSUs") outstanding, 972,430 Performance Share Units ("PSUs") outstanding, and 1,400,000 Deferred Share Units ("DSUs") outstanding.

MATERIAL ACCOUNTING POLICIES AND ESTIMATES

In preparing the accompanying annual financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ. All estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognized in the period in which the estimates are revised and in any future periods affected.

CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

The Company's management, with the participation of its Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), has evaluated the design of the Company's disclosure controls and procedures. Based on the results of that evaluation, the Company's CEO and CFO have concluded that, as of December 31, 2025, the Company's disclosure controls and procedures framework provides reasonable assurance that the information required to be disclosed by the Company in reports it files is recorded, processed, summarized and reported, within the appropriate time periods, and is accumulated and communicated to management, including the CEO and CFO, as appropriate to allow timely decisions regarding required disclosure. The design of any system of controls and procedures is based in part upon certain assumptions about the likelihood of future events. Therefore, even those systems determined effective can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

Changes in Internal Control over Financial Reporting

Management, including the CEO and CFO, has evaluated the Company's internal controls over financial reporting to determine whether any changes occurred during the period that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting. During the twelve months ended December 31, 2025, there have been no significant changes in internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting. Under the supervision and with the participation of management, including the CEO and CFO, management will continue to monitor and evaluate the design and effectiveness of its internal controls over financial reporting and disclosure controls and procedures, and may make modifications from time to time as considered necessary.

FINANCIAL INSTRUMENTS

The Company's financial instruments include cash and cash equivalents, accounts receivable, short-term investments, investments and trade payables, accrued liabilities, debt

and conditionally repayable debt. The fair value of each approximates the carrying value due to their short-term nature.

RISKS AND UNCERTAINTIES

The Company is exposed to various risks resulting from its operations. The Company's main risk exposure and its risk management policies are as follows:

Going Concern Risk

The principal risk faced in the development stage is the ability to raise project financing required to complete exploration and evaluation and develop a mineral deposit. The Company does not operate any producing properties and as such, is dependent on the ability to raise funds. Although the Company believes it has sufficient access to financial markets to support its intended work plan, failure to do so would result in future work being suspended or delayed. While the Company has been successful in securing financing to date, there can be no assurances that it will be able to do so in the future.

Environmental and Permitting Risk

The Company's activities involve the application for licenses and permits from government authorities and such activities are governed by various laws and regulations in Newfoundland and Labrador that cover the protection of the environment, land use, exploration, development, co-ordination of operations and infrastructure with third parties engaged in other activities on the lands, taxes, labour standards, occupational health, waste disposal, safety, and other matters. A breach of such legislation may result in imposition of fines and penalties in addition to potential cleanup costs. In addition, certain types of activities require approval from the relevant agencies prior to being undertaken. Environmental legislation is evolving in a direction of higher standards and enforcement. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of future operations.

The Company believes that it is in compliance with all material laws and regulations which currently apply to its activities. There can be no absolute assurance, however, that all permits which the Company may require for development activities and land use will be obtainable on reasonable terms or on a timely basis, or that such laws and regulations will not have an adverse effect on any exploration projects that the Company may undertake.

Business Risks

The Company is a mineral exploration company principally involved in the evaluation, exploration, development and production of mineral properties, which is an inherently high-risk activity. The business of exploring for, developing, acquiring, and producing minerals is

subject to many risks and uncertainties, several of which are beyond the control of the Company. These risks are operational, financial, legal, and regulatory in nature.

Operational risks include unsuccessful exploration and development activity, safety and environmental concerns, access to cost effective contract services, escalating industry costs and timelines for contracted services and equipment, product marketing and hiring and retaining qualified employees.

The Company is subject to financial risk as exploration and development is capital intensive. The Company has access to potential sources of funding including equity financing, and joint venture and strategic financing arrangements. Production at the Company's Ace gypsum mine has previously provided cash flow to mitigate some of these risks. The skills of management and staff in mineral exploration and development financing serve to mitigate these risks.

The Company is subject to a variety of regulatory risks that it does not control. Government and securities regulations are monitored to ensure compliance.

Financial Risk Factors

The Company has exposure to credit risk, liquidity risk and market risk. The source of risk exposure and how each is managed is outlined below:

Credit risk is the risk of loss associated with a counterparty's inability to fulfil its payment obligation. The Company is exposed to credit risk on its cash and accounts receivable. Cash is maintained on deposit with a major Canadian chartered bank. The Company believes its credit risk with respect to cash and accounts receivable is not significant.

Liquidity risk is the risk that the Company will not be able to meet its obligations as they come due. For the year ended December 31, 2025, the Company had a cash balance of \$5,965,954 and a positive working capital of \$6,631,061.

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates, and commodity prices will affect the Company's net loss or the value of its financial instruments.

Commodity price risk

The value of the Company's mineral exploration and development assets is partially related to the market price of metals and industrial minerals. The Company does not hedge this exposure to fluctuations in commodity prices. The Company's ability to continue with its exploration and development programs is also indirectly subject to commodity prices.

SUBSEQUENT EVENT

On February 12, 2026, 2,600,000 stock options were exercised by directors of Atlas Salt.

On February 12, 2026, Atlas granted 3,150,000 options at a grant price of \$0.98 per share. This was made up of 1,600,000 to directors, 1,150,000 to direct consultants and employees and 400,000 to a financial consultant.

The number of outstanding shares as of the date hereof is 110,667,906.

QUALIFIED PERSON

The technical information in this MD&A has been prepared in accordance with the Canadian regulatory requirements set out in National Instrument 43-101 and reviewed by Andrew Smith, P. Eng, Mine Project Director for Atlas Salt's Great Atlantic Salt Project, a qualified person.

ADDITIONAL INFORMATION

The Company's financial statements and all additional corporate disclosure documents relating to the Company are filed on SEDAR+ at www.sedarplus.ca. Additional information regarding the Company's projects and activities is available on the Company's website at www.atlassalt.com.



ATLAS SALT INC.

FINANCIAL STATEMENTS

For the years ended December 31, 2025, and 2024

April 28, 2026

ATLAS SALT INC.
December 31, 2025

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To the Shareholders of Atlas Salt Inc.:

Opinion

We have audited the financial statements of Atlas Salt Inc. (the "Company"), which comprise the statements of financial position as at December 31, 2025 and December 31, 2024, and the statements of net loss and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2025 and December 31, 2024, and its financial performance and its cash flows for the years then ended in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audits 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 Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the 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.

Key Audit Matters

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

Assessment of impairment indicators of mineral exploration and evaluation assets

Key Audit Matter Description

As described in Notes 4 and 8 to the financial statements, the total book value of mineral exploration and evaluation assets amounted to \$16.7 million as at December 31, 2025. At the end of each reporting period, management assesses each of its mineral resource properties to determine whether any indication of impairment exists. Judgment is required in determining whether indicators of impairment exist, including factors such as, the period for which the Company has the right to explore, expected renewals of exploration rights, whether substantive expenditures on further exploration and evaluation of resource properties are budgeted and results of exploration and evaluation activities on the exploration and evaluation assets.

Where an indicator of impairment exists, an estimate of the recoverable amount is made to determine the extent of the impairment, if any. No indicators of impairment were identified during the year.

We considered this to be a key audit matter due to the significance of the mineral exploration and evaluation assets and the level of judgment involved in management's assessment of indicators of impairment, which required significant auditor judgment in performing our audit procedures.

