VOLT
LITHIUM CORP

(formerly Allied Copper Corp)

CONSOLIDATED FINANCIAL STATEMENTS

For the years ended June 30, 2023 and 2022

(Expressed in Canadian Dollars)

DeVISSER GRAY LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

401-905 West Pender St
Vancouver BC V6C 1L6
www.devissergray.com
t 604.687.5447
f 604.687.6737

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Volt Lithium Corp.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Volt Lithium Corp. (the "Company"), which comprise the consolidated statements of financial position as at June 30, 2023 and 2022, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2023 and 2022 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company has incurred losses to date resulting in a cumulative deficit of $12,245,214 as at June 30, 2023 and the business of extraction of lithium from oilfield brines involves a high degree of risk. There can be no assurance that current extraction methods will result in profitable operations and the Company is subject to risks and challenges similar to companies in a comparable stage of exploration and development. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

We have determined that there is the following key audit matter to communicate in our auditor's report.

Key audit matter:	**How our audit addressed the key audit matter:**
Assessment of impairment indicators of Exploration and evaluation assets.	Our approach to addressing the matter included the following procedures, among others:
Refer to note 3(c) – Mineral property and right acquisition costs, and note 8 Mining property and rights acquisition costs	Evaluated the reasonableness of management's assessment of impairment indicators, which included the following:

Management assesses at each reporting period whether there is an indication that the carrying value of exploration and evaluation assets may not be recoverable. Management applies significant judgement in assessing whether indicators of impairment exist that necessitate impairment testing. Internal and external factors, such as (i) a significant decline in the market value of the Company's share price; (ii) changes in the Company's assessment of whether commercially viable quantities of mineral resources exist within the properties; and (iii) changes in metal prices, capital and operating costs, are evaluated by management in determining whether there are any indicators of impairment. We considered this a key audit matter due to (i) the significance of the exploration and evaluation asset balance and (ii) the significant audit effort and subjectivity in applying audit procedures to assess the factors evaluated by management in its assessment of impairment indicators, which required significant management judgement.	• Assessed the Company's market capitalization in comparison to the Company's net assets, which may be an indication of impairment. • Assessed the completeness of the factors that could be considered indicators of impairment, including consideration of evidence obtained in other areas of the audit. • Confirmed that the Company's right to explore the properties had not expired. • Obtained management's written representations regarding the Company's future plans for the exploration and evaluation assets. • Assessed the reasonability of the Company's financial statement disclosure regarding their exploration and evaluation assets.
Impairment assessment of intangible assets	Our approach to addressing the matter included the following procedures, among others:
Refer to note 3(a) Estimates and critical judgements by management – Intangible assets, note 3(e) Impairment of assets, note 4 – Acquisition and Intangible assets As disclosed in the consolidated statements of financial position, the Company had $3.9 million of intangible asset as of June 30, 2023. The intangible asset relates to the proprietary direct lithium extraction (DLE) technology. An impairment assessment is conducted annually at year-end date or earlier if events or circumstances dictate. An impairment loss is recognized if the carrying amount of intangible asset exceeds its recoverable amount. We considered this a key audit matter due to the significant judgements made by management in developing the assumptions to determine the recoverable amount as at June 30, 2023.	Evaluated the reasonableness of recoverable amount of intangible asset, which included the following: • Evaluated the appropriateness of the model developed by management in determining the recoverable amount of the asset. • Tested the reasonableness of the inputs used in determining the recoverable amount of the asset to external third-party information as well as industry forecasts for the lithium industry. • Examined the disclosure made in the consolidated financial statements.

Other Information

Management is responsible for the other information. The other information comprises the information included in "Management's Discussion and Analysis" but does not include the consolidated financial statements and our auditor's report thereon.

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

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor’s report is G Cameron Dong.

De Visser Gray LLP

Chartered Professional Accountants

Vancouver, BC, Canada
October 30, 2023

VOLT LITHIUM CORP. *(formerly Allied Copper Corp.)*

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at June 30, 2023 and June 30, 2022

(Expressed in Canadian dollars)

	Note	**June 30, 2023**	June 30, 2022
ASSETS			
Cash		**$897,510**	$3,670,345
Accounts Receivable	9	**117,693**	-
Goods and sales tax receivable		**446,519**	136,516
Prepaid expenses and deposits	7,12	**184,306**	118,367
		1,646,028	3,925,228
Intangible asset	4	**3,900,000**	-
Royalty interest	4,9	**625,333**	-
Mining property and rights acquisition costs	4,8	**3,559,627**	1,976,449
Total assets		**9,730,988**	5,901,677
LIABILITIES			
Accounts payable and accrued liabilities	10,12	**770,092**	834,654
Total liabilities		**770,092**	834,654
SHAREHOLDERS' EQUITY			
Share capital (net of issuance costs)	11	**18,915,621**	8,778,266
Subscription receipts	12	**6,283**	-
Share-based payments reserve	12	**1,294,933**	401,844
Warrants reserve	12	**881,934**	865,174
Contributed surplus	12	**107,339**	38,479
Deficit		**(12,245,214)**	(5,016,740)
		8,960,896	5,067,023
Total Liabilities and Shareholders' Equity		**$9,730,988**	$5,901,677
Nature of Operations and Going Concern	1		
Subsequent Events	16		

Approved on behalf of the Board of Directors by

"Alex Wylie" , *CEO* — Alex Wylie

"Andrew Leslie", *Chairman* — Andrew Leslie

VOLT LITHIUM CORP. *(formerly Allied Copper Corp.)*

CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

For the years ended June 30, 2023 and 2022

(Expressed in Canadian dollars, except number of shares)

	Note	**For the year ended June 30, 2023**	For the year ended June 30, 2022
Expenses			
Management fees	12	**$140,000**	$ -
Consulting fees	12	**1,272,458**	473,333
Filing and transfer fees		**124,574**	78,161
General and administrative		**34,715**	34,974
Amortization on intangible asset		**100,000**	-
Insurance		**14,262**	20,667
Stock-based compensation	11,12	**984,330**	440,323
Marketing and promotion		**976,037**	561,608
Research and development		**663,485**	-
Storage		**20,435**	-
Travel		**207,094**	-
Professional fees		**258,726**	97,135
Loss before other items		**4,796,116**	1,706,201
Other income/(expense)			
Royalty income	9	**119,845**	-
Amortization of royalty interest	9	**(72,480)**	-
Impairment of copper properties	8	**(2,780,112)**	-
Gain on disposal of convertible promissory note		**-**	2,437,186
Interest income	6	**23,376**	-
Listing expense	5	**-**	(5,745,424)
Write off of accounts payable		**277,013**	-
		(2,432,358)	(3,308,238)
Loss and Comprehensive Loss		**$7,228,474**	$5,014,439
Loss per share			
Basic and diluted		**(0.10)**	(0.17)
Weighted average common shares outstanding			
Basic and diluted		**69,192,565**	28,709,266

VOLT LITHIUM CORP. *(formerly Allied Copper Corp.)*

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Expressed in Canadian dollars, except number of shares)

