VOLT LITHIUM CORP

(formerly Allied Copper Corp)

CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended September 30, 2023 and 2022

(Expressed in Canadian Dollars)

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

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at September 30, 2023 and June 30, 2023

(Expressed in Canadian dollars)

	Note	**September 30, 2023**	June 30, 2023
ASSETS			
Cash		**$4,558,282**	$897,510
Amounts Receivable		**363,693**	117,693
Goods and sales tax receivable		**216,736**	446,519
Prepaid expenses and deposits	7	**166,905**	184,306
		5,305,616	1,646,028
Intangible asset	4,8	**3,800,000**	3,900,000
Royalty interest	4,10	**604,821**	625,333
Property, plant and equipment	6	**276,155**	-
Mining property and rights acquisition costs	4,9	**3,819,565**	3,559,627
Total assets		**13,806,157**	9,730,988
LIABILITIES			
Accounts payable and accrued liabilities	11,14	**160,630**	770,092
Flow through share premium liability	12	**220,258**	-
Total liabilities		**380,888**	770,092
SHAREHOLDERS' EQUITY			
Share capital (net of issuance costs)	13	**24,419,139**	18,915,621
Subscription receipts	13	**1,000**	6,283
Share-based payments reserve	13	**2,253,415**	1,294,933
Warrants reserve	13	**1,123,374**	881,934
Contributed surplus	13	**107,339**	107,339
Deficit		**(14,478,998)**	(12,245,214)
		13,425,269	8,960,896
Total Liabilities and Shareholders' Equity		**$13,806,157**	$9,730,988
Nature of Operations and Going Concern	1		
Commitments from discontinued operations	9		
Subsequent Events	17		

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 three months ended September 30, 2023 and 2022

(Expressed in Canadian dollars, except number of shares)

	Note	**For the three months ended September 30, 2023**	For the three months ended September 30, 2022
Expenses			
Management fees	14	**177,900**	
Consulting fees	14	**843,886**	143,333
Exploration and evaluation expenditures		**4,872**	-
Filing and transfer fees		**16,121**	3,999
General and administrative		**27,840**	25,841
Amortization on intangible asset	4	**100,000**	-
Amortization of royalty interest	10	**20,512**	-
Insurance		**13,588**	-
Stock-based compensation	13,14	**958,482**	-
Marketing and promotion		**119,820**	34,290
Research and development	14	**199,163**	-
Storage		**30,820**	
Travel		**27,468**	-
Professional fees		**15,159**	61,406
Loss before other items		**2,555,631**	268,869
Other income/(expense)			
Interest income		**34,658**	3,003
Royalty income		**44,091**	-
Refundable tax credit		**232,773**	-
Recovery of flow-through premium liability		**10,325**	-
		321,847	3,003
Loss and Comprehensive Loss		**$2,233,784**	$265,866
Loss per share			
Basic and diluted		**(0.02)**	(0.01)
Weighted average common shares outstanding			
Basic and diluted		**119,082,033**	40,191,137

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, 2022		**40,075,752**	**8,778,266**	**-**	**401,844**	**865,174**	**38,479**	**(5,016,740)**	**5,067,023**
Issue of shares - option agreement	13	500,000	85,000	-	-	-	-	-	85,000
Net loss for the period		-	-	-	-	-	-	(265,866)	(265,866)
As at September 30, 2022		**40,575,752**	**8,863,266**	**-**	**401,844**	**865,174**	**38,479**	**(5,282,606)**	**4,886,157**
As at July 1, 2023		**100,372,416**	**18,915,621**	**6,283**	**1,294,933**	**881,934**	**107,339**	**(12,245,214)**	**8,960,896**
Shares issued - flow through	12,13	11,529,166	2,767,000	-	-	-	-	-	**2,767,000**
Flow-through share premium liability			(230,583)	-	-	-	-	-	**(230,583)**
Shares issued - private placement	13	18,244,521	4,013,795	-	-	-	-	-	**4,013,795**
Share issuance costs	13	-	(854,979)	-	-	-	-	-	**(854,979)**
Broker warrants issued	13	-	(241,440)			241,440	-	-	**-**
Subscription receipts returned to investors	13	-	-	(5,283)	-	-	-	-	**(5,283)**
Options granted	13	-	-	-	958,482	-	-	-	**958,482**
Warrants exercised	13	157,500	49,725	-	-	-	-	-	**49,725**
Net loss for the period		-	-	-	-	-	-	(2,233,784)	**(2,233,784)**
As at September 30, 2023		**130,303,603**	**24,419,139**	**1,000**	**2,253,415**	**1,123,374**	**107,339**	**(14,478,998)**	**13,425,269**