Audit Response

We responded to this matter by performing audit procedures relating to the assessment of impairment indicators of mineral exploration and evaluation assets. Our audit work in relation to this included, but was not restricted to, the following:

- Assessed the judgments made by management in determining the impairment indicators, which included the following:
 - Obtained and analyzed management's assessment of the indicators of impairment in accordance with IFRS 6 and discussed with management all facts and circumstances which could indicate an impairment of the asset balance. We also obtained a memo from management outlining the future plans for the properties and ensured that the memo addressed all properties and any potential impairment indicators in accordance with IFRS 6.
 - Obtained for all claims, by reference to a government registry, evidence to support the existence of the right to explore the area and the claim expirations.
 - Read minutes and resolutions of the board of directors and obtained approved budgets to evidence that continued and planned substantive expenditures on further exploration and evaluation of resource properties are budgeted and to evidence the expected renewals of exploration rights.
 - Assessed the results of exploration and evaluation activities on the mineral exploration and evaluation assets and whether any facts and circumstances suggest that the carrying amount may exceed the recoverable amount based on evidence obtained in other areas of the audit.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

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

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

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

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

In preparing the 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 financial statements, including the disclosures, and whether the 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 financial statements. We are responsible for the direction, supervision and review of the audit work performed for the 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 audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

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 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 Walter-Armando Gomez Figueroa.

Montréal, Quebec

April 28, 2026

MNP LLP¹

¹ By CPA auditor, public accountancy permit No. A142237

Atlas Salt Inc.**Statement of Financial Position****As at**

(in Canadian Dollars)

	Dec 31, 2025	Dec 31, 2024
	\$	\$
Assets		
Current Assets		
Cash and cash equivalents	5,965,954	8,032,910
Short-term investment	175,562	-
Accounts receivable	463,880	445,054
Prepaid expenses	747,750	134,871
	<u>7,353,146</u>	<u>8,612,835</u>
Right of use asset	1,412	18,360
Capital assets (Note 5)	885,831	740,640
Investments (Note 6)	1,372,649	811,142
Mineral exploration and evaluation (Note 7)	16,693,790	11,782,322
	<u>26,306,828</u>	<u>21,965,299</u>
Total Assets		
Liabilities		
Current		
Trade payables and accrued liabilities (Note 8)	688,259	1,448,666
Lease Liability	1,607	18,532
Current portion of long-term debt (Note 9)	32,219	10,360
Other liabilities	-	5,671
	<u>722,085</u>	<u>1,483,229</u>
Non-Current		
Asset retirement obligations (Note 11)	348,977	125,303
Lease liability	-	1,607
Long term debt (Note 9)	150,925	89,640
Conditionally repayable debt (Note 10)	591,622	-
	<u>1,091,524</u>	<u>216,550</u>
	<u>1,813,609</u>	<u>1,699,779</u>
Total Liabilities		
Shareholders' Equity		
Share capital (Note 12)	35,458,216	27,204,839
Warrants (Note 12)	181,499	2,678,079
Contributed surplus	7,747,965	5,564,649
Deficit	(18,894,461)	(15,182,047)
	<u>24,493,219</u>	<u>20,265,520</u>
	<u>26,306,828</u>	<u>21,965,299</u>
Total Liabilities and Shareholders' Equity		

Nature of operations (Note 1)

Approved on behalf of the Board of Directors

Nolan K. PetersonCarson Noel

Director, Chief Executive Officer

Director, Chair of Audit Committee

Atlas Salt Inc.
Statements of Net Loss and Comprehensive Loss
For the years ended
(in Canadian Dollars)

	12 Months Ending	
	December 31	
	2025	2024
	\$	\$
Expenses		
Management and subcontractor fees (Note 8)	1,162,971	646,723
Director's fees (Note 8)	50,000	60,000
Marketing and communications	407,329	32,751
Investor relations	3,750	13,268
Public company expenses	194,489	301,265
Office, consulting fees and other (Note 8)	1,492,893	440,135
Salaries and benefits	459,696	367,287
Conferences and travel	316,866	193,341
Share-based compensation (Note 13)	169,003	1,375,010
Right of use amortization	16,948	15,536
Depreciation (Note 5)	35,952	26,915
	4,309,897	3,472,231
Other Income (Expenses)		
Interest income	47,287	400,161
Interest on lease liability	(589)	(1,267)
Interest on long term debt (Note 9)	(10,723)	(614)
Loss from investment in associate	(215,137)	(709,145)
Gain on derecognition of associate (Note 6)	776,644	107,173
	597,482	(203,692)
Net and Comprehensive Loss	(3,712,415)	(3,675,923)
Net Loss per share (basic and diluted)	(0.037)	(0.038)
Weighted average number of common shares outstanding - basic and diluted	99,369,090	95,719,819

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

Atlas Salt Inc.**Statement of Changes in Equity**

(in Canadian Dollars)

	(Note 12)	(Note 12)	(Note 13)		Total Shareholders' Equity
	Share Capital	Warrants	Contributed Surplus	Deficit	
	\$	\$	\$	\$	\$
Balance, December 31, 2023	25,591,855	2,678,787	5,011,628	(11,506,123)	21,776,147
Net and comprehensive loss					
January 1, 2024 - December 31, 2024	-	-	-	(3,675,923)	(3,675,923)
Issuance of shares upon vesting of Performance and Restricted Share Units	1,527,684		(1,527,684)		-
Return of common shares to treasury	(78,183)	-	-	-	(78,183)
Exercise of options	156,525	-	(41,525)	-	115,000
Exercise of warrants	6,958	(708)	-	-	6,250
Share-based compensation	-	-	2,122,230	-	2,122,230
Balance, December 31, 2024	27,204,839	2,678,079	5,564,649	(15,182,046)	20,265,521
Net and comprehensive loss					
January 1, 2025 - December 31, 2025	-	-	-	(3,712,415)	(3,712,415)
Issuance of shares pursuant to Equity Raise	8,719,400	-	-	-	8,719,400
Issuance of warrants pursuant to Equity Raise	-	181,499	-	-	181,499
Issuance of shares upon vesting of Performance and Restricted Share Units	402,780	-	(402,780)	-	-
Share issuance costs	(890,172)				(890,172)
Return of common shares to treasury	(74,881)	-	-	-	(74,881)
Exercise of options	96,250	-	(41,250)	-	55,000
Expiration of warrants	-	(2,678,079)	2,678,079	-	-
Share-based compensation	-	-	(50,733)	-	(50,733)
Balance, December 31, 2025	35,458,216	181,499	7,747,965	(18,894,461)	24,493,219

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

Atlas Salt Inc.**Statement of Cash Flows****Year ended**

(in Canadian Dollars)

