



## **CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**For the six months ended December 31, 2023**

(Expressed in Canadian Dollars)

**VOLT LITHIUM CORP.****CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

As at December 31, 2023 and June 30, 2023

(Expressed in Canadian dollars)

	Note	<b>December 31, 2023</b> <i>(unaudited)</i>	June 30, 2023 <i>(audited)</i>
<b>ASSETS</b>			
Cash		<b>\$3,281,425</b>	\$897,510
Amounts Receivable	6	<b>409,781</b>	117,693
Goods and sales tax receivable		<b>263,201</b>	446,519
Prepaid expenses and deposits	8	<b>135,395</b>	184,306
		<b>4,089,802</b>	1,646,028
Intangible asset	4,9	<b>3,700,000</b>	3,900,000
Right of use asset	5	<b>576,406</b>	-
Royalty interest	4,11	<b>582,952</b>	625,333
Property, plant and equipment	7	<b>273,854</b>	-
Mining property and rights acquisition costs	4,10	<b>3,897,139</b>	3,559,627
<b>Total assets</b>		<b>13,120,153</b>	9,730,988
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	12,15	<b>263,172</b>	770,092
Flow through share premium liability	13	<b>213,794</b>	-
Current lease liability	5	<b>104,446</b>	-
		<b>581,412</b>	770,092
Long term lease liability	5	<b>466,349</b>	-
<b>Total liabilities</b>		<b>1,047,761</b>	770,092
<b>SHAREHOLDERS' EQUITY</b>			
Share capital (net of issuance costs)	14	<b>24,418,900</b>	18,915,621
Subscription receipts	14	-	6,283
Share-based payments reserve	14	<b>2,162,739</b>	1,294,933
Warrants reserve	14	<b>297,308</b>	881,934
Contributed surplus	14	<b>1,024,081</b>	107,339
Deficit		<b>(15,830,636)</b>	(12,245,214)
		<b>12,072,392</b>	8,960,896
<b>Total Liabilities and Shareholders' Equity</b>		<b>\$13,120,153</b>	\$9,730,988
<b>Nature of Operations and Going Concern</b>	1		
<b>Commitments from terminated option agreements</b>	10		
<b>Subsequent Events</b>	18		

**Approved on behalf of the Board of Directors by**

"Alex Wylie", CEO  
Alex Wylie

"Andrew Leslie", Chairman  
Andrew Leslie

**VOLT LITHIUM CORP.****CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**

For the six months ended December 31, 2023 and 2022

(Expressed in Canadian dollars, except number of shares)

	Note	For the three months ended December 31, 2023	For the three months ended December 31, 2022	For the six months ended December 31, 2023	For the six months ended December 31, 2022
<b>Expenses</b>					
Management fees	15	89,262	-	\$267,162	-
Consulting fees	15	235,230	125,500	1,079,116	268,833
Exploration and evaluation expenditures		30,600	-	35,472	-
Filing and transfer fees		22,523	60,655	38,644	64,654
General and administrative		23,257	47,813	51,097	73,654
Amortization on intangible asset	9	100,000	-	200,000	-
Amortization of royalty interest	11	21,869	26,110	42,381	26,110
Depreciation on property, plant and equipment	7	2,301	-	2,301	-
Insurance		24,887	-	38,475	-
Share-based compensation	14,15	-	687,154	958,482	687,154
Marketing and promotion		91,586	20,312	211,406	54,602
Research and development	15	631,909	45,264	831,072	45,264
Storage		10,050	-	40,870	-
Travel		33,134	-	60,602	-
Professional fees		119,414	25,765	134,574	82,569
Loss before other items		1,436,022	1,038,573	3,991,654	1,302,840
<b>Other income/(expense)</b>					
Interest income		30,910	3,003	65,568	3,003
Royalty income		47,009	20,000	91,101	20,000
Refundable tax credit		-	-	232,773	-
Recovery of expenses - consulting fees		-	269,683	-	269,683
Recovery of flow-through premium liability	13	6,465	-	16,790	-
		84,384	292,686	406,232	292,686
<b>Loss and Comprehensive Loss</b>		<b>\$1,351,638</b>	<b>\$745,887</b>	<b>\$3,585,422</b>	<b>\$1,010,154</b>
<b>Loss per share</b>					
Basic and diluted		(0.01)	(0.01)	(0.03)	(0.02)
<b>Weighted average common shares outstanding</b>					
Basic and diluted		130,303,603	50,402,565	124,728,437	45,271,053