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

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the three months ended September 30, 2023 and 2022

(Expressed in Canadian dollars)

	2023	2022
OPERATING ACTIVITIES		
Net loss	**($2,233,784)**	($265,866)
Items not affecting cash		
Share-based compensation	**958,482**	-
Recovery of flow-through premium liability	**(10,325)**	-
Amortization on royalty interest	**20,512**	-
Amortization on intangible asset	**100,000**	-
Debenture interest	**-**	(3,003)
Changes in non-cash working capital		
Prepaid expenses and deposits	**17,401**	(4,064)
Accounts receivable	**(246,000)**	-
GST/HST receivable	**229,783**	12,500
Accounts payable and accrued liabilities	**(609,462)**	(517,119)
Net cash provided by (used in) operating activities	**(1,773,393)**	(777,552)
INVESTING ACTIVITIES		
Cash received in reverse take-over	**-**	(700,000)
Mining property and rights acquisition and exploration costs	**(259,938)**	(681,273)
Property, plant and equipment costs	**(276,155)**	-
Net cash provided by (used in) financing activities	**(536,093)**	(1,381,273)
FINANCING ACTIVITIES		
Shares issued - private placement (net of issuance costs)	**5,925,816**	-
Funds returned	**(5,283)**	-
Cash received on exercise of warrants	**49,725**	-
Net cash provided by (used in) financing activities	**5,970,258**	-
Increase (decrease) in cash	**3,660,772**	(2,158,825)
Cash, beginning of period	**897,510**	3,670,345
Cash, end of period	**$4,558,282**	$1,511,520
Supplemental disclosure of non-cash investing activities		
Accounts payable related to mineral properties	425,401	472,708

NOTES TO THE CONDENSED INTERIM CONSOLIDATED 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 condensed interim consolidated financial statements (the "condensed interim consolidated 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 $14,478,998 as at September 30, 2023 (June 30, 2023 - $12,245,214). 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 condensed interim consolidated 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 September 30, 2023, the Company had current assets of $5,305,616 (June 30, 2023 - $1,646,028) to cover current liabilities of $380,888 (June 30, 2023 - $770,092). 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 condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. As such, these condensed interim consolidated financial statements do not contain all the disclosures required by IFRS for annual financial statements and should be read in conjunction with the Company's audited annual financial statements for the year ended 30 June 2023 and 2022 ("annual financial statements").

The condensed interim consolidated financial statements were approved and authorized for issuance by the Board of Directors of the Company on November 29, 2023.

(b) Basis of presentation

These condensed interim consolidated 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 condensed interim consolidated 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 condensed interim consolidated 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 condensed interim consolidated 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 condensed interim consolidated 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 condensed interim consolidated 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 condensed interim consolidated 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 condensed interim consolidated 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.

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 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 condensed interim consolidated financial statements provide a true representation of the outstanding potential income from the royalty agreement.

SR&ED Tax Credits

Recognition – the Company recognizes refundable SR&ED tax credits as other income in the period in which the R&D costs that are eligible for the tax credits are incurred, provided there is reasonable assurance that the Company will comply with the relevant conditions and the credits will be received. The recognition of these tax credits as other income reflects their nature as a government grant unrelated to income tax, as defined by IAS 20.

Measurement and Basis of Calculation – refundable tax credits are measured at the fair value of the entitlement based on the qualifying R&D expenditures incurred during the year. The amounts of the credits are determined in accordance with the provisions of the SR&ED program and are calculated at the prescribed rates on the eligible R&D expenditures.

Presentation in the Profit and Loss Statement – The refundable tax credits are presented as 'Other Income' in the Profit and Loss Statement to reflect their nature as an enhancement to the Company's financial performance, rather than a deduction from expenses. This presentation is applied consistently across periods and is aligned with the Company's accounting policy of recognizing government assistance not directly related to a specific expense.

The accounting policies applied in the preparation of these financials statements are consistent with those applied and disclosed in Note 3 to the annual audited consolidated financial statements for the year ended June 30, 2023.

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 9) and a royalty agreement with a producing oil and gas company (Note 10).

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.