	Dec 31, 2025	Dec 31, 2024
	\$	\$
Operating Activities		
Net loss	(3,712,415)	(3,675,923)
Adjustment for non-cash items:		
Depreciation (Note 5)	35,952	26,915
Right of use asset	16,948	15,536
Lease accretion	589	1,267
Loss on investment in associate (Note 6)	215,137	709,145
Gain on derecognition of associate (Note 6)	(776,644)	-
Dilution gain	-	(107,173)
Share-based compensation (Note 13)	169,003	1,375,930
	(4,051,430)	(1,654,304)
Changes in non-cash working capital		
Accounts receivable	(18,826)	(269,817)
Prepaid expenses	(462,879)	(90,040)
Trade payables and accrued liabilities	(766,078)	992,445
Cash used in operating activities	(5,299,213)	(1,021,715)
Financing Activities		
Issuance of common shares and warrants (Note 12)	8,554,400	-
Share issuance costs (Note 12)	(890,172)	-
Return of common shares to treasury	(74,881)	(78,183)
Exercise of options	55,000	115,000
Exercise of warrants	-	6,250
Long term debt (Note 9)	-	100,000
Long term debt payments (Note 9)	(23,958)	-
Right of use lease payments	(19,122)	(15,024)
Conditionally repayable debt (Note 10)	591,622	-
Cash from financing activities	8,192,889	128,042
Investing Activities		
Purchase of capital assets	(74,042)	(381,465)
Mineral exploration and evaluation assets	(4,711,028)	(2,884,436)
Purchase of short-term investment	(175,562)	-
Cash used in investing activities	(4,960,632)	(3,265,901)
Net change in cash and cash equivalents for the year	(2,066,956)	(4,159,573)
Cash and cash equivalents, beginning of the year	8,032,910	12,192,483
Cash and cash equivalents, end of the year	5,965,954	8,032,910

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

1. NATURE OF OPERATIONS

Atlas Salt Inc. (the “Company”) is a mineral exploration company engaged in the evaluation and exploration of mineral properties in Newfoundland and Labrador. The Company’s principal asset is the Great Atlantic salt deposit project (the “Great Atlantic Salt Project”), located in the St. George’s Bay basin of Western Newfoundland.

The Company was formed on June 15, 2011, under the Alberta Business Corporations Act and was listed on the TSX Venture Exchange on August 17, 2012 under the symbol “RMK.” Its business address is 2 School Road, St. George’s, NL, A0N 1Z0. In 2021, approval was gained for the corporate continuance of the Company from the Province of Alberta to the Province of British Columbia. On August 24, 2021, the Company changed its name from Red Moon Resources Inc. to Atlas Salt Inc. to reflect the Company’s core business anchored by the Great Atlantic Salt Project. On September 1, 2021, the Company’s common shares commenced trading under its new symbol “SALT.” On November 19, 2025, the Company’s shares began trading on the OTCQX under the symbol “SALQF”. Since December 31, 2022, the Company’s shares had previously traded on the OTCQB under the symbol “REMRF.”

2. BASIS OF PRESENTATION

The Company prepares its financial statements in accordance with Canadian generally accepted accounting principles (“GAAP”) as set out in the Canadian Professional Accountants of Canada Handbook – Accounting – Part I (“CPA Canada Handbook”) which incorporates IFRS® Accounting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”), and IFRIC® interpretations issued by the IFRS Interpretations Committee.

These financial statements have been prepared on a historical cost basis, except for certain financial instruments, which are classified as fair value through profit or loss (“FVTPL”).

The Company’s presentation currency and the functional currency of all of its operations is the Canadian dollar, as this is the principal currency of the economic environment in which it operates. All the Company’s assets are located in Canada.

These financial statements were approved and authorized for issuance by the Board of Directors on April 28, 2026.

3. NEW AND AMENDED IFRS STANDARDS AND INTERPRETATIONS

Future applicable accounting standards

In May 2024, the IASB issued amendments to IFRS 9 and IFRS 7 - Financial Instrument Disclosures. The amendments clarify the timing of recognition and derecognition for a financial asset or financial liability, including clarifying that a financial liability is derecognized on the settlement date. Further, the amendments introduce an accounting policy choice to derecognize financial liabilities settled using an electronic payment system before the settlement date, if specific conditions are met. The amendments also require additional disclosures for financial instruments with contingent features and investments in equity instruments classified at fair value through other comprehensive income. These amendments are effective for annual reporting periods beginning on or after January 1, 2026. The Company is assessing the potential impact but does not anticipate any material impact to the financial statements.

In April 2024, the IASB issued IFRS 18 - Presentation and Disclosure in Financial Statements which sets out the overall requirements for presentation and disclosures in the financial statements. The new standard replaces IAS 1 and although much of the substance of IAS 1 will carry over into the new standard, the new standard will require presentation of separate categories of income and expense for operating, investing, and financing activities with prescribed subtotals for each new category. The new standard will also require disclosure and explanation of 'management-defined performance measures' in a separate note within the financial statements.

The new standard is effective for annual reporting periods beginning on or after January 1, 2027, including interim financial statements, and requires retrospective application. The Company is currently assessing the impact of the new standard.

4. MATERIAL ACCOUNTING POLICIES

Material Management Accounting Estimates and Judgments

The preparation of financial statements in accordance with IFRS requires management to make estimates, judgments, and assumptions regarding the reported amounts of assets and liabilities, and disclosures of contingent assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from the estimates. Material estimates and judgments made by management in the preparation of these financial statements are outlined below.

Fair value of investment in Triple Point Resources Ltd. ("Triple Point"): the determination of the fair value of financial instruments not quoted in an active market requires the use of valuation techniques. As at December 31, 2025, the Company holds an equity investment in Triple Point, a private company, for which there is no observable

market price. Accordingly, management has determined the fair value of this investment using a market approach. In applying the market approach, the Company used observable valuation multiples of comparable publicly traded companies operating in similar industries.

When determining fair value, the Company uses valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. The valuation techniques used by the Company to determine fair value are considered to be market approaches which include valuation techniques that use prices and other relevant information generated by market transactions involving identical or comparable assets, liabilities, or a group of assets and liabilities. The Company generally uses the most recent capital increases, financing rounds or subscriptions/term sheets to value this investment. Accordingly, management has determined the fair value of this investment using the transaction price of a private placement Triple Point completed during 2025. No events or transactions occurred between the date of the private placement and year-end that would indicate a change in fair value.

Determination of significant influence of associates: At the end of each reporting period, the Company assesses whether significant influence exists over its investment in associates. Judgment was required in determining whether it exercised significant influence over Triple Point. due to its ownership being less than 20%. The Company considered the following factors: representation on the board of directors or equivalent governing body of the investee, participation in policy-making processes, material transactions between the entity and its investee, interchange of managerial personnel and provision of essential technical information. As of August 11, 2025, the Company determined that it no longer exercised significant influence over Triple Point.

Mineral Exploration and Evaluation Assets: At the end of each reporting period, the Company assesses each of its mineral resource properties to determine whether any indication of impairment exists. Judgment is required in determining whether indicators of impairment exist, including factors such as, the period for which the Company has the right to explore, expected renewals of exploration rights, whether substantive expenditures on further exploration and evaluation of resource properties are budgeted and results of exploration and evaluation activities on the exploration and evaluation assets. No indications of impairment were identified at December 31, 2025.

Asset Retirement Obligations: The Company's exploration activities are subject to various laws and regulations governing the protection of the environment. The Company recognizes management's best estimate for asset retirement obligations in the period in which they are incurred. Actual costs incurred in future periods could differ materially from the estimates. Additionally, future changes to environmental laws and regulations, timing of estimated cash flows and discount rates could affect the carrying amount of this provision.

Share-Based Compensation: Management is required to make certain estimates when determining the fair value of stock options and equity incentives issued, including future volatility of the Company's share price, expected forfeiture rates, expected lives of the underlying securities, expected dividends, vesting period of performance share units and restricted share units and other relevant assumptions.

