Skycap Investment Holdings Inc.

Amendment to Interim Financial Report - June 30,2026 for 06/30/2026 originally published through the OTC Disclosure & News Service on 08/25/2026

Explanatory Note:
Amended

SKYCAP INVESTMENT HOLDINGS INC.

(FORMERLY LI-METAL CORP.)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

THREE MONTHS ENDED JUNE 30, 2026 AND 2025

(EXPRESSED IN CANADIAN DOLLARS)

(UNAUDITED)

Management's Responsibility for Financial Statements

The accompanying unaudited condensed interim consolidated financial statements of Skycap Investment Holdings Inc. (formerly Li-Metal Corp.) (the "Corporation" or the "Company") are the responsibility of management and the Board of Directors.

The unaudited condensed interim consolidated financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the unaudited condensed interim consolidated financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the statement of financial position date. In the opinion of management, the unaudited condensed interim consolidated financial statements have been prepared within acceptable limits of materiality and are in compliance with all applicable International Financial Reporting Standards.

Management has established processes, which are in place to provide it with sufficient knowledge to support management representations that it has exercised reasonable diligence to ensure that (i) the unaudited condensed interim consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of, and for the periods presented by, the unaudited condensed interim consolidated financial statements and (ii) the unaudited condensed interim consolidated financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented by the unaudited condensed interim consolidated financial statements.

The Board of Directors is responsible for reviewing and approving the unaudited condensed interim consolidated financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the unaudited condensed interim consolidated financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the unaudited condensed interim consolidated financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company’s affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

(signed) "Brad Morris"	(signed) "Richard Halka"
Chief Executive Officer	Chief Financial Officer

Toronto, Canada
August 25, 2026

Skycap Investment Holdings Inc.
Condensed Interim Consolidated Statements of Financial Position
(Expressed in Canadian dollars)
(Unaudited)

	As at June 30, 2026	As at March 31, 2026
ASSETS		
Current assets		
Cash and cash equivalents	**$ 5,612,033**	$ 5,556,700
Sales tax and other receivables	**3,210**	28,449
Note receivable (note 5)	**424,305**	403,181
Prepaid expenses	**21,778**	21,778
Total current assets	**6,061,326**	6,010,108
Non-current assets		
Restricted cash (note 6)	**50,000**	50,000
Property and equipment (note 7)	**-**	111,512
Advance to investment (note 8)	**8,146,177**	5,812,563
Total assets	**$ 14,257,503**	$ 11,984,183
EQUITY AND LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	**$ 198,529**	$ 242,472
Total liabilities	**198,529**	242,472
Equity		
Share capital (note 11)	**45,442,102**	45,442,102
Warrants (note 12)	**4,285,927**	4,285,927
Contributed surplus	**6,832,579**	6,832,579
Accumulated other comprehensive loss	**(565,731)**	(241,404)
Deficit	**(41,935,903)**	(44,577,493)
Total equity	**14,058,974**	11,741,711
Total equity and liabilities	**$ 14,257,503**	$ 11,984,183

Going concern (note 2)
Commitments and contingencies (note 19)
Subsequent events (note 20)

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

Approved on behalf of the Board:

(Signed) "Keshav Kochhar", Executive Chairman of the Board

(Signed) "David Delaney", Director

Skycap Investment Holdings Inc.
Condensed Interim Consolidated Statements of (Loss) Income and Comprehensive (Loss) Income
(Expressed in Canadian dollars)
(Unaudited)

Three months ended June 30,	**2026**	**2025**
Revenue (note 9)	**$ 24,294**	$ -
Operating expenses		
Research and development	**3,620**	17,604
Salaries and wages (note 10)	**12,674**	46,751
Professional and consulting fees	**173,823**	739,949
Investor relations and reporting issuer cost	**14,405**	6,932
Office and general	**(3,580)**	39,506
Interest and bank charges	**155**	243
Foreign exchange loss (gain)	**(596,719)**	971,655
Amortization of property and equipment (note 7)	**-**	59,310
Amortization of right-of-use assets	**-**	9,536
Operating loss before the following items	**419,916**	(1,891,486)
Interest and other income	**58,418**	149,700
Change of fair value of Advance to investment (note 8)	**2,163,256**	-
Accretion of lease liability	**-**	(868)
Net income (loss) for the period	**2,641,590**	(1,742,654)
Other comprehensive (loss) income:		
Foreign currency translation adjustment	**(324,327)**	248,078
Total income (loss) and comprehensive income (loss) for the period	**$ 2,317,263**	$ (1,494,576)
Basic and diluted income (loss) per share (note 16)	**$ 0.02**	$ (0.01)
Weighted average number of common shares outstanding - basic and diluted	**174,849,165**	164,496,224