	Note	Common Shares	Share Capital	Subscription receipts	Share-based payments reserve	Warrants reserve	Contributed surplus	Deficit	Total Shareholders' Equity
		#	$	$	$	$	$	$	$
As at July 1, 2021		**6,691,000**	**40,150**	**-**	**-**	**-**	**-**	**(2,301)**	**37,849**
Shares issued - Allied Copper Corp.	5	18,308,748	5,492,624	-	-	-	-	-	5,492,624
Conversion of subscription receipts	11	13,076,004	2,795,492	-	-	667,882	-	-	3,463,374
Finder warrants issued	11	-	-	-	-	197,292	-	-	197,292
Shares issued - mineral property	8	2,000,000	450,000	-	-	-	-	-	450,000
Options granted	11	-	-	-	440,323	-	-	-	440,323
Options expired		-	-	-	(38,479)	-	38,479	-	-
Net loss for the year		-	-	-	-	-	-	(5,014,439)	(5,014,439)
As at June 30, 2022		**40,075,752**	**8,778,266**	**-**	**401,844**	**865,174**	**38,479**	**(5,016,740)**	**5,067,023**
As at July 1, 2022		**40,075,752**	**8,778,266**	**-**	**401,844**	**865,174**	**38,479**	**(5,016,740)**	**5,067,023**
Shares issued - option agreement	8,11	500,000	85,000	-	-	-	-	-	**85,000**
Shares issued - Volt acquisition	4,11	38,880,000	5,832,000	-	-	-	-	-	**5,832,000**
Shares issued - private placement	11	20,000,000	3,830,617	6,283	-	55,868	-	-	**3,892,768**
Options expired	11	-	-	-	(68,860)	-	68,860	-	**-**
Options granted	11	-	-	-	984,330	-	-	-	**984,330**
Options exercised		150,000	45,631	-	(22,381)	-	-	-	**23,250**
Warrants exercised		766,664	344,107	-	-	(39,108)	-	-	**304,999**
Net loss for the year		-	-	-	-	-	-	(7,228,474)	**(7,228,474)**
As at June 30, 2023		**100,372,416**	**18,915,621**	**6,283**	**1,294,933**	**881,934**	**107,339**	**(12,245,214)**	**8,960,896**

VOLT LITHIUM CORP. *(formerly Allied Copper Corp.)*

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended June 30, 2023 and 2022

(Expressed in Canadian dollars)

	2023	2022
OPERATING ACTIVITIES		
Net loss	**($7,228,474)**	($5,014,439)
Items not affecting cash		
Share-based compensation	**984,330**	440,323
Write off of accounts payable	**(277,013)**	-
Amortization on royalty interest	**72,480**	-
Amortization on intangible asset	**100,000**	-
Listing expense	**-**	5,745,424
Interest income	**(23,376)**	-
Impairment of copper properties	**2,780,112**	-
Gain on disposal of convertible promissory note	**-**	(2,437,186)
Changes in non-cash working capital		
Prepaid expenses and deposits	**87,361**	(29,850)
Accounts receivable	**(106,693)**	-
GST/HST receivable	**(260,383)**	96,376
Accounts payable and accrued liabilities	**(256,589)**	9,035
Net cash provided by (used in) operating activities	**(4,128,245)**	(1,190,317)
INVESTING ACTIVITIES		
Cash received in reverse take-over	**-**	2,213,856
Cash acquired on the acquisition of Volt Lithium Operations Corp.	**105,490**	-
Mining property and rights acquisition and exploration costs	**(1,909,779)**	(1,034,254)
Cash and legal fees paid in connection with the acquisition of Volt Lithium Operations Corp.	**(811,318)**	-
Payment made pursuant to the Royalty Agreement	**(250,000)**	-
Net cash provided by (used in) financing activities	**(2,865,607)**	1,179,602
FINANCING ACTIVITIES		
Issuance of subscription receipts (net of issuance costs)	**-**	3,660,666
Shares issued - private placement (net of issuance costs)	**3,892,768**	-
Cash received on exercise of options	**23,250**	-
Cash received on exercise of warrants	**304,999**	-
Net cash provided by (used in) financing activities	**4,221,017**	3,660,666
Increase (decrease) in cash	**(2,772,835)**	3,649,951
Cash, beginning of year	**3,670,345**	20,394
Cash, end of year	**$897,510**	$3,670,345
Supplemental disclosure of non-cash investing activities		
Accounts payable related to mineral properties	425,401	472,708

NOTES TO THE FINANCIAL STATEMENTS

1. *Nature of Operations and Going Concern*

Volt Lithium Corp. (formerly Allied Copper Corp.) (the "Company") is an emerging lithium producer and lithium extraction technology innovator. The Company is developing its lithium project in the area of Rainbow Lake, in Northwest Alberta (the "Rainbow Lake Lithium Project") on the backbone of the mature and sophisticated Alberta oil industry that will allow the Company to catapult its development. The Company combines a significant resource and a well-established local industry with its own proprietary direct lithium extraction technology (the "DLE Technology") with a view to delivering lithium to market.

The Company trades on the TSX Venture Exchange under the symbol "VLT", the OTCQB under the symbol "VLTLF" and the Frankfurt Exchange under the symbol "I2D". The address of the Company's corporate office and principal place of business is Suite 1925, 639 5th Avenue SW, Calgary, Alberta, Canada T2P 0M9.

On October 31, 2022, the Company entered into a purchase and sale agreement with Volt Lithium Operations Corp. ("Volt Operations"), and the shareholders of Volt Operations pursuant to which the Company purchased all of the outstanding securities of Volt Operations from the Volt Operations shareholders in exchange for the issuance of 38,880,000 common shares of the Company, causing Volt Operations to become a wholly-owned subsidiary of the Company (the "Share Purchase and Sale Agreement") (Note 4). The transaction was closed on December 9, 2022.

On April 26, 2023 the Company changed its name from Allied Copper Corp. to Volt Lithium Corp.

These audited annual consolidated financial statements (the "audited financial statements") have been prepared on a going concern basis, which contemplates that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. The business of extraction of lithium from oilfield brines involves a high degree of risk and there can be no assurance that current extraction methods will result in profitable mining operations. The Company has incurred losses to date resulting in a cumulative deficit of $12,245,214 as at June 30, 2023 (June 30, 2022 - $5,016,740). The recoverability of the carrying value of exploration properties and the Company's continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise alternative financing, if necessary, or alternatively upon the Company's ability to dispose of its interest on an advantageous basis. Changes in future conditions could require material write-downs of the carrying values.

The Company is subject to risks and challenges similar to companies in a comparable stage of exploration and development. As a result of these risks, there is significant doubt as to the appropriateness of the going concern assumption. There is no assurance that the Company's funding initiatives will continue to be successful, and these audited financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statements of financial position classifications that would be necessary if the going concern assumption was inappropriate. These adjustments could be material. The Company will have to raise additional funds to advance its exploration and development efforts and, while it has been successful in doing so in the past, there can be no assurance that it will be able to do so in the future. As of June 30, 2023, the Company had current assets of $1,646,028 (June 30, 2022 - $3,925,228) to cover current liabilities of $770,092 (June 30, 2022 - $834,654). The Company has no proven history of performance, earnings or success. These conditions raise material uncertainties which cast significant doubt as to whether the Company will be able to continue as a going concern over the next twelve months should it not be able to obtain the necessary financing to fund exploration programs and working capital requirements.