ACOA Provisional Loan: Provisional loans are recognized as financial liabilities when the entity becomes a party to the contractual provisions of the loan agreement. The initial fair value of the interest-free ACOA loan was determined by using a discounted cash flow analysis for the loan, which required a number of assumptions. An interest rate of 5.7% was used based on information from Scotiabank. Management estimated repayment to become effective as of June 1, 2031, upon commercial production by December 31, 2030.

Going Concern: When preparing financial statements, management is required to make an assessment of the entity's ability to continue as a going concern. This assessment requires management to estimate the Company's ability to meet current obligations and commitments over the upcoming 12 months.

Share-Based Compensation

The Company has an equity settled share-based compensation plan. The fair value of options is determined using a Black-Scholes option pricing model and is recognized as an expense over the vesting period, with a corresponding increase to contributed surplus. When options are exercised, the related contributed surplus and the proceeds received by the Company are credited to share capital. The Company estimates forfeitures at the grant date, and share-based compensation expense is recognized only for awards expected to vest. The estimate of forfeitures is reviewed periodically and revised as necessary, with any impact recognized immediately in profit or loss. Options forfeited during the period result in the reversal of any previously recognized share-based compensation expense related to those options.

Performance Share Units ("PSUs"), Deferred Share Units ("DSUs") and Restricted Share Units ("RSUs") are share-based awards granted under the Company's Equity Incentive Plan and may be settled in cash or common shares at the discretion of the Company.

The fair value of these equity instruments is determined at the grant date based on the fair value of the underlying common shares. For PSUs, the Company reassesses the estimated achievement date of the respective milestones at the end of each reporting period.

Compensation expense is recognized on a straight-line basis over the applicable vesting period, which for a PSU is the expected time to certify achievement of the underlying performance goals and for a DSU and a RSU is the specified service period. Forfeitures are recognized as they occur, with any previously recognized compensation expense reversed in the period of forfeiture.

Income Taxes

Income tax expense is comprised of current and deferred income tax. Current tax and deferred tax are recognized in earnings or loss except to the extent that they relate to items recognized directly in the statements of changes in shareholders' equity.

Current tax expense comprises the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to apply when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset tax liabilities and assets and they relate to income taxes levied by the same tax authority on either the same taxable entity, or on different taxable entities, which intend to settle tax liabilities and assets on a net basis or realize their tax assets and liabilities simultaneously.

A deferred tax asset is recognized for unused tax losses, unused tax credits and deductible temporary differences, to the extent that it is probable that future taxable income will be available against which the unused tax losses, unused tax credits and temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that all or part of the related tax benefit will be realized.

Earnings (Loss) Per Share

Basic net earnings (loss) per share is calculated by dividing net earnings (loss) by the weighted-average number of common shares outstanding during the period. Diluted net earnings (loss) per share is equivalent to basic earnings (loss) per share as the inclusion of outstanding options and warrants is anti-dilutive.

Cash and cash equivalents

Cash and cash equivalents consist of cash and short-term deposits with an original maturity of three months or less.

Short-term investments

Guaranteed investment certificates ("GICs") are short-term investments held with a chartered bank and are non-redeemable until the maturity date within a twelve-month or less period.

Grants

Government grants received or receivable in respect of mineral exploration and evaluation assets are reflected as a reduction of the cost of the mineral exploration and evaluation asset. Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. The Company uses the cost reduction method to account for government grants, under which the credits are applied against the expense or asset to which the government grant relates. The Company records mineral exploration and evaluation assets net of grant proceeds.

Investments

Investments in equity instruments are classified as fair value through profit or loss and are measured at fair value at each reporting date. Changes in fair value are recognized in net income (loss). Dividend income is recognized in net income (loss) when the Company's right to receive payment is established.

Investment in associate

An associate is an entity over which the Company has significant influence, and which is neither a subsidiary nor a joint venture.

Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. Significant influence is presumed to exist when the Company holds between 20% and 50% of the voting power of another entity, but can also arise where the Company holds less than 20% if it has the power to be actively involved and influential in policy decision affecting the entity.

An investment in associate is accounted for using the equity method. Under this method, investments in associates are carried in the statement of financial position at cost, adjusted for post-acquisition changes in the Company's share of the net assets of the associate, less any impairment losses. Losses in an associate in excess of the Company's interest in that associate are recognized only to the extent that the Company has incurred a legal or constructive obligation to make payments on behalf of the associate. Unrealized profits or losses on transactions between the Company and an associate are eliminated to the extent of the Company's interest therein.

The investment in an associate is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. Management assesses indications of impairment at the end of each reporting period. When the Company ceases to have significant influence over an associate, the investment is derecognized as an associate and subsequently accounted for in accordance with IFRS 9. Any

retained interest is remeasured at fair value at the date significant influence is lost, and any resulting difference between the carrying amount and fair value is recognized in profit or loss.

Mineral Exploration and Evaluation Assets

All costs directly associated with the exploration and evaluation of mineral properties are initially capitalized. Mineral exploration and evaluation costs are those expenditures for an area where technical feasibility and commercial viability has not yet been determined. These costs include unproved property acquisition costs, geological and geophysical costs, exploration and evaluation drilling, sampling, and appraisals. Costs incurred prior to acquiring the legal rights to explore an area are charged directly to net loss as exploration and evaluation expense. When an area is determined to be technically feasible and commercially viable, the accumulated costs are transferred to capital assets. When an area is determined not to be technically feasible and commercially viable or the Company decides not to continue with its activity, the unrecoverable costs are charged to net loss as exploration and evaluation expense.

Share-based compensation is capitalized to mineral exploration and evaluation assets based on the percentage of time spent working on mining projects during each quarter when such time relates to performing the activities listed above.

Incidental revenue and cost recoveries relating to mineral exploration and evaluation assets are recorded first as a reduction of the specific exploration and evaluation property to which the fees and payments relate, and any excess as other revenue on the statement of net loss and comprehensive loss.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount may exceed its recoverable amount. Indicators of impairment include, but are not limited to:

- The right to explore in a specific area has expired or will expire in the near future without renewal;
- Substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- Exploration for and evaluation of mineral resources in the area have not led to the discovery of commercially viable quantities and the entity has decided to discontinue such activities in the area, and;
- Sufficient data exists to indicate that the carrying amount of the asset is unlikely to be recovered in full from successful development or by sale.

If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognized for the amount by which the carrying amount exceeds the recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use.

Capital Assets

Capital Assets are recorded at cost. Depreciation is based on the estimated useful life using the declining balance method. Land is not depreciated. The Company has four classes of capital assets which are depreciated using the following rates:

Buildings	4%
Office Furniture	20%
Computer Equipment	30%
Light Duty Vehicles	30%

Asset Retirement Obligations

The Company recognizes a provision for retirement obligations associated with long-lived assets, which includes the abandonment and remediation costs required to return the property to its original condition.

The Company recognizes the fair value of the liability for an asset retirement obligation in the period in which it is incurred and records a corresponding increase in the carrying value of the related long-lived asset. Fair value is determined through a review of engineering studies, industry guidelines, and management estimates. Fair value is estimated using the present value of the estimated future cash outflows to remediate the abandoned assets at the asset's risk-free discount rate. The liability is subsequently adjusted for the passage of time and is recognized as an accretion expense in the statements of loss and comprehensive loss. The liability is also adjusted due to revisions in either the timing or the amount of the original estimated cash flows associated with the liability. If the retirement obligation relates to an area still in the exploration and evaluation stage, the retirement obligation is capitalized to the exploration and evaluation asset. Subsequent to original measurement, accretion expense is also capitalized to the exploration and evaluation asset.