**VOLT LITHIUM CORP.****CONDENSED INTERIM 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
		#	\$	\$	\$	\$	\$	\$	\$
<b>As at July 1, 2022</b>		<b>40,075,752</b>	<b>8,778,266</b>	-	<b>401,844</b>	<b>865,174</b>	<b>38,479</b>	<b>(5,016,740)</b>	<b>5,067,023</b>
Issue of shares - option agreement	14	500,000	85,000	-	-	-	-	-	<b>85,000</b>
Shares issued - Volt acquisition	14	38,880,000	5,832,000	-	-	-	-	-	<b>5,832,000</b>
Options expired	14	-	-	-	(9,689)	-	9,689	-	-
Options granted	14	-	-	-	687,154	-	-	-	<b>687,154</b>
Net loss for the period		-	-	-	-	-	-	(1,010,154)	<b>(1,010,154)</b>
<b>As at December 31, 2022</b>		<b>79,455,752</b>	<b>14,695,266</b>	-	<b>1,079,309</b>	<b>865,174</b>	<b>48,168</b>	<b>(6,026,894)</b>	<b>10,661,023</b>
<b>As at July 1, 2023</b>		<b>100,372,416</b>	<b>18,915,621</b>	<b>6,283</b>	<b>1,294,933</b>	<b>881,934</b>	<b>107,339</b>	<b>(12,245,214)</b>	<b>8,960,896</b>
Shares issued - flow through	13,14	11,529,166	2,767,000	-	-	-	-	-	<b>2,767,000</b>
Flow-through share premium liability		-	(230,583)	-	-	-	-	-	<b>(230,583)</b>
Shares issued - private placement	14	18,244,521	4,013,795	-	-	-	-	-	<b>4,013,795</b>
Share issuance costs	14	-	(855,218)	-	-	-	-	-	<b>(855,218)</b>
Broker warrants issued	14	-	(241,440)	-	-	241,440	-	-	-
Subscription receipts returned to investors	14	-	-	(6,283)	-	-	-	-	<b>(6,283)</b>
Options granted	14	-	-	-	958,482	-	-	-	<b>958,482</b>
Warrants exercised	14	157,500	49,725	-	-	-	-	-	<b>49,725</b>
Options expired	14	-	-	-	(90,676)	-	90,676	-	-
Warrants expired	14	-	-	-	-	(826,066)	826,066	-	-
Net loss for the period		-	-	-	-	-	-	(3,585,422)	<b>(3,585,422)</b>
<b>As at December 31, 2023</b>		<b>130,303,603</b>	<b>24,418,900</b>	-	<b>2,162,739</b>	<b>297,308</b>	<b>1,024,081</b>	<b>(15,830,636)</b>	<b>12,072,392</b>

**VOLT LITHIUM CORP.****CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**

For the six months ended December 31, 2023 and 2022

(Expressed in Canadian dollars)

	2023	2022
<b>OPERATING ACTIVITIES</b>		
Net loss	(\$3,585,422)	(\$1,010,154)
Items not affecting cash		
Share-based compensation	958,482	687,154
Recovery of flow-through premium liability	(16,789)	-
Amortization on royalty interest	42,381	26,112
Amortization on intangible asset	200,000	-
Depreciation on property, plant and equipment	2,301	-
Interest on lease liability	3,403	-
Depreciation on ROU Asset	9,626	-
Recovery of expenses - consulting fees	-	(269,683)
Interest Income	-	(3,003)
Changes in non-cash working capital		
Prepaid expenses and deposits	48,911	(148,333)
Accounts receivable	(292,088)	(31,000)
GST/HST receivable	183,318	(73,439)
Accounts payable and accrued liabilities	(103,569)	(234,504)
<b>Net cash provided by (used in) operating activities</b>	<b>(2,549,446)</b>	<b>(1,056,850)</b>
<b>INVESTING ACTIVITIES</b>		
Mining property and rights acquisition and exploration costs	(740,863)	(697,324)
Property, plant and equipment costs	(276,155)	-
Right of Use Assets	(8,500)	-
Assets acquired	-	(610,506)
Royalty interest	-	(500,000)
<b>Net cash provided by (used in) investing activities</b>	<b>(1,025,518)</b>	<b>(1,807,830)</b>
<b>FINANCING ACTIVITIES</b>		
Shares issued - private placement (net of issuance costs)	5,925,577	-
Subscription receipts returned to investors	(6,283)	-
Cash received on exercise of warrants	49,725	-
Principal payment on lease	(10,140)	-
<b>Net cash provided by (used in) financing activities</b>	<b>5,958,879</b>	<b>-</b>
<b>Increase (decrease) in cash</b>	<b>2,383,915</b>	<b>(2,864,680)</b>
Cash, beginning of period	897,510	3,670,345
<b>Cash, end of period</b>	<b>\$3,281,425</b>	<b>\$805,665</b>
<b>Supplemental disclosure of non-cash investing activities</b>		
Accounts payable related to mineral properties	22,050	