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

Skycap Investment Holdings Inc.
Condensed Interim Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)
(Unaudited)

Three months ended June 30,	2026	2025
Operating activities		
Net income (loss) for the period	**$ 2,641,590**	$ (1,742,654)
Adjustments for:		
Amortization of property and equipment	**-**	59,310
Amortization of right-of-use assets	**-**	9,536
Accretion of lease liability	**-**	868
Change of fair value of Advance to investment	**(2,163,256)**	-
Interest income accrued	**(12,942)**	(12,940)
Unrealized foreign exchange loss	**(178,540)**	40,628
Non-cash working capital items:		
Sales tax and other receivables	**25,239**	(111,057)
Prepaid expenses	**-**	14,987
Accounts payable and accrued liabilities	**(43,943)**	(18,923)
Net cash (used in) operating activities	**268,148**	(1,760,245)
Investing activities		
Proceeds from disposition of property and equipment	**111,512**	-
Repayment of lease liability	**-**	(18,517)
Purchase of note receivable	**-**	(5,689,131)
Net cash (used in) provided by investing activities	**111,512**	(5,707,648)
Effect of foreign currency translation	**(324,327)**	256,944
Net change in cash and cash equivalents	**55,333**	(7,210,949)
Cash and cash equivalents, beginning of the period	**5,556,700**	13,421,525
Cash and cash equivalents, end of the period	**$ 5,612,033**	$ 6,210,576

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

Skycap Investment Holdings Inc.
Condensed Interim Consolidated Statements of Changes in Equity
(Expressed in Canadian dollars)
(Unaudited)

	Number of shares	Share capital	Warrant reserve	Contributed surplus	Accumulated other comprehensive loss	Deficit	Total
Balance, March 31, 2025	**164,496,224**	**$ 44,707,984**	**$ 4,285,927**	**$ 6,982,608**	**$ (262,516)**	**$ (41,011,120)**	**$ 14,702,883**
Net (loss) income and comprehensive (loss) income for the period	-	-	-	-	248,078	(1,742,654)	(1,494,576)
Balance, June 30, 2025	**164,496,224**	**$ 44,707,984**	**$ 4,285,927**	**$ 6,982,608**	**$ (14,438)**	**$ (42,753,774)**	**$ 13,208,307**
Balance, March 31, 2026	**174,849,165**	**45,442,102**	**4,285,927**	**6,832,579**	**(241,404)**	**(44,577,493)**	**11,741,711**
Net (loss) income and comprehensive (loss) income for the period	-	-	-	-	(324,327)	2,641,590	2,317,263
Balance, June 30, 2026	**174,849,165**	**$ 45,442,102**	**$ 4,285,927**	**$ 6,832,579**	**$ (565,731)**	**$ (41,935,903)**	**$ 14,058,974**

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

1. Nature of operations

Nature of operations

2555663 Ontario Limited ("Li-Metal" or the "Company") was incorporated under the Business Corporations Act (Ontario) on January 17, 2017. Li-Metal was a company that leverages its innovative anode technology to provide low-cost and environmentally-friendly solutions for next generation lithium batteries. On December 2, 2024, Li-Metal announced its intention to transition from a lithium anode development and production company to an investment company. On March 28, 2025, the Company announced that it has received shareholder and Canadian Securities Exchange (the "CSE") approval to transition its business classification from an industrial issuer to an investment issuer. In line with this strategic shift, the Company rebranded from “Li-Metal Corp.”, the current listed issuer, to Skycap Investment Holdings Inc., effective immediately, trading on the CSE under the symbol SKY.

The Company operates from Toronto, Canada and also through its wholly owned subsidiary: Li-Metal US Inc. incorporated in Albany NY, USA. The address of the registered office is 77 King Street West. TD North Tower Suite 700, Toronto, ON M5K 1G8.

2. Going concern

The Company is in the early stages of operation and at present, its operations do not generate positive cash flows. For the three months ended June 30, 2026, the Company had a net income of $2,641,590 (2025 - net loss of $1,742,654) and had an accumulated deficit of $41,935,903 as at June 30, 2026 (March 31, 2026 - $44,577,493).