Impairment of Long-lived Assets

The carrying amount of the Company's long-lived assets is assessed at each reporting period to determine whether there is any indication of impairment. If an indication of impairment exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. Assets are grouped at the lowest level at which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets (cash generating unit or "CGU"). A CGU may include certain aggregated long-lived assets. A CGU's recoverable amount is the higher of its fair value less costs to sell and its value in use. When the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount, with the impairment loss recognized in net loss for the reporting period. Where an

impairment subsequently reverses, the carrying amount of the asset is increased to the revised estimate of the recoverable amount, but only to the extent that this amount does not exceed the carrying amount that would have been recognized, net of depletion, depreciation, and amortization, had an impairment loss not been recognized in previous periods.

Share Issuance Costs

Share issuance costs are incremental costs directly associated with the issuance of common stock. These costs typically include fees paid to bankers or underwriters, lawyers, accountants, as well as other third parties. The share issuance costs are shown as a reduction of share capital.

Warrants

Share Purchase Warrants: Share purchase warrants were issued together with shares as units in the Company's 2023 non-brokered private placement. The shares issued to raise capital are classified in equity in accordance with IAS 32. The fair value of the proceeds of the units is allocated to separate components of equity (share capital and warrants), determined using a Black-Scholes model.

Compensation Warrants: Share purchase compensation warrants were issued to eligible brokers as part of the Company's Listed Issuer Financing Exemption ("LIFE") offering in October 2025. The fair value of the compensation warrants, determined using a Black-Scholes model, is allocated to equity (warrants).

Subsequent modifications to an entire class of share purchase warrants classified as equity are not subsequently remeasured.

Financial Instruments

The Company classifies its financial instruments in the following measurement categories: fair value through profit and loss (FVTPL); fair value through other comprehensive income (FVOCI); or amortized cost. Management determines the classification of its financial instruments at initial recognition.

The accounting policies related to these financial assets and liabilities are as follows:

Amortized Cost and Effective Interest Rate: The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments (including all fees, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Derecognition of Financial Assets: Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred, and the Company has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognized when the obligation specified in the contract is discharged, cancelled or expires.

Initial Recognition and Measurement: Financial instruments are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial instruments, other than financial instruments at FVTPL are added to or deducted from the fair value of the financial instrument, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial instruments at FVTPL are recognized immediately in net earnings.

Classification and Subsequent Measurement: A financial asset is subsequently measured at:

- **Amortized Cost:** if it is held for the purposes of collecting contractual cash flows with such cash flows solely comprising payments of principal and interest on the principal amount outstanding;
- **Fair Value Through Other Comprehensive Income:** if it is held for the purposes of collecting contractual cash flows and selling financial assets with such cash flows solely comprising payments of principal and interest on the principal amount outstanding; or irrevocably designated as such upon initial recognition; and
- **Fair Value Through Profit and Loss:** if it is neither classified as subsequently measured at amortized cost nor FVOCI; or irrevocably designated as such upon initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases.

The Company classifies its financial assets using the following measurement categories:

- FVOCI; or
- Amortized Cost

All financial assets are carried at amortized cost, except for the investments which are classified and measured at FVTPL. Liabilities carried at amortized cost will continue to be measured as outlined in measurement methods above.

Impairment of Financial Assets: Financial assets which are measured subsequent to initial recognition at amortized cost are assessed for indicators of impairment at the end of each reporting period. The amount of impairment loss, if any, is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate. The Company's financial assets carried at amortized cost consist only of cash and accounts receivable.

The Company's exposure to credit risk on its cash balance is mitigated as cash and cash equivalents are held with major financial institutions with strong credit ratings.

A loss allowance provision, which reflects the Company's estimate of credit losses, is applied to reduce the carrying amount of trade receivables and due from related parties. Subsequent recoveries of amounts previously provided for are credited against the allowance.

5. CAPITAL ASSETS

December 31, 2025

	Opening Cost	Additions	Closing Cost	Opening Depreciation	Depreciation	Closing Accumulated Depreciation	Net Book Value
Buildings	325,273	-	325,273	16,040	11,360	27,400	297,873
Land	373,118	74,041	447,159	-	-	-	447,159
Office Furniture	12,617	-	12,617	3,344	1,855	5,199	7,418
Computer equipment	76,574	-	76,574	27,561	14,704	42,265	34,309
Light Duty Vehicle	-	107,102	107,102	-	8,033	8,033	99,069
Total	787,582	181,143	968,725	46,945	35,952	82,897	885,828

December 31, 2024

	Opening Cost	Additions	Closing Costs	Opening Depreciation	Depreciation	Closing Accumulated Depreciation	Net Book Value
Buildings	286,740	38,533	325,273	5,735	10,304	16,039	309,235
Land	71,685	301,433	373,118	-	-	-	373,118
Office Furniture	12,617	-	12,617	1,262	2,082	3,344	9,274
Computer equipment	35,075	41,499	76,574	13,031	14,530	27,561	49,013
Totals	406,117	381,465	787,582	20,028	26,915	46,945	740,640

6. INVESTMENTS

	December 31, 2025	December 31, 2024
Balance beginning of the year	811,142	1,413,113
Share of net loss and comprehensive loss	(215,137)	(709,145)
Dilution gain	-	107,173
Gain on derecognition of associate	776,644	-
Balance end of the year	1,372,649	811,142

During the year ended December 31, 2024, the Company held an equity investment in Triple Point Resources Ltd. (“Triple Point”) over which it exercised significant influence and, accordingly, accounted for the investment as an associate.

On August 11, 2025, Triple Point closed a \$4.5M private placement of common shares. As a result of this financing and the associated dilution of the Company’s ownership interest, the Company determined that it no longer exercises significant influence over Triple Point. Accordingly, the investment no longer meets the definition of an associate. The investment is therefore accounted for in accordance with IFRS 9 Financial Instruments and is measured at FVTPL. Fair value was derived by multiplying the Company’s number of shares (27,452,980) by the Triple Point offering price of \$0.05 per share.

7. MINERAL EXPLORATION AND EVALUATION ASSETS

The Company has 20 mineral licences (December 31, 2024 – 20) which consist of 321 claims (December 31, 2024 – 321 claims), which are active and in good standing with the Department of Industry, Energy and Technology in the Province of Newfoundland and Labrador. These licences are in the exploration and evaluation stage. The Company has 3 mining leases (Ace Mining Lease #239, and Gypsum Waste Reclamation Mining Leases #241 and #242) registered with the Department of Department of Industry, Energy and Technology in the Province of Newfoundland and Labrador on mineral licences 022132M, 027059M and 0271060M situated near St. George’s, Western Newfoundland.

A summary of the costs of these licences is as follows:

December 31, 2025

	Balance, beginning of the year	Additions	Refunds	Incidental Revenue	Balance, end of the year
Mineral Exploration and Evaluation Assets	11,782,322	5,022,655	-	(111,187)	16,693,790

December 31, 2024

	Balance, beginning of the year	Additions	Refunds	Incidental Revenue	Balance, end of the year
Mineral Exploration and Evaluation Assets	8,162,295	3,620,027	-	-	11,782,322

Incidental revenue includes proceeds from the sale of gypsum from the Ace Gypsum mine which were netted against mineral exploration and evaluation assets. For the year ending December 31, 2025 mineral exploration costs include a share-based compensation reduction of \$217,243 (December 31, 2024 – \$747,220).