2. Basis of Presentation

(a) Statement of compliance

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

The financial statements were approved and authorized for issuance by the Board of Directors of the Company on October 30, 2023.

(b) Basis of presentation

These financial statements have been prepared on a historical cost basis except for those financial instruments which have been classified at fair value through profit or loss. In addition, except for cash flow information, these financial statements have been prepared using the accrual method of accounting. All dollar amounts presented are in Canadian dollars unless otherwise specified.

(c) Functional and presentation currency

These financial statements are presented in Canadian dollars, the functional and presentation currency of the Company and its subsidiaries.

(d) Basis of consolidation

Subsidiaries are entities controlled by the Company and are included in these financial statements from the date that control commences until the date that control ceases. Control exists when the Company has the power, directly and indirectly, to govern the financial operating policies of an entity and be exposed to the variable returns from its activities.

All intercompany balances, transactions, revenues and expenses have been eliminated on consolidation. These financial statements incorporate the accounts of Volt Lithium Corp. and the following subsidiaries:

Name of subsidiary	Country of incorporation	Percentage of ownership	Functional currency
Volt Lithium Operations Corp.	Canada	100%	CAD
Gold Rush Cariboo Inc.	Canada	100%	CAD
1303288 B.C. Ltd.	Canada	100%	CAD
Allied Nevada Inc.	USA	100%	CAD

3. Significant Account Policies

(a) Estimates and critical judgements by management

The preparation of financial statements requires management to make judgements, estimates and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, revenues and expenses. Management continually evaluates these judgements, estimates and assumptions based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates and judgements, which may cause a material adjustment to the carrying amounts of assets and liabilities.

The areas which require management to make critical judgements include:

Going concern

These audited financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The assessment of the Company's ability to source future operations and continue as a going concern involves judgment. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. If the going concern assumption were not appropriate for the audited financial statements, then adjustments to the carrying value of assets and liabilities, the reported expenses and the consolidated statements of financial position would be necessary (see Note 1).

The areas which require management to make significant estimates and assumptions include:

Common share purchase warrants

The Company determines the fair value of share purchase warrants issued using the Black Scholes option pricing model. This option pricing model requires the development of market-based subjective inputs, including the risk-free interest rate, expected price volatility and expected life of the warrant. Changes in these inputs and the underlying assumption used to develop them can materially affect the fair value estimate.

Deferred tax assets and liabilities

Management judgment and estimates are required in assessing whether deferred tax assets and deferred tax liabilities are recognized in the consolidated statements of financial position. Judgments are made as to whether future taxable profits will be available in order to recognize deferred tax assets. Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. These depend on estimates of future production and sales volumes, commodity prices, reserves, operating costs, and other capital management transactions. These judgments and assumptions are subject to risk and uncertainty and changes in circumstances may alter expectations, which may impact the amount of deferred tax assets and deferred tax liabilities recognized on the consolidated statements of financial position and the benefit of other tax losses and temporary differences not yet recognized.

Determination of acquirer relating to the acquisition of Volt Lithium Operations Corp.

Management has determined that in relation to the acquisition of Volt Lithium Operations Corp., Volt Lithium Corp. is the accounting acquirer based upon the following factors:

- 48.9% of the combined entity will be held by the owners of Volt Operations and 51.1% will be held by the owners of the Company. There are no special voting arrangements and factoring in the options and warrants outstanding, 39% of the combined entity will be held by the owners of Volt Operations and 61% will be held by the remaining widely held shareholders of the Company;
- No individual shareholder will own a large minority. In addition, there are no agreements in place for a block of shareholders to vote together;
- On the date the transaction closed two new directors joined the board of the Company and two existing directors resigned. Post transaction, the board comprised of Kyle Hookey, Warner Uhl, Alex Wylie, and Martin Scase. The appointment of two new board members and the retirement of two board members did not result in a change of control of the governing body or affect their ability to consider and act on substantive matters following the acquisition;
- The Company's former management form the majority of the combined entity with the CEO, Chairman and CFO continuing their roles as well as the governing body retaining a 2-2 split between former board members and new Volt Operations board members; and
- The Company is the larger entity on relative net assets / fair value of equity interests and is paying a premium for the issued and outstanding shares in Volt Operations which further indicates that it is the acquirer.

Intangible assets

The Company acquired an intangible asset through the acquisition of Volt Lithium Operations Corp. being Volt Operations' proprietary direct lithium extraction (DLE) technology. Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets acquired in connection with an asset acquisition are initially recorded at fair value. Following initial recognition, intangible assets are carried at initial carrying value less any accumulated amortization and any accumulated impairment losses. Subsequent expenditures are capitalized only when they increase the future economic benefits embodied in the specific asset to which they relate. All other expenditures are recognized in profit or loss as incurred.

The Company does not hold any intangible assets with indefinite lives. Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Research costs are charged to operations when they are incurred. Development costs are capitalized as intangible assets when the Company can demonstrate that the technical feasibility of the project has been established; the Company intends to complete the asset for use or sale and has the ability to do so; the asset can generate probable future economic benefits; the technical and financial resources are available to complete the development, and the Company can reliably measure the expenditure attributable to the intangible assets during its development. The amortization method and period of an intangible asset with a finite life is reviewed at least annually. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. Amortization is recognized in profit or loss on a straight-line basis or units of production method over the estimated useful lives of intangible assets.

Royalty Interest

The valuation of royalty interest necessitates significant judgment and estimation.

Initial Recognition and Measurement: Upon recognition, the royalty interest is taken up at its fair value. This value is arrived at by calculating the net present value (NPV) of the projected future cash flows arising from the royalty agreement. An 8% discount rate is employed to determine the NPV. This rate is mirrors current market evaluations of both the time value of money and the specific uncertainties tied to the royalty agreement.

Subsequent Measurement – Amortization: After its initial recognition, the royalty interest's value is reduced in proportion to the actual royalty amounts that are received. This ensures that the book value of the royalty interest consistently represents the expected future receipts, and the financial statements provide a true representation of the outstanding potential income from the royalty agreement.

(b) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, deposits in banks and cash held in trust.

(c) Mineral property and right acquisition costs

Costs directly related to exploration and evaluation expenditures prior to the determination of the feasibility of mining operations are expensed as incurred. These direct expenditures include such costs as materials used, surveying costs, drilling costs, payments made to contractors and depreciation on plant and equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general and administrative overhead costs and share-based payments to employees and consultants, are also expended in the period in which they occur. The acquisitions of mineral property and rights are initially measured at cost. Mining property and right acquisitions costs and development expenditures incurred subsequent to the determination of the feasibility of mining operations and approval of development by the Company are capitalized until the property to which they relate is placed in production, sold or allowed to lapse.

Mining property and right acquisition costs include the cash consideration and the fair market value of shares issued for mineral property interest pursuant to the terms of the relevant agreements. These costs will be amortised over the estimated life of the property following commencement of commercial production, or writing off if the property is sold, allowed to lapse, or when an impairment of value has been determined to have occurred, together with the related exploration and evaluation expenditures.