The Company’s ability to continue as a going concern is dependent on its capacity to obtain adequate financing on reasonable terms from lenders, shareholders and other investors in order to fund its ongoing operating requirements, pursue investment opportunities and execute its strategic objectives. Although the Company has been successful in raising funds in the past, the Company does not currently generate positive cash flows from operations, and there is no assurance that it will be able to successfully complete financings in the future. If sufficient financing is not available, the Company may be unable to meet its obligations as they become due or pursue its planned investment activities. These factors indicate the existence of a material uncertainty that may cast significant doubt on the Company’s ability to continue as a going concern. After reviewing the Company’s current cash position and considering its ability to raise funds in the short term, the directors have adopted the going concern basis in preparing these financial statements.

The accompanying unaudited condensed interim consolidated financial statements do not include any adjustments relating to the recoverability of assets and to the reclassification of asset and liability amounts that might be necessary should the Company be unable to continue its operations. Such adjustments could be material.

3. Basis of presentation and statement of compliance

These unaudited condensed interim consolidated financial statements have been prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board, and with interpretations of the International Financial Reporting Interpretations Committee which the Canadian Accounting Standards Board has approved for incorporation into Part 1 of the Chartered Professional Accountants of Canada Handbook – Accounting, as applicable to the preparation of condensed interim financial statements, including International Accounting Standard 34, “Condensed Interim Financial Reporting”. Accordingly, certain disclosures included in annual financial statements prepared in accordance with IFRS have been condensed or omitted and these unaudited condensed interim financial statements should be read in conjunction with the Company’s audited financial statements for the year ended March 31, 2026.

3. Basis of presentation and statement of compliance (continued)

The preparation of condensed interim consolidated financial statements in conformity with IAS 34 requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The interim results are not necessarily indicative of results for a full year. The critical judgments and estimates applied in the preparation of the Company's condensed interim consolidated financial statements are consistent with those applied to the Company's consolidated financial statements for the year ended March 31, 2026.

These unaudited condensed interim consolidated financial statements were authorized for issuance by the Board of Directors of the Company on August 25, 2026.

4. Changes in accounting policies and standards

New standards and interpretations not yet adopted

Amendment to IAS 21: Lack of Exchangeability has been published by IASB to specify how to assess whether a currency is exchangeable or not and how to determine the exchange rate when it is not, which is effective as of January 1, 2025.

Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)
In May 2024, the IASB issued amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments – Disclosures. The amendments clarify the derecognition of financial liabilities and introduces an accounting policy option to derecognize financial liabilities that are settled through an electronic payment system. The amendments also clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features and the treatment of non-recourse assets and contractually linked instruments (CLIs). Further, the amendments mandate additional disclosures in IFRS 7 for financial instruments with contingent features and equity instruments classified at FVOCI. The amendments are effective for annual periods starting on or after January 1, 2026. Retrospective application is required and early adoption is permitted.

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

(Expressed in Canadian dollars)

5. Note receivable

Balance, March 31, 2025	**$**	**361,911**
Interest income accrued		51,825
Impact of foreign exchange		(10,555)
Balance, March 31, 2026	**$**	**403,181**
Interest income accrued		12,942
Impact of foreign exchange		8,182
Balance, June 30, 2026	**$**	**424,305**

On March 14, 2025, the Company issued a US$250,000 note receivable to a third party (the "Borrower"). The note bore interest at 15% per annum and was originally repayable on March 14, 2026. On March 14, 2026, the parties entered into a First Amending Agreement extending the maturity date to March 14, 2027. The note continues to bear interest at 15% per annum, compounded monthly, until repaid or converted in full, subject to an interest rate of 15% per annum. During the three months ended June 30, 2026, the Company accrued $12,942 interest income (three months ended June 30, 2025 - $12,940).

The Company may, at any time before full repayment of this note receivable choose to convert any or all outstanding principal and accrued interest into equity of the Borrower. To do so, the Company must provide written notice specifying the amount to be converted (the “Conversion Amount”). Upon conversion, the Borrower shall issue equity to the Company, and the Conversion Amount will be considered fully paid. The Company's conversion price shall be set at a 50% discount to the Borrower’s valuation in a Liquidity Event (as defined below). A Liquidity Event includes:

1. A merger, acquisition, or sale of more than 50% of the Borrower’s voting equity.
2. A sale or disposal of all or most of the Borrower’s assets.
3. An initial public offering (IPO) or stock market listing.
4. An investment raising at least £1,000,000, excluding this Note.