During the year, no indicators of impairment have been identified related to the Company's mineral exploration and evaluation assets.

8. RELATED PARTY TRANSACTIONS

Vulcan Minerals Inc. owned 27.02% of the Company's common shares at December 31, 2025 (December 31, 2024 – 29.79%), giving it significant influence over the Company. The following transactions were carried out with Vulcan Minerals Inc.:

Paid/payable (reimbursements and other) to Vulcan Minerals Inc. on behalf of the Company:	December 31, 2025	December 31, 2024
Mineral exploration and evaluation assets	8,911	26,857
Royalty	3,684	-
General and administrative expenses	815	31,914
Rent paid to a corporation which is controlled by a director of the Company	-	12,000
	13,410	70,771

Compensation for key management personnel, which includes the former President and Chief Executive Officer, former Chief Financial Officer and Directors, is as follows:

Paid/payable to members of key management and directors:	December 31, 2025	December 31, 2024
Directors' fees	50,000	60,000
Management and subcontractor fees	1,230,244	747,525
Compensation capitalized as mineral exploration and evaluation assets	111,044	185,393
Share-based compensation:		
General and administrative expenses	159,621	1,300,187
Mineral exploration and evaluation assets	(272,615)	564,294
	1,278,294	2,857,399

Trade payables and accrued liabilities include \$14,375 owing to related parties as at December 31, 2025 (December 31, 2024 – \$72,362).

9. LONG TERM DEBT

The Company has a loan with the Business Development Bank of Canada (BDC) bearing interest at 8.40%, payable in two separate monthly payments of Principal and Interest. Principal payments consist of a one-time principal payment of \$2,060, then \$1,660 monthly, beginning on July 23, 2025. Interest payments have been paid monthly since the loan's inception, and the loan matures on June 23, 2030. The loan is unsecured.

In June 2025, the Company financed a light duty vehicle through Scotiabank bearing interest at 5.52%. Combined principal and interest payments total \$1,429 monthly. The loan matures on June 16, 2032.

Long term debt	December 31, 2025	December 31, 2024
Balance beginning of the year	100,000	-
Additions	107,102	100,000
Payments made	(23,958)	-
Balance end of the year	183,144	100,000
Long term portion	150,925	89,640
Short term portion	32,219	10,360

Future minimum long-term debt payments are as follows:	
Fiscal year 2026	32,219
Fiscal year 2027	32,915
Fiscal year 2028	33,651
Fiscal year 2029	34,428
Fiscal year 2030	25,290
Fiscal year 2031	16,198
Fiscal year 2032	8,443

10. CONDITIONALLY REPAYABLE GOVERNMENT LOAN

The Company received \$1,000,000 in 2025 as a Contribution Agreement with Atlantic Canada Opportunities Agency (ACOA) under the REGI - Business Scale-Up and Productivity (BSP) program. This program is a national innovation program that was established to provide support to business productivity and scale-up. ACOA funded 50% of eligible costs to the maximum of \$1,000,000 in the form of a non-interest-bearing conditionally repayable contribution. Repayment on the contribution in 60 monthly installments of \$16,667, would commence six months after the Company enters commercial production at the Great Atlantic Salt Project. As of December 31, 2025, repayment is anticipated to commence in June 2031. The fair value of the funding presented on the statement of financial position of \$591,622 (\$nil - 2024) was determined using an incremental borrowing rate of 5.7% (prime rate plus 1.25% as indicated by Scotiabank). The difference between the cash received and the present value of the funding was recognized as a government grant applied against the Company's mineral exploration and evaluation assets.

11. ASSET RETIREMENT OBLIGATIONS

Upon termination of the Company's Ace Gypsum mine, the Company is required to satisfy certain asset retirement obligations including the removal of any equipment and the restoration of the land and premisses to their original condition. The total discounted cash flows estimated to settle the Company's asset retirement obligations as at December 31, 2025, was \$348,977 (December 31, 2024 – \$125,302). During the year, the Company recorded an increase in its asset retirement obligation reflecting updated cost estimates and assumptions related to the future reclamation and closure costs of the mine. The adjustment was recognized as an increase to the carrying amount of the mineral exploration and evaluation assets, with a corresponding increase to the asset retirement obligation. The estimated future cash flows have been discounted using a risk-free rate of 2.55% (December 31, 2024 – 2.92%) and an inflation rate of 2.4% (December 31, 2024 – 1.8%).

A reconciliation of the asset retirement obligation is provided below:

	December 31, 2025	December 31, 2024
Balance, beginning of the year	125,302	136,931
Provision Adjustment	223,675	(11,629)
Balance, end of the year	348,977	125,302

12. SHARE CAPITAL

Unlimited number of voting common shares.

Unlimited number of preferred shares, issuable in series.

Issued and Outstanding	December 31, 2025		December 31, 2024	
	Number of Common Shares	Share Capital	Number of Common Shares	Share Capital
Common Shares				
Balance, beginning of the year	96,967,117	27,204,839	94,768,785	25,591,855
Private placement – common shares	10,693,000	8,554,400	-	-
Private placement – shares issued in exchange for services	187,500	165,000		
Share issuance costs		(890,172)		
Issuance of shares upon vesting of Performance Share Units and Restricted Share Units	345,500	402,780	1,151,070	1,527,684
Return of common shares to treasury	(129,106)	(74,881)	(127,738)	(78,183)
Exercise of stock options	550,000	96,250	1,150,000	156,525
Exercise of warrants	-	-	25,000	6,958
Balance, end of the year	108,614,011	35,458,216	96,967,117	27,204,839

For the year ended December 31, 2025, there were 345,500 shares issued (December 31, 2024 – 1,151,070), as a result of Performance Share Units and Restricted Share Units that vested (Note 13) and 550,000 options exercised by related parties (2024 – 1,150,000). The return of 129,106 common shares was a related party transaction in 2025 (December 31, 2024 – 127,738).

Private Placement

Pursuant to a brokered Listed Issuer Financing Exemption (“LIFE”) private placement dated October 21, 2025, the Company issued 10,880,500 common shares at a price of \$0.80 per share for aggregate gross proceeds of \$8,704,400 (less \$890,172 attributed to share issuance costs). Included were 187,500 shares issued in exchange for services, which were measured at the invoice value of the services provided (\$150,000), representing management’s best estimate of fair value, and recognized as share-based compensation. In addition, 375,000 shares were issued to Vulcan Minerals Inc, in the amount of \$300,000.

In connection with the private placement, the Company issued 652,830 compensation warrants and paid a cash commission of 6% of the gross proceeds of the offering. The compensation warrants entitle the holder to acquire one common share of the Company at a price of \$0.80 for a period of two years.