(Expressed in Canadian dollars)

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	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

5. *Accounts Receivable*

The Company's accounts receivable were comprised of the following as at September 30, 2023 and June 30, 2023:

	September 30, 2023	**June 30, 2023**
	$	$
Royalty receivable (Note 10)	**130,920**	117,693
Refundable SR&ED Tax Credits	**232,773**	-
	363,693	117,693

6. *Property Plant and Equipment*

The Company's property plant and equipment were comprised of the following as at September 30, 2023. It will be installed and ready for use on November 22, 2023:

	September 30, 2023
	$
Cost	**-**
Additions	**276,155**
Disposals	**-**
Accumulated Amortization	**-**
Net Book Value	**276,155**

7. *Prepaid Expenses and Deposits*

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

(Expressed in Canadian dollars)

	September 30, 2023	**June 30, 2023**
	$	$
Prepaid expenses	**166,905**	184,306
	166,905	184,306

8. *Intangible Asset Amortization*

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.

	$
Opening Balance	**4,000,000**
Amortization	(100,000)
As at June 30, 2023	**3,900,000**
Amortization	(100,000)
As at September 30, 2023	**3,800,000**

9. *Mining Property and Rights Acquisition Costs*

	Silver King Project	Klondike Property	Stateline Property	Rainbow Lake Property	**Total**
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
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**
Exploration expenditures	-	-	-	259,938	259,938
As at September 30, 2023	-	-	**-**	**3,819,565**	**3,819,565**

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 period ended September 30, 2023, the Company has incurred exploration and evaluation expenditures of $1,451,054 related to the Rainbow Lake property (2023 - $1,191,116).

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. 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. 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.

Stateline Property

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. 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.

(Expressed in Canadian dollars)

10. 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 September 30, 2023, the Company has accrued the royalty receivable of $130,920 for the period from January 2023 to September 2023 production.

Balance, June 30, 2022	-
Acquisition (Note 4)	697,813
Amortization expense	(72,480)
Balance, June 30, 2023	625,333
Amortization expense	(20,512)
Balance, September 30, 2023	604,821

11. Accounts Payable and Accrued Liabilities

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

	September 30, 2023	June 30, 2023
	$	$
Accounts payable	**140,630**	710,689
Accrued liabilities	**20,000**	59,403
	160,630	770,092

12. Liability and Income Tax Effect on Flow-through Shares

Funds raised through the issuance of flow-through common shares are expected to be expended on qualified Canadian mineral exploration expenditures, as defined pursuant to Canadian income tax legislation. The flow-through gross proceeds less the qualified expenditures made to date represent the funds received from flow-through share issuances that have not been spent and are held by the Company for such expenditures.

(Expressed in Canadian dollars)

In August 2023, the Company issued 11,529,166 flow-through common shares at $0.24 per share for gross proceeds of $2,767,000 and recognized a liability for flow-through shares of $230,583 (2022 - $Nil). As at September 30, 2023, the Company has spent $123,902 of the flow-through funds and has recognized $10,325 as flow-through recovery.

13. 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
July 19, 2023	Warrant exercise	75,000	100,447,416	0.30	22,500
August 4, 2023	Issue of Shares – Prospectus HD Units	14,956,590	115,404,006	0.22	3,290,450
August 4, 2023	Issue of Shares – Prospectus FT Units	11,262,500	126,666,506	0.24	2,703,000
August 4, 2023	Issue of Shares – Private Placement HD Units	3,287,931	129,954,437	0.22	723,345
August 4, 2023	Issue of Shares – Private Placement FT Units	266,666	130,221,103	0.24	64,000
September 19, 2023	Warrant exercise	82,500	130,303,603	0.33	27,225

During the period ended September 30, 2023, 157,500 warrants were exercised for gross proceeds of $49,725.

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 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 September 30, 2023, $1,000 was held in subscription receipts as a result of the placement being oversubscribed. These funds were returned to investors subsequent to period end.

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.

Options and Warrants

(c) Share purchase warrants

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

(Expressed in Canadian dollars)

	Warrants outstanding	Weighted average exercise price	Weighted average contractual remaining life
	#	$	(years)
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**
Issued (includes 1,515,946 broker warrants)	16,402,792	0.33	
Expired	(22,222)	0.30	
Exercised	(75,000)	0.30	
Exercised	(82,500)	0.33	
Balance, September 30, 2023	**40,610,759**	**0.34**	**1.20**