The note receivable is classified as FVTPL and recorded at its fair value on initial recognition.

On March 14, 2026, the Company entered into a First Amending Agreement relating to the note receivable. Under the amendment, the maturity date of the note was extended by twelve months from March 14, 2026 to March 14, 2027. The note continues to bear interest at 15% per annum, compounded monthly, until repaid or converted in full. As security for the obligations under the note, the obligors granted the Company a first-ranking charge over and pledge of their equity interests in EVTEC Group Holdings Limited and certain other companies within the EVTEC group. The Company’s conversion rights remain in effect. The Company may elect, on or before a liquidity event, to convert all or a portion of the outstanding obligations into equity at a conversion price equal to a 50% discount to the applicable valuation established in the liquidity event.

6. Restricted cash

The Company has a corporate credit card with a major financial institution with a credit limit of $50,000. As at June 30, 2026, the financial institution holds $50,000 in a Guaranteed Investment Certificate (March 31, 2026 - $50,000) as collateral on the credit card amount as long as the credit card is alive. The restricted cash amount would change if there was any change in the credit limit on the card.

(Expressed in Canadian dollars)

7. Property and equipment

Cost	Equipment	Leasehold improvement	Total
Balance, March 31, 2025	$ 2,055,913	$ 153,468	$ 2,209,381
Impairment (ii)	(761,274)	(148,803)	(910,077)
Foreign exchange	(10,850)	(4,665)	(15,515)
Balance, March 31, 2026	1,283,789	-	1,283,789
Disposition (ii)	(1,283,789)	-	(1,283,789)
Balance, June 30, 2026	$ -	$ -	$ -

Accumulated depreciation	Equipment	Leasehold improvement	Total
Balance, March 31, 2025	$(1,179,289)	$ (78,534)	$(1,257,823)
Amortization	-	(33,174)	(33,174)
Impairment (ii)	-	109,606	109,606
Foreign exchange	7,012	2,102	9,114
Balance, March 31, 2026	(1,172,277)	-	(1,172,277)
Disposition (ii)	1,172,277	-	1,172,277
Balance, June 30, 2026	$ -	$ -	$ -

Net book value	Equipment	Leasehold improvement	Total
Balance, March 31, 2026	$ 111,512	$ -	$ 111,512
Balance, June 30, 2026	$ -	$ -	$ -

(i) During the three months ended June 30, 2026, the equipment has not been in use and no amortization was recorded.

(ii) During the year ended March 31, 2026, the Company determined that certain all equipment would be disposed of and accordingly recorded an impairment charge of $761,274 to reduce the carrying value of the equipment to its estimated recoverable amount of $111,512 (US$80,000). During the three months ended June 30, 2026, the Company completed the sale of the equipment for proceeds of $111,512 (US$80,000). In addition, during the year ended March 31, 2026, the Company impaired leasehold improvements to $nil following the abandonment of the leased premises and recognized an impairment charge of $39,197.

8. Advance to Investment

On May 9, 2025, the Company made a Simple Agreement for Future Equity ("SAFE") investment in CLN Global Inc. ("Clean Metals"), a Canadian-based environmental services and critical materials company focused on the recovery of metals from hazardous waste streams, end-of-life vehicles, and industrial by-products for $5,812,563 (US$4,170,000). As at March 31, 2026, the shares of Clean Metals have not been issued to the Company yet.

The fair value was considered equal to the transaction price on initial recognition, and no observable changes in facts or circumstances occurred between that date and March 31, 2026 that would affect the fair value measurement, other than fluctuations in the CAD/USD exchange rate.

On April 13, 2026, the Company and CLN Global Inc. entered into an amending agreement relating to the SAFE originally issued on May 9, 2025 in respect of the Company’s investment of US$4,170,000.

The amendment provides that the SAFE will automatically convert upon completion of a financing undertaken principally to raise capital under which CLN Global Inc. issues shares at a fixed pre-money valuation of at least US$10,000,000 and receives gross cash proceeds of at least US$4,000,000, excluding the conversion of convertible instruments.