Management annually assesses the carrying values of its properties for which events and circumstances may indicate possible impairment. Impairment of a property is generally considered to have occurred if (i) the property has been abandoned; (ii) there are unfavourable changes in the property economics; (iii) there are restrictions on development; or (iv) when there has been an undue delay in development, which exceeds three years. In the event that estimated discounted cash flows expected from its use or eventual disposition is determined by management to be insufficient to recover the carrying value of the property, the carrying value is written down to the estimated recoverable amount.

(d) Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

(e) Impairment of assets

At each reporting date, the Company reviews the carrying amounts of its assets to determine whether there are any indicators of impairment. If any such indicator exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any.

Where the asset does not generate cash inflows that are independent of other assets, the Company estimates the recoverable amount of the cash-generating unit ("CGU") to which the asset belongs. Any intangible asset with an indefinite useful life is tested for impairment annually and whenever there is an indication that the asset may be impaired. An asset's recoverable amount is the higher of the fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value, using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount is reduced to the recoverable amount and an impairment loss is recognized immediately in the consolidated statements of loss and comprehensive loss. Where an impairment subsequently reverses, the carrying amount is increased to the revised estimate of the recoverable amount but only to the extent that this does not exceed the carrying value that would have been determined if no impairment had previously been recognized. A reversal of impairment is recognized in the consolidated statements of loss and comprehensive loss.

(f) Leases

Upon lease commencement, a right-of-use asset and lease liability is recognized. The right-of-use asset is initially measured at the amount of lease liability plus any initial direct costs incurred by the lessee. After lease commencement, the right-of-use asset is measured at cost less accumulated amortization. Right-of-use assets are amortized over the term of the life, including the term of likely extensions.

The lease liability is initially measured at the present value of the lease payments payable over the lease term, discounted at the rate implicit in the lease. Subsequently, the lease liability is measured on an amortized cost basis using an effective interest method.

(g) Share capital

Common shares are classified as share capital. Costs directly attributable to the issue of common shares are recognized as a deduction from share capital, net of any tax effects.

(h) Common share purchase warrants

Share purchase warrants are classified as a component of equity. Share purchase warrants are recognized based on their relative fair value using the Black-Scholes option pricing model at the date of issue. Share purchase warrants are initially recorded as a part of warrant reserves in equity at their proportional fair value. Upon exercise of the share purchase warrants the previously recognized fair value of the warrants exercised is reallocated to share capital from warrant reserves. The proceeds generated from the payment of the exercise price are also allocated to share capital.

On expiry the recognized fair value of the warrants is reallocated from warrant reserves to contributed surplus.

(i) Income taxes

Income tax reported in the consolidated statements of loss and comprehensive loss for the period presented comprises current and deferred income tax. Income tax is recognized in the consolidated statements of loss and comprehensive loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current income tax for each taxable entity in the Company is based on the local taxable income at the local statutory tax rate enacted or substantively enacted at the reporting date and includes any adjustments to tax payable or recoverable with regards to previous periods.

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

A deferred income tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are offset only when there is a legally enforceable right to set off current tax assets against current tax liabilities, when they relate to income taxes levied by the same taxation authority and the Company intends to settle its tax assets and liabilities on a net basis.

(j) Loss per share

Basic loss per share is calculated by dividing the net loss available to common shareholders by the weighted average number of shares outstanding during the reporting period. The diluted loss per share is calculated by dividing the net loss available to common shareholders by the weighted average number of shares outstanding on a diluted basis. The weighted average number of shares outstanding on a diluted basis takes into account the additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting period.

(k) Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operational decisions. Parties are also considered to be related if they are subject to common control or common significant influence, related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. Related party transactions that are in the normal course of business and have commercial substance are measured at the exchange amount.

(l) Share-based payment transactions

The Company grants stock options to acquire common shares of the Company to directors, officers, employees and consultants. The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model, and is recognized over the vesting period. Consideration paid for the shares on the exercise of the options is credited to share capital. Upon expiration, the fair value of the expired options is transferred to contributed surplus.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at the fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

(m) Financial instruments

Classification

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

The Company classifies its financial instruments as follows:

Financial assets/liabilities	**Classification IFRS 9**
Cash	FVTPL
Accounts receivable	Amortized cost
Accounts payable	Amortized cost

Measurement

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment. Accounts payable are classified in this category.

Financial assets and liabilities at FVTPL

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

Equity investments at FVTOCI

These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss. There are no financial instruments classified in this category as at June 30, 2023 and 2022.

Impairment of financial assets at amortized cost

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

Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the statements of profit or loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive loss.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. Gains and losses on derecognition are recognized in profit or loss.

(n) Royalty Interest

Recognition and Measurement

Royalty interest is initially recognized at fair value, which is determined as the net present value (NPV) of the estimated future cash inflows from the royalty agreement. The discount rate of 8% used in determining the NPV is reflective of the current market assessments of the time value of money and the specific risks associated with the royalty agreement.

Subsequent Measurement – Amortization

Following initial recognition, the royalty interest balance is reduced pro rata based on the actual amount of royalty received. This approach ensures that the carrying amount of the royalty interest reflects the amount still expected to be received in the future.

Derecognition

The royalty interest is derecognized when the contractual rights to the cash flows from the royalty expire or when the royalty interest is transferred, and the transfer qualifies for derecognition under IFRS.

Impairment

At each reporting date, an assessment is made to determine whether there is objective evidence that the royalty interest is impaired. If such evidence exists, an impairment loss is recognized in profit or loss. The impairment loss is calculated as the difference between the royalty interest's carrying amount and the present value of the estimated future cash flows, discounted using the original effective interest rate.

(Audited & expressed in Canadian dollars)

4. *Acquisition and Intangible Assets*

On December 9, 2022 the Company closed the transaction pursuant to the purchase and sale agreement entered with Volt Lithium Operations Corp. ("Volt Operations"), and the shareholders of Volt Operations pursuant to which the Company purchased all of the outstanding securities of Volt Operations from the Volt Operations shareholders in exchange for the issuance of 38,880,000 common shares of the Company, causing Volt Operations to become a wholly owned subsidiary of the Company (the "Share Purchase and Sale Agreement").

The assets acquired consisted primarily of Volt Operations proprietary direct lithium extraction (DLE) technology, 100% mineral interest ownership in the Rainbow Lake property (Note 8) and a royalty agreement with a producing oil and gas company (Note 9).

The transaction has been accounted for in accordance with guidance provided in IFRS 2 Share Based Payment and IFRS 3 Business Combinations. As Volt Operations did not qualify as a business according to the definition in IFRS 3, this transaction does not constitute a business combination; rather it is treated as an issuance of shares by Volt Lithium (accounting acquirer) for the net assets of Volt Operations (accounting acquiree) with the purchase price allocated to the assets acquired.