Warrants

Issued and Outstanding	December 31, 2025		December 31, 2024	
	Number of Warrants	Weighted Average Exercise Price \$	Number of Warrants	Weighted Average Exercise Price \$
Warrants				
Balance, beginning of the year	2,850,000	2.40	2,875,000	2.38
Expired	(2,850,000)	2.40		
Exercised	-	-	(25,000)	0.25
Issued – finders’ warrants	652,830	0.80		
Balance, end of the year	652,830	0.80	2,850,000	2.40

	December 31, 2025	December 31, 2024
Balance, beginning of the year	2,678,079	2,678,787
Transferred to share capital upon exercise of warrants	-	(708)
Expiry of warrants	(2,678,079)	-
Issued for private placement	181,499	-
Balance, end of the year	181,499	2,678,079

Upon the expiration of warrants in 2025, the value of those warrants was all transferred to contributed surplus. The weighted average fair value of the warrants issued during 2025 were estimated on the dates of issuance to be \$0.28 (2024 – \$nil) using the Black-Scholes fair value option pricing model and the following weighted average assumptions:

	2025	2024
Expected volatility (%)	65.75%	-
Risk-free interest rate (%)	2.40%	-
Weighted-average expected life (years)	2.00	-
Fair value of share price on issue date	0.77	-
Dividend yield (%)	-	-

13. SHARE-BASED COMPENSATION

Stock Option Plan

The Company has a stock option plan under which directors, officers, management, consultants, and employees of the Company are eligible to receive stock options. The aggregate number of shares to be issued upon exercise of all options granted under the plan shall not exceed 10% of the issued shares of the Company at the time of granting the options. The number of shares which may be reserved for issuance in any 12-month period to any one individual may not exceed 5% of the issued shares or 2% if the optionee is a consultant, and the number of shares which may be reserved for issuance in any 12-month period to all optionees engaged in investor relations activities may not exceed 2% in the aggregate of the issued shares on a yearly basis. Options may be exercisable over periods of up to ten years, as determined by the Board of Directors of the Company and are required to have an exercise price no less than the closing market price of the Company's shares prevailing on the day that the option is granted less a discount of up to 25%, with the amount of the discount varying with market price in accordance with the policies of the TSXV.

Stock Options

Summary of Stock Options Outstanding and Exercisable	December 31, 2025		December 31, 2024	
	Number of Options	Weighted Avg Exercise Price \$	Number of Options	Weighted Avg Exercise Price \$
Outstanding, beginning of the year	4,000,000	0.79	5,825,000	0.77
Granted	1,200,000	0.49	-	
Expired	-	-	(802,738)	(1.53)
Exercised	(550,000)	(0.10)	(1,022,262)	(0.11)
Outstanding, end of the year	4,650,000	0.79	4,000,000	0.79
Outstanding and exercisable, end of the year	3,650,000	0.89	4,000,000	0.79

The weighted average of the exercise price on the date of exercise of options in 2025 was \$0.79 (2024 – \$0.79).

The weighted average remaining contractual life of outstanding options is 2.26 years (December 31, 2024 – 2.71 years). The weighted average remaining contractual life of exercisable options is 1.96 years (December 31, 2024 – 2.71 years). For the year ending December 31, 2025, 1,200,000 stock options were granted (2024 – nil).

On April 28, 2025, the Company granted 200,000 stock options to a director, with 100,000 options vesting immediately and 100,000 options vesting April 28, 2026. The stock price on the date of grant was \$0.46.

On June 9, 2025, the Company granted 400,000 stock options to an officer, with 200,000 vesting June 9, 2026, and 200,000 vesting June 9, 2027. The stock price on the date of grant was \$0.52.

On June 9, 2025, the Company granted 200,000 stock options to an officer, with 100,000 vesting June 9, 2026, and 100,000 vesting June 9, 2027. The stock price on the date of grant was \$0.52.

On July 15, 2025, the Company granted 400,000 stock options to a consulting company, with 100,000 options vesting October 15, 2025, 100,000 options vesting January 15, 2026; 100,000 options vesting April 15, 2026, and 100,000 stock options vesting July 15, 2026. The stock price on the date of grant was \$0.42.

The Company expensed share-based compensation related to options in the amount of \$127,003 in the year ending December 31, 2025 (December 31, 2024 – \$nil) and \$19,972 was capitalized to mineral exploration and evaluation assets (December 31, 2024 – \$nil). The weighted average fair value of the options issued during 2025 are outlined below, and were estimated on the dates of issuance, using the Black-Scholes fair value option pricing model and the following weighted average assumptions:

Grant Date	2025-04-28	2025-06-09	2025-07-15	2024
Weighted average fair value of options (\$)	0.19	0.35	0.08	-
Expected volatility (%)	76.06%	101.01%	60.28%	-
Risk-free interest rate (%)	2.57%	2.71%	2.83%	-
Weighted-average expected life (years)	3.00	5.00	1.00	-
Fair value of share price on issue date (\$)	0.395	0.47	0.42	-
Dividend yield (%)	-	-	-	-

Equity Incentive Plan

The Company has an equity incentive plan to provide the Company with a share-related mechanism to attract, retain and motivate qualified directors, employees, and consultants of the Company. The total number of shares reserved and available for grant and issuance, together with all the Company's other Security Based Compensation Arrangements, shall not exceed 10% (in aggregate) of the issued and outstanding shares of the Company. The aggregate number of awards granted to any one Participant in a 12-month period must not exceed 5% of the issued and outstanding shares or 2% for Consultants, calculated on the date an award is granted or issued to the participant, less the aggregate number of shares reserved for issuance to such person. The grant to Insiders (as a group), within a 12-month period of an aggregate number of awards must not exceed 10% of the issued and outstanding shares. Investor relations service providers may not receive any security-based compensation other than stock options.

Deferred Share Units (DSUs)

Summary of deferred share units (DSUs)	December 31, 2025		December 31, 2024	
	Number of DSUs	Weighted Average Price at Date of Grant \$	Number of DSUs	Weighted Average Price at Date of Grant \$
Outstanding, beginning of the year	1,000,000	0.72		
Granted	600,000	0.49	1,000,000	0.72
Forfeited	(200,000)	0.71		
Outstanding, end of the year	1,400,000	0.62	1,000,000	0.72

On January 5, 2024, the Company granted 150,000 DSUs to a director, with 50,000 vesting January 5, 2025, 50,000 vesting July 5, 2025, and 50,000 vesting January 5, 2026. The stock price on the date of the grant was \$0.70.

On July 16, 2024, the Company granted 850,000 DSUs to directors, with 425,000 vesting July 16, 2025, and 425,000 vesting January 16, 2026. The stock price on the date of grant was \$0.72.

On March 28, 2025, a Director resigned from the Board of Directors and surrendered 200,000 DSUs on that date. \$90,833 of expenses were reversed.

On September 19, 2025, the Company granted 600,000 DSUs to directors, with all vesting on September 19, 2026. The stock price on the date of grant was \$0.49.

The Company expensed share-based compensation related to DSUs in the amount of \$330,917 for the year ending December 31, 2025 (December 31, 2024 – \$330,833). None of these expenses were capitalized to mineral exploration and evaluation assets.

Restricted Share Units (RSUs)

Summary of restricted share units (RSUs)	December 31, 2025		December 31, 2024	
	Number of RSUs	Weighted Average Price at Date of Grant \$	Number of RSUs	Weighted Average Price at Date of Grant \$
Outstanding, beginning of the year	355,500	1.16	987,500	1.31
Granted	700,000	0.52	72,000	0.70
Forfeited	(48,000)	0.78	-	-
Vested and settled in shares	(307,500)	1.32	(704,000)	1.32
Outstanding, end of the year	700,000	0.51	355,500	1.16

On January 5, 2024, the Company granted 72,000 RSUs to an officer, with 40,000 vesting January 5, 2025, 16,000 vesting July 5, 2025, and 16,000 vesting January 5, 2026. The stock price on the date of the grant was \$0.70. On April 20, 2025, 32,000 RSUs were forfeited.