The amendment also specifically provides for conversion upon a qualified financing under which CLN Global Inc. issues shares at a fixed pre-money valuation of at least US$12,500,000 and receives gross proceeds of at least US$4,000,000, excluding the conversion of convertible instruments. Conversion in connection with such qualified financing is conditional upon the Company, acting reasonably, being satisfied that the financing has been duly completed. The Company is entitled to review supporting evidence, including executed financing documents, evidence of receipt of the minimum proceeds and an updated capitalization table.

Upon conversion, the Company will receive shares of the same class issued in the applicable financing. The number of shares issued will equal the SAFE purchase amount divided by the applicable conversion price.

The amendment also revised the definition of conversion price such that the applicable price is determined using the calculation that results in the greatest number of shares to the Company, based on the valuation cap, the financing price or, in the case of a liquidity event, the applicable liquidity event price adjusted by the contractual discount rate. All other material terms of the SAFE remain in effect.

In June 2026, Clean Metals completed a financing of common shares at US$1.25 per share which qualified the conversion of the SAFE into Clean Metals shares. During the three months ended June 30, 2026, the Company recorded a change of fair value of advance to investment of $2,163,256 (three months ended June 30, 2025 - $nil) for fair value of $8,146,177 as at June 30, 2026 (March 31, 2026 - $5,812,563) based on 4,586,166 shares of Clean Metals at a price of US$1.25 per share.

On August 10, 2026, the SAFE was converted in accordance with its terms into 4,586,166 class A common shares of Clean Metals at a price of approximately US$0.90926 per share (note 20).

(Expressed in Canadian dollars)

9. Revenue

During the three months ended June 30, 2026, the Company recognized revenue of $24,294 (three months ended June 30, 2025 - $nil) representing income from subleasing facility of the Company in US.

10. Related party balances and transactions

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

Related party transactions conducted in the normal course of operations are measured at the exchange value (the amount established and agreed to by the related parties) and approved by the Board of Directors in strict adherence to conflict of interest laws and regulations.

Three months ended June 30,	2026	2025
Director fees	**$ 49,179**	$ 33,333
Salaries and short-term employment	**91,013**	195,700
Share-based compensation	**-**	-
Total	**$ 140,192**	$ 229,033

11. Share capital

a) Authorized share capital

The authorized share capital consisted of an unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

b) Common shares issued

At June 30, 2026, the issued share capital amounted to $45,442,102. The changes in issued share capital for the periods were as follows:

	Number of common shares	Amount
Balance, March 31, 2025 and June 30, 2025	164,496,224	$ 44,707,984
Shares issued in settlement of RSUs (i)	10,352,941	734,118
Balance, March 31, 2026 and June 30, 2026	174,849,165	$ 45,442,102

(i) On July 24, 2025, the Company issued 10,352,941 common shares in exchange for RSU units in the amount of $734,118 and brought the total issued and outstanding shares to 174,849,165, the outstanding RSU units to 882,353 and share capital to $45,442,102.

(Expressed in Canadian dollars)

12. Warrants

	Number of warrants		Weighted average exercise price
Balance, March 31, 2025, June 30, 2025, March 31, 2026 and June 30, 2026	23,582,250	$	0.630

As at June 30, 2026, the warrants outstanding are as follows:

Remaining Contractual Life (years)	Number of Warrants	Exercise Price ($)	Expiry Date
2.22	21,000,000	0.627	September 19, 2028
0.84	2,582,250	0.630	May 1, 2027
2.07	23,582,250	0.627	

13. Stock options

The Company's stock option plan is available to its directors, officers, employees and service providers. All issuances, including the vesting and exercise periods, are approved by the Board.

	Number of options		Weighted average exercise price
Balance, March 31, 2025 and June 30, 2025	4,921,766	$	0.22
Expired	(2,841,766)		0.18
Balance, March 31, 2026 and June 30, 2026	2,080,000	$	0.36

(Expressed in Canadian dollars)

13. Stock options (continued)

As at June 30, 2026, the stock options outstanding are as follows:

Remaining Contractual Life (years)	Exercisable Options	Number of Options	Exercise Price ($)	Expiry Date
0.25	1,980,000	1,980,000	0.31	October 1, 2026
0.72	100,000	100,000	1.43	March 21, 2027
0.28	2,080,000	2,080,000	0.36	

During the three months ended June 30, 2026, the Company recognized a total share-based payments expense of $nil (three months ended June 30, 2025 – $nil).