Consideration Paid	
Fair value of 38,880,000 common shares issued by the Company at $0.15/share	5,832,000
Amounts advanced by the Company to Volt Operations (Note 6)	700,000
Legal fees	111,318
Total purchase price	6,643,318

Identifiable net assets acquired	**$**
Cash acquired	105,490
Amounts receivable	11,000
Prepaid expenses and deposits	165,000
Goods and sales tax receivable	37,920
Accounts payable and accrued liabilities	(742,416)
Fair value of net assets acquired	(423,006)
Excess value attributable as per below	(7,066,324)

Purchase price allocation	
Royalty agreement	697,813
Rainbow Lake Property	2,368,511
Intangible asset – DLE technology	4,000,000
	7,066,324

Commencing April 1, 2023, subsequent to the successful conclusion of bench scale testing, the company has initiated the amortization of the intangible asset. The amortization is being carried out on a straight-line basis, spanning an estimated 10-year useful life for the technology, based on current assumptions and the prevailing technological landscape.

(Audited & expressed in Canadian dollars)

5. Reverse Takeover Transaction

Volt Lithium Corp, with its wholly-owned subsidiary 1303288 B.C. Ltd. ("Subco"), entered into an agreement with 1269280 B.C. Ltd. ("BCCo") on October 27, 2021, whereby the Company acquired from the shareholders of BCCo all the issued and outstanding shares of BCCo, causing BCCo to become a wholly-owned subsidiary of the Company (the "Amalgamation Agreement").

Pursuant to the Amalgamation Agreement, the Company amalgamated Subco and BCCo ("Amalco") in order to form a new company, which is a wholly-owned subsidiary of the Company. As part of the Amalgamation, the Company issued 13,076,004 units to BCCo subscription receipt holders in order to convert BCCo's subscription receipts outstanding as at October 27, 2021 into units of the Company. Each unit consists of one common share and one-half common share purchase warrant, entitling the holders to purchase an additional common share at $0.45 for a period of 24 months from the closing of the Amalgamation. The Amalgamation was completed on October 27, 2021.

The transaction resulted in a legal combination of Volt and BCCo to form the resulting issuer (the "Resulting Issuer"), however, the Company does not meet the criteria for a business under IFRS 3, and so the transaction is considered to be a reverse takeover ("RTO"). From an accounting perspective, this is not considered to be a business combination but a capital transaction whereby BCCo is considered to issue additional shares in return for the net assets of the Company. For financial reporting purposes, the Resulting Issuer is considered a continuation of BCCo, the legal subsidiary, except with regard to authorized and issued share capital, which is that of Volt Lithium, the legal parent.

Since BCCo is deemed to be the acquirer for accounting purposes, its assets and liabilities will be included in the consolidated financial statements at their historical carrying values. The identifiable assets and liabilities of the former Volt Lithium Corp will be recognized at their fair value at the acquisition date of October 27, 2021, with the excess of the fair value of the equity interest consideration paid over the fair value of the net assets acquired being charged to the consolidated statements of loss and comprehensive loss as a listing expense.

The purchase price and allocation of assets and liabilities are presented as follows:

Consideration paid on RTO	
Fair value of shares retained (18,308,748 shares at $0.30 per share)	5,492,624
Total purchase price	**5,492,624**
Net working capital acquired by BCCo	
Cash at bank	2,213,856
GST/HST receivable	106,666
Prepaid expenses and deposits	214,743
Accounts payable and accrued liabilities	(538,065)
Current portion of convertible promissory note payable	(2,250,000)
Net liabilities acquired	(252,800)

(Audited & expressed in Canadian dollars)

Listing fee expense	**(5,745,424)**

After the completion of the Transaction, the Company had 38,075,752 common shares, 18,770,344 share purchase warrants and 2,100,000 stock options outstanding.

6. *Promissory Note Receivable*

On September 7, 2022, the Company entered into an agreement with Volt Operations whereby the Company provided Volt Operations with a $500,000 CAD secured promissory note on a one-year term. Volt Operations paid 8% per annum interest to the Company, calculated daily, payable quarterly.

On September 19, 2022, the Company entered into an agreement with Volt Lithium Operations Corp (formerly Innolith Corp.) whereby the Company provided Volt Operations with a $200,000 CAD secured promissory note on a one-year term. Volt Operations paid 8% per annum interest to the Company, calculated daily, payable quarterly.

As Volt Operations was acquired by the Company, the promissory notes formed the part of the consideration paid (Note 4).

7. *Prepaid Expenses and Deposits*

The Company's prepaid expenses and deposits were comprised of the following as at June 30, 2023 and June 30, 2022:

	June 30, 2023	**June 30, 2022**
	$	$
Prepaid expenses	**184,306**	16,667
Retainer deposit (Note 12)	**-**	101,700
	184,306	118,367

8. *Mining Property and Rights Acquisition Costs*

	Silver King Project	Klondike Property	Stateline Property	Rainbow Lake Property	**Total**
Cash option payments	19,487	-	-	-	19,487
Exploration expenditures	-	-	-	-	-
As at June 30, 2021	**19,487**	**-**	**-**	**-**	**19,487**
Option payment – cash issued	25,635	200,000	40,000	-	265,635
Option payment – shares issued	-	450,000	-	-	450,000
Exploration expenditures	442,090	660,737	138,500	-	1,241,327
As at June 30, 2022	**487,212**	**1,310,737**	**178,500**	**-**	**1,976,449**
Option payment – cash issued	33,840	-	50,000	-	83,840
Option payment – shares issued	-	-	85,000	-	85,000
Exploration expenditures	82,695	509,494	42,634	1,191,116	1,825,939

(Audited & expressed in Canadian dollars)

Purchase price allocation from acquisition (Note 4)	-	-	-	2,368,511	2,368,511
Impairment	(603,747)	(1,820,231)	(356,134)	-	(2,780,112)
As at June 30, 2023	-	-	**-**	**3,559,627**	**3,559,627**

Rainbow Lake

The Rainbow Lake Property is in northwest Alberta and is defined by 20 contiguous Alberta Metallic and Industrial Mineral Permits (173,990 hectares) for which the Company has 100% mineral interest ownership.

On October 28, 2022 Volt Operations entered into an agreement with Cabot Energy Inc. for the purposes of Volt Operations installing and operating a Water Treatment Unit on Cabot's lands and allowing Volt Operations access to Cabot's Produced Water derived from operations at the Cabot Field for the purpose of treating such Produced Water, engaging in Direct Lithium Extraction ("DLE") and redelivering to Cabot the Produced Brine.

On March 30, 2023 the Company commenced the pilot project to test its proprietary DLE process in a simulated commercial environment.

As at the year ended June 30, 2023, the Company has incurred exploration and evaluation expenditures of $1,191,116 related to the Rainbow Lake property (2022 - $Nil).

Discontinued operations

Silver King Property

On February 10, 2021, the company entered into an option agreement with Goodsprings Exploration LLC ("Optionors") to purchase 100% of the rights to the Silver King project in the State of Nevada. As at the year ended June 30, 2023, the Company has incurred exploration and evaluation expenditures of $524,785 related to the Silver King project (2022 - $442,090).

On August 11, 2023 the Company terminated its option to acquire a 100% interest in the Silver King Property, pursuant to an option agreement among Goodsprings Exploration LLC, Robert Cole, Lori Cole and 1269280 BC Ltd., dated February 10, 2021. The property was impaired to $Nil on the termination of the agreement.