On June 9, 2025, the Company granted 500,000 RSUs to an officer, with 100,000 vesting June 9, 2026, 200,000 vesting June 9, 2027, and 200,000 vesting June 9, 2028. The stock price on the date of the grant was \$0.52.

On June 9, 2025, the Company granted 200,000 RSUs to an officer, with 50,000 vesting June 9, 2026, 75,000 vesting June 9, 2027, and 75,000 vesting June 9, 2028. The stock price on the date of the grant was \$0.52.

On June 20, 2025, an officer of the Company resigned and forfeited 16,000 RSUs.

The Company expensed the net of share-based compensation and those expenses related to the unvested forfeited RSUs in the amount of \$81,636 for the year ending December 31, 2025 (December 31, 2024 – \$477,191) and \$42,522 was capitalized to mineral exploration and evaluation assets (December 31, 2024 – \$354,674).

Performance Share Units (PSUs)

Summary of performance share units (PSUs)	December 31, 2025		December 31, 2024	
	Number of PSUs	Weighted Average Price at Date of Grant \$	Number of PSUs	Weighted Average Price at Date of Grant \$
Outstanding, beginning of the year	1,418,430	1.25	1,737,500	1.31
Granted	800,000	0.52	128,000	0.70
Forfeited	(1,208,000)	1.27	-	-
Exercised	(38,000)	0.70	(447,070)	1.34
Outstanding, end of the year	972,430	0.65	1,418,430	1.25

On January 5, 2024, the Company granted 128,000 PSUs to a consultant. These PSUs are based on performance indicators achieved and cannot vest prior to January 5, 2025. The stock price on the date of the grant was \$0.70. On April 20, 2025, 90,000 PSUs were forfeited and \$37,029 expenses reversed.

On March 19, 2025, an officer of the Company was terminated and 1,000,000 PSUs were forfeited. These PSUs had all vested and the stock price at the date of grant was \$1.36. Expenses reversed in the amount of \$412,916 and \$334,017 capitalized to mineral exploration and evaluation.

On June 9, 2025, the Company granted 600,000 PSUs to an officer. These PSUs are based on performance indicators achieved and cannot vest prior to June 9, 2026. The stock price on the date of the grant was \$0.52.

On June 9, 2025, the Company granted 200,000 PSUs to an officer. These PSUs are based on performance indicators achieved and cannot vest prior to June 9, 2026. The stock price on the date of the grant was \$0.52.

On June 20, 2025, an officer of the Company resigned and 118,000 PSUs were forfeited. These PSUs had vested and the stock price at the date of grant was \$0.95. Expenses reversed in the amount of \$31,752 and \$18,880 capitalized to mineral exploration and evaluation.

The Company expensed the net of share-based compensation and those expenses related to the unvested forfeited PSUs in the amount of \$(370,552) for the year ending December 31, 2025 (December 31, 2024 – \$566,985) and \$(282,230) was capitalized to mineral exploration and evaluation assets (December 31, 2024 – \$392,547). For the fiscal year 2025, there were 38,000 performance share units vested.

14. INCOME TAXES

Income Tax Rates

Income taxes differ from that which would be expected from applying the combined effective Canadian federal and provincial income tax rates of 30% (2024 - 30%) to net loss before income taxes as follows:

	2025	2024
	\$	\$
Expected income tax recovery	(1,113,724)	(1,102,777)
Change in unrecognized deferred tax asset	1,453,673	1,115,962
Permanent differences	(339,949)	(13,185)
Share based compensation costs	-	-
Deferred income tax expense	-	-

Deferred Income Tax (Liabilities) Assets

The Company's deferred income tax (liabilities) assets are as follows:

	2025	2024
	\$	\$
Deferred income tax liabilities		
Exploration and evaluation assets	(1,957,475)	(1,599,327)
Capital assets	(25,301)	(16,926)
Equity investments	(155,710)	(71,484)
	(2,138,486)	(1,687,737)
Deferred income tax assets		
Non-capital losses	2,138,486	1,687,737
	2,138,486	1,687,737
Net deferred income tax (liabilities) assets	-	-

The following deductible temporary differences have not been recognized in the financial statements.

	2025	2024
	\$	\$
Non-capital losses carried forward	12,739,027	8,976,540
Share issuance costs	1,184,708	844,351
Debit financing costs	571,982	-
Other	348,977	125,303
	14,844,694	9,946,194

Non-Capital Losses

The Company has non-capital losses amounting to \$19,867,314 (2024 - \$14,602,331) which are available to reduce taxable income of future years. These tax assets are not recognized for accounting purposes and the non-capital losses expire as follows:

Year	\$
2034	118,625
2035	150,364
2036	96,235
2037	83,668
2038	85,859
2039	-
2040	-
2041	1,316,311
2042	1,701,322
2043	6,831,073
2044	4,346,971
2045	5,136,886
	19,867,314

The Company also has Canadian exploration expenses of \$10,168,873 which may be deducted in determining taxable income of future years.

15. CAPITAL MANAGEMENT

The capital structure of the Company consists of equity comprising share capital, contributed surplus, warrants, and deficit. The Company's objective when managing capital is to safeguard its accumulated capital in order to maintain its ability to continue as a going concern and to fund exploration and development activities.

16. FINANCIAL INSTRUMENTS AND RELATED RISK MANAGEMENT

Fair Value of Financial Instruments

The carrying amount of cash and cash equivalents, short-term investment, accounts receivable, trade payable and accrued liabilities approximate their fair value due to their short-term nature. The Company's debt is recorded at its carrying amount which is reflective of fair value since the debt was assumed during the year and there have been no material changes in market interest rates. The Company does not have any other financial assets or liabilities.

The Company has exposure to credit risk, liquidity risk, market risk and commodity price risk. The source of risk exposure and how each is managed is outlined below:

Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfil its payment obligation. The Company is exposed to credit risk on its cash and cash equivalents and accounts receivable. Cash is maintained on deposit with a major Canadian chartered bank and the majority of the accounts receivable is with the Federal Government. The Company believes its credit risk with respect to cash and cash equivalents and accounts receivable is not significant.

Credit risk is the risk of financial loss if a customer fails to meet its contractual obligations. The Company manages this risk through established credit approval processes, ongoing monitoring of customer balances, and, where appropriate, requiring deposits or other forms of security.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they come due. As of December 31, 2025 the Company had a cash balance of \$5,965,954 and a positive working capital of \$6,631,061.

Market Risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates, and commodity prices will affect the Company's net loss or the value of its financial instruments. The Company has determined that a 1% increase or decrease in interest rates and foreign exchange rates would not have a material impact on these financial statements.

Commodity Price Risk

The recoverability of the Company's mineral exploration and evaluation assets is partially related to the market price of minerals and commodities. The Company does not hedge this exposure to fluctuations in commodity prices. The Company's ability to continue with its exploration programs is also indirectly subject to commodity prices.

17. SUBSEQUENT EVENTS

On February 12, 2026, 2,600,000 stock options were exercised by directors of Atlas Salt.

On February 12, 2026, Atlas issued 3,150,000 options at an exercise price of \$0.98 per share. This was made up of 1,600,000 to directors, 1,150,000 to direct consultants and employees and 400,000 to a financial consultant.