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

### 1. Nature of Operations and Going Concern

Volt Lithium Corp. (the "Company") is an emerging lithium producer and lithium extraction technology innovator aiming to initiate commercial production of lithium hydroxide monohydrate and lithium carbonates, utilizing oilfield brine sources in North America. Leveraging pre-existing hydrocarbon infrastructure and proprietary extraction technology, the Company plans to utilize existing oil wells to extract lithium deposits. This approach is anticipated to reduce initial capital expenditures and operational risks and expedite the timeline to reach commercial viability. The Company has completed a pilot project and commissioned a permanent demonstration plant in Calgary, Alberta (the "Demonstration Plant") that has provided preliminary evidence of the feasibility of commercial production.

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 whereby the Company agreed to purchase all of the issued and outstanding securities of Volt Operations from the Volt Operations' shareholders in exchange for the issuance of 38,880,000 common shares of the Company ("Common Shares"), which resulted in Volt Operations becoming a wholly-owned subsidiary of the Company upon closing of the transaction on December 9, 2022 (the "Volt Transaction").

The Company is an exploration stage company with no revenues from mineral-producing operations and its activities currently include acquiring mineral exploration properties and developing lithium extraction technology. The mineral exploration business is considered risky, and most exploration projects will not result in producing mines. The Company may offer an opportunity to other mining companies to acquire an interest in a property in return for funding all or part of the exploration and development of a particular property.

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 \$15,830,636 as at December 31, 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 expects to finance its property acquisitions and exploration activities primarily through the issuance of Common Shares. 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 certainty that the Company will be able to obtain necessary financing or that such financing will be available in a timely manner or on terms acceptable to the Company. As of December 31, 2023, the Company had current assets of \$4,089,802 (June 30, 2023 - \$1,646,028) to cover current liabilities of \$581,412 (June 30, 2023 - \$770,092). The Company's ability to obtain financing depends on numerous factors including, but not limited to, a positive mineral exploration environment, positive stock market conditions, the Company's track record and the experience of management. 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" or "GAAP") 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 annual audited consolidated financial statements as at and for the year ended June 30, 2023.

These condensed interim consolidated financial statements were approved and authorized for issuance by the Board of Directors of the Company on February 29, 2024.

### **(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.

### **(c) Functional and presentation currency**

Unless specified otherwise, 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 the Company and the following subsidiaries:

<b>Name of subsidiary</b>	<b>Country of incorporation</b>	<b>Percentage of ownership</b>	<b>Functional currency</b>
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 condensed interim 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 Common 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 condensed interim 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 condensed interim 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, being Volt Operations' proprietary direct lithium extraction (DLE) technology (the "DLE Technology"), as a result of the Volt Transaction. 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 or receivable. 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 period. 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 Consolidated Statements of Loss and Comprehensive Loss –** the refundable tax credits are presented as 'Other Income' in the Consolidated Statements of Loss and Comprehensive Loss 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 condensed interim consolidated financial 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 Volt Transaction pursuant to which the Company purchased all of the outstanding securities of Volt Operations 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 assets acquired consisted primarily of the DLE Technology, a 100% mineral interest ownership in the Rainbow Lake Property (Note 10) and a royalty agreement with a producing oil and gas company (Note 11).

The Volt 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, the Volt Transaction did not constitute a business combination; rather it was treated as an issuance of shares by the Company (named Allied Copper Corp. at the time) (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	700,000
Legal fees	111,318
<b>Total purchase price</b>	<b>6,643,318</b>

---

**Identifiable net assets acquired**

	<b>\$</b>
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
	<b>7,066,324</b>

## 5. Leases

Commencing December 1, 2023, the Company entered a lease agreement for the Demonstration Plant for a term of five years at a monthly base rent of \$10,140 for the first three years of the lease and \$10,740 for the fourth and fifth years of the lease.