Klondike Property

On December 3, 2021, Cloudbreak Discovery (Canada) Ltd. (a company with a former director in common) and Alianza Minerals Ltd ("the Optionors") optioned the Klondike Project to the Company. As at the year ended June 30, 2023, the Company has incurred exploration and evaluation expenditures of $1,170,231 related to the Klondike Property (2022 - $660,737).

On February 2, 2023 the Company terminated its option to acquire a 100% interest in the Klondike Property, pursuant to an option agreement among Cloudbreak Discovery PLC, Cloudbreak Exploration Inc., Tarsis Resources US Inc., Alianza Minerals Ltd. and Volt Lithium dated December 3, 2021 (the "Option Agreement"). Upon termination of the Option Agreement, Volt Lithium is required to maintain the mineral claims that comprise the Klondike Property in good standing for a period of two years, which is expected to cost approximately $43,000. The property was impaired to $Nil on the termination of the agreement.

(Audited & expressed in Canadian dollars)

<u>*Stateline Property*</u>

On February 9, 2022, the Company entered into an agreement to option the Stateline property located in Colorado, USA from Cloudbreak Discovery (Canada) Ltd and Alianza Minerals Ltd. As at the year ended June 30, 2023, the Company has incurred exploration and evaluation expenditures of $181,134 related to the Stateline Property (2022 - $138,500).

On August 11, 2023 the Company terminated its option to acquire a 100% interest in the Stateline Property, pursuant to an option agreement among Cloudbreak Discovery PLC, Cloudbreak Exploration Inc., Tarsis Resources US Inc., Alianza Minerals Ltd. and Volt Lithium dated February 9, 2022 (the "Option Agreement"). Upon termination of the Option Agreement, Volt Lithium is required to maintain the mineral claims that comprise the Stateline Property in good standing for a period of two years, which is expected to cost approximately $30,000. The property was impaired to $Nil on the termination of the agreement.

9. Royalty Agreement

On December 9, 2022, the Company acquired an overriding royalty agreement (Note 4) which was previously entered into on September 19, 2022 by Volt Operations. The overriding royalty agreement with a producing oil and gas ("Producer") is calculated at 3% of the production. The rate will be reduced to 2% subsequent to Volt Operations receiving 100% of its original investment. Once Volt Operations receives 300% of its original investment the royalty agreement is terminated. As part of this agreement the company advanced

- $125,000 on execution of the agreement (paid by Volt Operations);
- $125,000 upon execution of the definitive agreement (paid by Volt Operations); and
- $250,000 is due within 5 business days of the Volt Operations shares being listed on the TSX Venture Exchange (paid).

At June 30, 2023, the Company has accrued the royalty receivable of $117,693 for the period from December 2022 to June 2023 production ($30,000 received subsequent to year-end).

Balance, June 30, 2022	-
Acquisition (Note 4)	697,813
Amortization expense	(72,480)
Balance, June 30, 2023	625,333

(Audited & expressed in Canadian dollars)

10. Accounts Payable and Accrued Liabilities

As at June 30, 2023 and June 30, 2022, the Company's accounts payable and accrued liabilities were composed of the following:

	June 30, 2023	June 30, 2022
	$	$
Accounts payable	**710,689**	809,654
Accrued liabilities	**59,403**	25,000
	770,092	834,654

11. Share Capital

(a) Authorized

An unlimited number of voting common shares without par value.

(b) Issued and outstanding

Date	**Details**	**Shares Issued**	**Shares Outstanding**	**Share Price**	**Gross Proceeds**
October 8, 2020	Incorporation shares	1,000	1,000	0.01	10
March 11, 2021	Seed shares	6,690,000	6,691,000	0.006	40,140
October 27, 2021	Shares issued through RTO	18,308,748	24,999,748	0.30	5,492,624
October 27, 2021	Conversion of subscription receipts	13,076,004	38,075,752	0.30	3,922,801
February 3, 2022	Issue of shares - mineral property *(Klondike Option Agreement)*	2,000,000	40,075,752	0.225	-
September 9, 2022	Issue of shares - mineral property *(Klondike Option Agreement)*	500,000	40,575,752	0.17	-
December 9, 2022	Issue of Shares - Volt Acquisition	38,880,000	79,455,752	0.15	-
February 24, 2023	Issue of Shares - Private Placement	20,000,000	99,455,752	0.20	4,000,000
April 10, 2023	Warrant exercise	111,111	99,566,863	0.30	33,333
April 12, 2023	Warrant exercise	166,666	99,733,529	0.45	75,000
April 20, 2023	Option exercise	150,000	99,883,529	0.155	23,250
April 28, 2023	Warrant exercise	133,333	100,016,862	0.45	60,000
May 17, 2023	Warrant exercise	44,444	100,061,306	0.30	13,333
May 19, 2023	Warrant exercise	66,666	100,127,972	0.30	20,000
May 19, 2023	Warrant exercise	200,000	100,327,972	0.45	90,000
May 26, 2023	Warrant exercise	44,444	100,372,416	0.30	13,333

During the year ended June 30, 2023, 150,000 options were exercised for gross proceeds of $23,250 and 766,664 warrants were exercised for gross proceeds of $304,999.

On February 24, 2023, the Company issued 20,000,000 units at a price of $0.20 per unit for proceeds of $3,886,485, net of finder's subscription receipts and share issuance costs (of $113,516). Each unit consists of one common share and one-half of one common share purchase warrant. Each whole common share purchase warrant shall entitle the holder thereof to purchase one common share at a price of $0.30 per common share until February 24, 2025. At June 30, 2023, $6,283 was held in subscription receipts as a result of the placement being oversubscribed. These funds will be returned to investors.

The 449,458 finder's subscription receipt warrants were fair valued using the Black-Scholes Option Pricing Model using the following assumptions: average risk-free interest rate – 4.32%; dividend yield – 0.00%; volatility rate – 203.5%; expected life 2 years.

On October 27, 2021, the Company converted 13,076,004 subscription receipt units issued on August 11, 2021. Each Unit comprised of one Common Share and one-half of one Warrant. Each Warrant entitles the holder thereof to purchase one Warrant Share, subject to certain adjustments, at an exercise price of $0.45 per Warrant Share for a period of twenty-four months. On issuance, the gross proceeds of $3,922,801 less cash finder fees of $183,228 and closing costs $276,199 were allocated $2,745,492 to share capital and $667,882 to warrant reserve based on their relative fair values.

The subscription receipt warrants, finders warrants, broker warrants, and consulting warrants were fair valued using the Black-Scholes Option Pricing Model using the following assumptions: average risk-free interest rate – 0.78%; dividend yield – 0.00%; volatility rate – 100%; expected life 2 years.

On October 27, 2021, the Company entered into a reverse take-over transaction (Note 5). 18,308,748 common shares at an ascribed fair value of $5,492,624 were issued for all of the issued and outstanding shares of Volt Lithium Corp.

On August 11, 2021, the Company issued 13,076,004 subscription receipts, inclusive of the 522,381 subscription receipts issued to certain eligible finder's in lieu of cash commissions, at a price of $0.30 per subscription receipt, for proceeds of $3,660,665, net of finder's subscription receipts and share issuance costs (of $183,228).