The Company amortizes the estimated grant date fair value of stock options to expense over the vesting period (generally three years). The grant date fair value of outstanding stock options was determined using the Black-Scholes option pricing model and the following assumptions in the year of the grant: risk-free interest rate (based on Canadian government bond yields), expected volatility of the market price of the Company's shares (estimated based on industry average), and the expected option life (in years) (based on historical option holder behavior).

14. Restricted share units

	Number of RSUs
Balance, March 31, 2025 and June 30, 2025	11,235,294
Settled	(10,352,941)
Balance, March 31, 2026 and June 30, 2026	882,353

During the year ended March 31, 2025, the Company granted to certain officers and directors of the Company an aggregate of 10,000,000 RSUs with vesting over a three year period with one third vesting in each period in 12, 24 and 36 months starting from the date of the grant. All RSUs vested during the year ended March 31, 2026 in accordance with the terms of the RSU plan following the Company's change of business. As at June 30, 2026, 882,353 vested RSUs remained outstanding and the related common shares had not yet been issued.

During the three months ended June 30, 2026, the Company recognized as share-based payment expense of $nil (three months ended June 30, 2025 - $nil).

On July 24, 2025, the Company issued 10,352,941 common shares in exchange for RSU units in the amount of $734,118 and brought the total issued and outstanding shares to 174,849,165, the outstanding RSU units to 882,353 and share capital to $45,442,102.

(Expressed in Canadian dollars)

15. Financial instruments

Fair Value

The carrying amounts of cash and cash equivalents, sales tax and other receivables and accounts payable and accrued liabilities approximate their fair values due to the short-term nature of these instruments. The Company's advance to investment and note receivable are measured at fair value through profit or loss and are classified within Level 3 of the fair value hierarchy, as their fair values are based on significant unobservable inputs and there are no quoted market prices in active markets for these instruments.

The fair values of the advance to investment and note receivable were determined using valuation techniques that incorporate significant unobservable inputs. As at June 30, 2026, management determined that the carrying amounts of these instruments represented their best estimate of fair value. There were no transfers between levels of the fair value hierarchy during the three months ended June 30, 2026.

Credit Risk

Credit risk is the risk of a financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligation. The Company estimates its maximum exposure to be the carrying value of cash and cash equivalents and receivables.

The Company manages credit risk by maintaining bank accounts with Schedule 1 Canadian banks and investing only in Guaranteed Investment certificates. The Company’s cash is not subject to any external limitations.

Liquidity Risk

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they fall due. The Company's liquidity and operating results may be adversely affected if its access to capital markets is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. The Company has historically generated cash flow from its financing activities. The Company manages liquidity risk through the management of its capital structure and financial leverage. As at June 30, 2026, the Company's current liabilities comprise accounts payable, accrued liabilities. The Company will require additional funding to fund its ongoing operating requirements, pursue investment opportunities and execute its strategic objectives.

The following table shows the maturity date of the Company's financial liabilities as at June 30, 2026:

	Total	Less than 1 year	1 to 2 years	Beyond 2 years
Accounts payable and accrued liabilities	$ 198,529	$ 198,529	$ -	$ -

(Expressed in Canadian dollars)

15. Financial instruments (continued)

Market Risk

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

Price risk

Price risk is the risk that the fair value of future cash flows of the Company's financial instruments will fluctuate because of changes in market prices. The Company is not exposed to price risks.

Interest rate risk
Interest rate risk is the risk that the fair values and future cash flows of the Company will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk to the extent that the cash and cash equivalents and term deposits, if any, maintained at financial institutions is subject to a floating rate of interest. The interest rate risk on cash is not considered significant.

Currency risk
Currency risk is the risk that the fair values or future cash flows of the Company's financial instruments will fluctuate because of changes in foreign currency exchange rates. The Company is exposed to currency risk through financial assets and liabilities denominated in currencies other than the Canadian dollar, the Company's presentation currency. The Company's financial instruments denominated in currencies that are not the Canadian dollar as at June 30, 2026 are as follows:

	US dollar	C$Equivalent
Cash and cash equivalents	$ 3,912,171	$ 5,559,195
Note receivables	298,596	424,305
Accounts payable and accrued liabilities	10,697	15,200

The Company's sensitivity analysis suggests that a 10% depreciation or appreciation of the foreign currencies against the Canadian dollar would have resulted in an approximate $599,870 decrease or increase in the Company's total comprehensive income or loss.