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

Expiry date	Exercise price	September 30, 2023	June 30, 2023
	$	#	#
March 31, 2024	0.30	**7,044,432**	7,066,654
October 26, 2023	0.45	**6,871,579**	6,871,579
February 24, 2025	0.30	**10,374,456**	10,449,456
August 4, 2025	0.33	**16,320,292**	-
Total		**40,610,759**	24,387,689
Weighted average remaining contractual life		**1.20 years**	1.02 years

The weighted average share price of warrants exercised during the period are detailed below:

	Exercise Date	Exercise Price	Number of warrants exercised	Weighted average share price on exercise date
		$	#	$
Balance, June 30, 2022				
Exercised	April 12, 2023	0.45	166,667	0.11
Exercised	April 28, 2023	0.45	133,333	0.10
Exercised	May 19, 2023	0.30	66,666	0.05
Exercised	May 19, 2023	0.45	200,000	0.08
Balance, June 30, 2023			**566,666**	**0.43**
Exercised	July 19, 2023	0.30	75,000	-
Exercised	September 19, 2023	0.33	82,500	0.16
Balance, September 30, 2023			**157,500**	**0.16**

(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.

(Expressed in Canadian dollars)

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
Expired August 11, 2023	(725,000)	0.405
Granted September 5, 2023	3,855,000	0.30
Outstanding September 30, 2023	**10,895,000**	**0.25**

- 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 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 period ended September 30, 2023, the Company recorded a stock-based compensation expense of $984,330 (2023 - $984,330) 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 period ended September 30, 2023, and the year ended June 30, 2023 are as follows:

(Expressed in Canadian dollars)

	Sept 5, 2023 (Options)	Mar 24, 2023 (Options)	Dec 15, 2022 (Options)
Risk-free interest rate	4.63%	2.86%	3.05%
Expected life	4 years	4 years	4 years
Expected volatility	132%	202%	206%
Forfeiture rate	0%	0%	0%
Dividend rate	0%	0%	0%

The weighted average share price of options exercised during the period are detailed below:

	Exercise Date	Exercise Price	Number of options exercised	Weighted average share price on exercise date
		$	#	$
Balance, June 30, 2022				
Exercised	April 21, 2023	0.43	150,000	0.43
Balance, June 30, 2023			**150,000**	**0.43**
No options exercised during the period				
Balance, September 30, 2023				

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

Expiry date	Exercise price	September 30, 2023	June 30, 2023
	$		
August 18, 2023	0.405	**-**	**725,000**
October 27, 2025	0.405	**975,000**	**975,000**
January 1, 2026	0.405	**400,000**	**400,000**
December 15, 2026	0.155	**4,650,000**	**4,650,000**
March 24, 2027	0.25	**1,015,000**	**1,015,000**
September 5, 2027	0.30	**3,855,000**	-
Total		**10,895,000**	**7,765,000**
Weighted average remaining contractual life		**3.36 years**	3.00 years

14. *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.

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

(Expressed in Canadian dollars)

	September 30, 2023	September 30, 2022
	$	$
Stock-based compensation	**845,354**	-
Management Services	**177,900**	-
Consulting Fees	**10,000**	125,000
Technical Services	**260,475**	-

Management fees for the year were allocated for services rendered by the Chief Executive Officer and Chief Financial Officer.

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, $77,142 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 September 30, 2023, included $Nil payable to Cronin Services Ltd. (June 30, 2023: $19,073), $42,855 receivable to Sterling Chemicals Ltd. (June 30, 2023: $225,377 payable), $Nil payable to Uhl Consulting Services (June 30, 2023 - $5,250), $21,420 payable to Alex Wylie (June 30, 2023: $21,420) and $720 payable to Morgan Tiernan (June 30, 2023 $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.

15. Financial Instruments and Risk Management

(a) Fair value of financial instruments

As at September 30, 2023 and June 30, 2023, 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 September 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 September 30, 2023, the Company had cash of $4,558,282 and a working capital surplus of $4,924,728 with total liabilities of $380,888.

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 condensed interim consolidated 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 period ended September 30, 2023, would have varied by a negligible amount.

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

16. 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 period ended September 30, 2023, and capital management is consistent with the year ended June 30, 2023. The Company is not subject to any externally imposed capital requirements.

17. SUBSEQUENT EVENTS

On October 1, 2023, 425,000 options that were issued on October 27, 2021, expired unexercised. These options had an exercise price of $0.405 each.

On October 26, 2023, 6,871,579 warrants that were issued on October 21, 2021, expired unexercised. These warrants had an exercise price of $0.45 each.

The expiration of these options and warrants does not have a material impact on the financial position or performance of the Company as of September 30, 2023.