The 522,381 finder subscription receipts are valued at $156,714. Each subscription receipt unit shall consist of one common share and one-half warrant. Each whole warrant will be exercisable at a price of $0.45 per Volt share for a period of 24 months from the closing date. The Company issued 550,235 broker warrants with each warrant exercisable into common shares at a price of $0.45 per share, expiring October 27, 2023.

Options and Warrants

The following share purchase warrants and options were retained by shareholders after the reverse take-over transaction:

(c) Share purchase warrants

The continuity of the Company's share purchase warrants is as follows:

(Audited & expressed in Canadian dollars)

	Warrants outstanding	Weighted average exercise price	Weighted average contractual remaining life
	#	$	(years)
Balance, June 30, 2021	**11,532,098**	**0.30**	**2.42**
Issued (includes 150,000 consultant warrants)	7,238,246	0.45	
Balance, June 30, 2022	**18,770,344**	**0.39**	**1.38**
Issued (includes 449,458 finder warrants)	10,449,456	0.30	
Expired	(4,065,447)	0.45	
Exercised	(266,664)	0.30	
Exercised	(500,000)	0.45	
Balance, June 30, 2023	**24,387,689**	**0.34**	**1.02**

The Company's share purchase warrants outstanding and exercisable at June 30, 2023 and June 30, 2022 are as follows:

Expiry date	Exercise price	June 30, 2023	June 30, 2022
	$	#	#
April 29, 2023	0.45	**-**	4,198,779
March 31, 2024	0.30	**7,066,654**	7,333,319
October 26, 2023	0.45	**6,871,579**	7,238,246
February 24, 2025	0.30	**10,449,456**	-
Total		**24,387,689**	18,770,344
Weighted average remaining contractual life		**1.02 years**	1.38 years

(d) Stock options

The Company has a stock option plan to provide employees, directors, officers and consultants with options to purchase common shares of the Company. Under the plan, the exercise price of each option equals the market price of the Company's stock on the day of grant and a maximum term of five years. The maximum number of shares that may be issued under the program shall not exceed 10% of the issued and outstanding shares.

The continuity of the Company's stock options is as follows:

	Stock options outstanding	Weighted average exercise price
		$
Retained from RTO October 27, 2021	775,000	0.405
Granted October 27, 2021	1,325,000	0.405
Granted January 11, 2022	400,000	0.405
Granted February 23, 2022	50,000	0.28
Expired March 2, 2022	(150,000)	0.405
Expired September 28, 2022	(50,000)	0.28
Granted December 15, 2022	4,800,000	0.155
Granted March 24, 2023	1,015,000	0.25
Expired March 31, 2023	(250,000)	0.405
Exercised April 20, 2023	(150,000)	0.155
Outstanding June 30, 2023	**7,765,000**	**0.24**

(Audited & expressed in Canadian dollars)

- On March 24, 2023, the Company granted an aggregate of 1,015,000 stock options with a term of four years, and an exercise price of $0.25 per share to certain consultants and a proposed director of the Company.
- On December 15, 2022, the Company granted an aggregate of 4,800,000 stock options with a term of four years, and an exercise price of $0.155 per share to certain directors, officers and consultants of the Company.
- On February 23, 2022, the Company granted an aggregate of 50,000 stock options with a term of four years, and an exercise price of $0.28 per share to a consultant of the Company.
- On January 11, 2022, the Company granted an aggregate of 400,000 stock options with a term of four years, and an exercise price of $0.405 per share to a consultant of the Company.
- On October 27, 2021, the Company granted an aggregate of 1,325,000 stock options with a term of four years, and an exercise price of $0.405 per share to certain directors, officers and consultants of the Company.
- During the year ended June 30, 2023, the Company recorded a stock-based compensation expense of $984,330 (2022 - $440,323) related to the vesting of stock options.

The fair value of options and warrants is estimated using the Black-Scholes option-pricing model. The assumptions used during the year ended June 30, 2023, and 2022 are as follows:

	Mar 24, 2023 (Options)	**Dec 15, 2022 (Options)**	**Feb 23, 2022 (Options)**	**Jan 11, 2022 (Options)**	**Oct 27, 2021 (Options)**	**Oct 27, 2021 (Warrants)**
Risk-free interest rate	2.86%	3.05%	0.98%	0.98%	0.98%	0.78%
Expected life	4 years	4 years	4 years	4 years	4 years	2 years
Expected volatility	202%	206%	100%	100%	100%	100%
Forfeiture rate	0%	0%	0%	0%	0%	0%
Dividend rate	0%	0%	0%	0%	0%	0%

The Company's stock options outstanding and exercisable at June 30, 2023, and June 30, 2022, are as follows:

Expiry date	Exercise price	**June 30, 2023**	June 30, 2022
	$		
August 18, 2023	0.405	**725,000**	725,000
October 27, 2025	0.405	**975,000**	1,225,000
January 1, 2026	0.405	**400,000**	400,000
October 27, 2025	0.28	**-**	50,000
December 15, 2026	0.155	**4,650,000**	-
March 24, 2027	0.25	**1,015,000**	-
Total		**7,765,000**	2,400,000
Weighted average remaining contractual life		**3.00 years**	2.71 years

12. Related Party Transactions

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company or its subsidiaries, directly or indirectly. Key management personnel include the Company's directors and executive officers.

(Audited & expressed in Canadian dollars)

The Company incurred expenses as a result of transactions with directors and officers, or to companies associated with these individuals during the year ended June 30, 2023 and 2022:

	June 30, 2023	June 30, 2022
	$	$
Stock-based compensation	**621,046**	369,680
Management Services	**140,000**	-
Consulting Fees	**957,359**	525,500
Technical Services	**500,000**	-

Management fees for the year were allocated for services rendered by Alex Wylie in his roles as President and Chief Executive Officer.

For the year ended June 30, 2023, consulting fees totaling $897,359 (2022 - $428,000) were disbursed to Cronin Services Ltd., a related party due to shared directorship. These fees were for back-office operations, corporate secretary functions, technical consulting, and corporate finance advisory services. Additionally, $60,000 (2022 - $45,000) was allocated to Uhl Consulting Services, a related party controlled by a board member.

On June 30, 2023, all service agreements with Cronin Services Ltd. were terminated. The retainer deposit previously held by the same entity was applied against the required 90-day notice period, as stipulated in the original agreements. Consequently, as of June 30, 2023, there was no outstanding retainer deposit (June 30, 2022 - $101,700).

Payments categorized under 'Technical Services Fees' were made to Sterling Chemicals Ltd. ("Sterling"), a wholly owned subsidiary of Camber Resource Services Ltd. ("Camber"). These payments were in conjunction with the technical services agreement ("TSA") dated April 12, 2022. In addition, $643,908 including GST was paid to Sterling for reimbursement of media/consumables, equipment and additional personnel outside the scope of the TSA. The Company's CEO Alex Wylie is a shareholder of Camber, and company director Martin Scase is a shareholder, director and officer of Camber and a director and officer of Sterling.