As at June 30, 2026, US dollar amounts have been translated at a rate of C$1.421 per US dollar.

16. Net income (loss) per common share

The calculation of basic and diluted income (loss) per share for the three months ended June 30, 2026 was based on the income attributable to common shares of $2,641,590 and the weighted average number of common shares outstanding of 174,849,165. The calculation does not include the impact of warrants of 23,582,250, stock options of 2,080,000 and RSUs of 882,353 as they are out of the money (three months ended June 30, 2025 - warrants of 23,582,250, stock options of 4,921,766 and RSUs of 11,235,294 as they were anti-dilutive).

(Expressed in Canadian dollars)

17. Segmented information

Operating segments are reported in a manner consistent with internal reporting provided to the chief operating decision maker. The chief operating decision maker is responsible for allocating resources and assessing performance of the operating segments and has been identified as the Company's CEO. During the three months ended June 30, 2026, the Company has one (three months ended June 30, 2025 - one) business operating segment and two (March 31, 2025 – two) geographical operating segments.

The Company's reportable segments are based on the geographic region for the Company's operations and include Canada and US.

As at June 30, 2026	**US**	**Canada**	**Total**
Current assets	$ 165,202	$ 5,896,124	$ 6,061,326
Restricted cash	-	50,000	50,000
Property and equipment	-	-	-
Investments	-	8,146,177	8,146,177
Total assets	$ 165,202	$ 14,092,301	$ 14,257,503
Total liabilities	$ 6,126	$ 192,403	$ 198,529

As at March 31, 2026	**US**	**Canada**	**Total**
Current assets	$ 21,340	$ 5,988,768	$ 6,010,108
Restricted cash	-	50,000	50,000
Property and equipment	111,512	-	111,512
Investments	-	5,812,563	5,812,563
Total assets	$ 132,852	$ 11,851,331	$ 11,984,183
Total liabilities	$ 5,403	$ 237,069	$ 242,472

Three months ended June 30, 2026			
Net income for the period	$ 27,629	$ 2,613,961	$ 2,641,590

Three months ended June 30, 2025			
Net loss for the period	$ (59,158)	$ (1,683,496)	$ (1,742,654)

18. Capital risk management

The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and
- to maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis.

The Company considers its capital to be equity, which comprises share capital, warrants, contributed surplus, accumulated other comprehensive loss and deficit, which at June 30, 2026, totaled $14,058,974 (March 31, 2026 - $11,741,711).

The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is updated based on activities related to its operations and research and development activities. Selected information is provided to the Board of Directors of the Company. The Company's capital management objectives, policies and processes have remained unchanged during the period ended June 30, 2026.

19. Commitments and contingencies

Li-Metal US Inc. was engaged in litigation with its former CEO. On February 10, 2026, the parties signed a Settlement Agreement and Release of Claims. This resulted in a full and final settlement of all disputes between the parties as of the Effective Date, February 10, 2026. No damages were rewarded, and each party is responsible for their own legal expenses.

20. Subsequent events

(i) On July 9, 2026, the Company entered into a definitive business combination agreement (the "Business Combination Agreement") with STRYK Brands Inc. ("STRYK"), pursuant to which the parties have agreed to complete a business combination involving a "three-cornered" amalgamation of STRYK with a wholly-owned subsidiary of Skycap, incorporated solely for the purposes of the transaction ("Subco") that will have the effect of Skycap acquiring all of the issued and outstanding common shares (the "STRYK Shares") and other securities of STRYK in exchange for securities of Skycap, and resulting in the reverse takeover of Skycap by STRYK (the "Proposed Transaction").

(ii) On July 29, 2026, the Company announced that its board of directors has approved the grant of an aggregate of 1,000,000 RSUs to a director of the Company, in recognition of services provided to the Company, in accordance with the Company's equity incentive plan. Each RSU, upon vesting, entitles the holder to receive one common share of the Company. The RSUs vest on July 21, 2028 or immediately in certain circumstances. The grant of the RSUs is also subject to approval of the Canadian Securities Exchange (the "CSE") and compliance with all applicable securities laws and regulations.

(iii) On August 10, 2026, the SAFE was converted in accordance with its terms into 4,586,166 class A common shares of Clean Metals at a price of approximately US$0.90926 per share.