Outstanding balances as of June 30, 2023, included $19,073 payable to Cronin Services Ltd. (June 30, 2022: $19,705), $225,377 payable to Sterling Chemicals Ltd. (June 30, 2022: $Nil), $5,250 payable to Uhl Consulting Services (June 30, 2022 - $Nil), and $21,420 payable to Alex Wylie (June 30, 2022: $Nil). These payables are non-interest-bearing, due on demand, and are included under the 'Accounts Payable and Accrued Liabilities' line item on the balance sheet.

13. Financial Instruments and Risk Management

(a) Fair value of financial instruments

As at June 30, 2023 and June 30, 2022, the Company's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities. Cash is measured at FVTPL. Accounts receivable, accounts payable and accrued liabilities are measured at amortized cost.

IFRS requires disclosures about the inputs to fair value measurements for financial assets and liabilities recorded at fair value including their classification within a hierarchy that prioritized the inputs to fair value measurement. The three-level hierarchy is:

Level 1 – Quote prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices included in Level that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 – Inputs for the asset or liability that are not based on observable market data.

As at June 30, 2023, the Company believes that the carrying values of cash, accounts receivable, accounts payable and accrued liabilities approximate their fair values because of their nature and relatively short maturity dates or duration.

(b) Financial instruments risk

The Company's financial instruments are exposed in varying degrees to a variety of financial risks. The Board of Directors approves and monitors the risk management processes:

i. Credit risk

Credit risk exposure primarily arises with respect to the Company's cash and receivables. The risk exposure is limited because the Company places its instruments in banks of high creditworthiness within Canada and continuously monitors the collection of other receivables.

ii. Liquidity risk

Liquidity risk is the risk that the Company cannot meet its financial obligations as they become due. The Company's approach to managing liquidity is to ensure as far as possible that it will have sufficient liquidity to settle obligations and liabilities when they become due. As at June 30, 2023, the Company had cash of $897,510 and a working capital surplus of $875,936 with total liabilities of $770,092.

iii. Market risk

a. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. A change of 100 basis points in the interest rates would not be material to the financial statements.

b. Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of the changes in the foreign exchange rates. Assuming all other variables constant, an increase or a decrease of 10% of the U.S. dollar against the Canadian dollar, the net loss of the Company and the equity for the year ended June 30, 2023, would have varied by a negligible amount.

c. The Company had no hedging agreements in place with respect to foreign exchange rates.

(Audited & expressed in Canadian dollars)

14. Capital Management

The Company's objectives when managing capital are:

i. To safeguard the Company's financial capacity and liquidity for future earnings in order to continue to provide an appropriate return to shareholders and other stakeholders.
ii. To maintain a flexible capital structure that optimizes the cost of capital at an acceptable risk.
iii. To enable the Company to maximize growth by meeting its capital expenditure budget, to expand its budget to accelerate projects, and to take advantage of acquisition opportunities.

The Company regularly monitors and reviews the amount of capital in proportion to the risk and future development and exploration opportunities.

The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new debt, equity or similar instruments to reduce debt levels or make adjustments to its capital expenditure program.

There were no changes in the Company's approach to capital management during the year ended June 30, 2023, and capital management is consistent with the year ended June 30, 2022. The Company is not subject to any externally imposed capital requirements.

15. Income Taxes

The tax effects of temporary differences between amounts recorded in the Company's accounts and the corresponding amounts as computed for income tax purposes give rise to deferred tax assets as follows:

	2023	**2022**
Non-capital loss carryforwards	10,318,000	5,395,000
Capital loss carryforwards	113,478	-
Mineral properties and deferred exploration costs	3,470,326	212,908
Property, plant and equipment	271	271
Share issue costs	281,578	254,354
Unrecognized benefit of tax assets	(14,183,653)	(5,862,533)
Net deferred income tax assets	-	-

A reconciliation of the income tax expense for the year is as follows:

	2023	**2022**
Net loss for the year	7,228,474	5,014,439
Expected income tax rate	27.00%	27.00%
Expected income tax recovery	1,951,688	1,352,959
True up of prior year differences	530,484	-
Net effect of deductible and non-deductible amounts	(2,482,172)	(1,352,959)
Income tax expense for the year	-	-

(Audited & expressed in Canadian dollars)

As at June 30, 2023, the Company has accumulated non-capital losses for Canadian income tax purposes totaling approximately $10.3 million (2022 - $5.4 million). The losses expire in the following periods:

Year of origin	Year of expiry	Non-capital losses
2006	2026	354,000
2007	2027	319,000
2008	2028	288,000
2009	2029	1,198,000
2010	2030	110,000
2011	2031	152,000
2012	2032	15,000
2013	2033	269,000
2014	2034	248,000
2015	2035	89,000
2016	2036	210,000
2017	2037	492,000
2018	2038	445,000
2019	2039	386,000
2020	2040	-
2021	2041	466,000
2022	2042	1,796,000
2023	2043	3,481,000
		10,318,000

16. SUBSEQUENT EVENTS

On July 19, 2023, the Company issued 75,000 shares in connection with an exercise of 75,000 warrants at $0.30 for gross proceeds of $22,500.

On August 4, 2023, the Company closed a Prospectus Offering and Concurrent Private Placement for aggregate gross proceeds of $6.8 million.

Under the Prospectus Offering, the Company issued 14,956,590 units ("HD Units") at a price of $0.22 per HD Unit and 11,262,500 flow-through units ("FT Units") at a price of $0.24 per FT Unit, raising gross proceeds of approximately $6 million. Concurrent with the closing of the Prospectus Offering, certain subscribers purchased a total of 266,666 FT Units at an offering price of $0.24 per FT Unit and 3,287,931 HD Units at an offering price of $0.22 per HD Unit pursuant to the Concurrent Private Placement, raising gross proceeds of $787,345.

In connection with the Prospectus Offering and the Concurrent Private Placement, the Company paid to the Agents and any other syndicate members a cash commission of $346,848, which was equal to 6.0% of the gross proceeds from the Prospectus Offering, and issued an aggregate of 1,515,946 broker warrants, equal to 6.0% of the number of Units sold pursuant to the Prospectus Offering, subject to a reduction to 3.0% cash commission and 3.0% broker warrants for up to $2,000,000 of Units sold to purchasers under the president's list of the Prospectus Offering and in respect of all Units sold under the Concurrent Private Placement. Each broker warrant is exercisable for one HD Unit at the offering price of the HD Units until August 4, 2025. In addition, the company paid legal fees of $465,015 in connection with the placement.

Each FT Unit consists of one common share in the capital of the Company (each, a "Common Share") and one-half of one Common Share purchase warrant (each whole warrant, a "Warrant"), with the FT Units qualifying as "flow-through shares" within the meaning of subsection 66(15) of the *Income Tax Act* (Canada) and each HD Unit will consist of one Common Share and one-half of one Warrant. Each Warrant entitles the holder to purchase one Common Share at an exercise price of $0.33 until August 4, 2025.

On September 5, 2023, the company granted 3,855,000 stock options to certain directors, officers and consultants which are exercisable at a price of $0.30 per share for a period of four years from the date of grant, expiring on September 5, 2027.

On September 13, 2023, the Company issued 82,500 shares in connection with an exercise of 82,500 warrants at $0.33 for gross proceeds of $27,225.