On December 6, 2023, the Company entered a lease agreement for a skid steer for a term of three years at a price of \$2,099 per month.

(a) Right-of-Use Assets

As at December 31, 2023, \$576,406 of right-of-use assets are recorded as follows:

---

	<b>\$</b>
As at July 1, 2023	-
Cash downpayment	8,500
Inception of lease	577,532
Depreciation	(9,626)
<b>As at December 31, 2023</b>	<b>576,406</b>

**(b) Lease Liabilities**

Minimum lease payments in respect of lease liabilities and the effect of discounting are as follows:

	<b>2023</b>
Undiscounted minimum lease payments:	
Less than one year	\$146,874
Two to five years	541,368
	<u>688,242</u>
Effect of discounting	(117,447)
Present value of minimum lease payments	<u>570,795</u>
Less current portion	<u>(104,446)</u>
Long-term portion	<u>\$466,349</u>

**(c) Lease Liability Continuity**

The lease liability continuity is as follows:

	<b>2023</b>
As at July 1, 2023	\$
Inception of lease	577,532
Cash flows:	
Principal payments	(6,737)
As at December 31, 2023	<u>\$570,795</u>

During the three month period ended December 31, 2023, interest of \$3,403 is included in the general and administrative expense on the consolidated statements of comprehensive loss.

**6. Accounts Receivable**

The Company's accounts receivable were comprised of the following as at the three months ended December 31, 2023 and the year ended June 30, 2023:

	<b>December 31, 2023</b>	<b>June 30, 2023</b>
	\$	\$
Royalty receivable (Note 11)	<b>177,008</b>	117,693
Refundable SR&ED Tax Credits	<b>232,773</b>	-
	<u><b>409,781</b></u>	<u>117,693</u>

**7. Property, Plant and Equipment**

The Company's property, plant and equipment were comprised of the following as at the three months ended December 31, 2023. The Demonstration Plant was commissioned on November 22, 2023:

	<b>December 31, 2023</b>
Cost as at July 1, 2023	\$
	-

Additions	<b>276,155</b>
Disposals	-
Accumulated Amortization	<b>(2,301)</b>
Net Book Value, December 31, 2023	<b>273,854</b>

### 8. Prepaid Expenses and Deposits

As at December 31, 2023 and June 30, 2023, the Company's prepaid expenses and deposits were comprised of the following :

	December 31, 2023	June 30, 2023
	\$	\$
Prepaid expenses	<b>135,395</b>	184,306
	<b>135,395</b>	184,306

### 9. Intangible Asset Amortization

As of April 1, 2023, after the successful conclusion of bench scale testing, the Company initiated the amortization of the DLE Technology as an intangible asset. The amortization is being carried out on a straight-line basis, spanning an estimated 10-year useful life for the DLE Technology. It is important to note that the choice of 10-year useful life is based on current assumptions, considering the prevailing technological landscape. Given the rapid pace of technological advancements, it is anticipated that the effectiveness of the present DLE Technology may diminish after this 10-year period, rendering it potentially obsolete.

	\$
Opening Balance	<b>4,000,000</b>
Amortization	(100,000)
<b>As at June 30, 2023</b>	<b>3,900,000</b>
Amortization	(200,000)
<b>As at December 31, 2023</b>	<b>3,700,000</b>

### 10. Mining Property and Rights Acquisition Costs

	Silver King Project	Klondike Property	Stateline Property	Rainbow Lake Property	Total
<b>As at June 30, 2022</b>	<b>487,212</b>	<b>1,310,737</b>	<b>178,500</b>	-	<b>1,976,449</b>
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)

<b>As at June 30, 2023</b>	-	-	-	<b>3,559,627</b>	<b>3,559,627</b>
Exploration expenditures	-	-	-	337,512	337,512
<b>As at December 31, 2023</b>	-	-	-	<b>3,897,139</b>	<b>3,897,139</b>

### 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 (the "Rainbow Lake Property").

On October 28, 2022, Volt Operations entered into an agreement with Cabot Energy Inc. ("Cabot") 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 on the Cabot's lands for the purpose of treating such produced water, engaging in DLE and redelivering to Cabot the brine produced from this process.

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

As at the six-month period ended December 31, 2023, the Company has incurred exploration and evaluation expenditures of \$1,528,628 related to the Rainbow Lake Property (June 30, 2023 - \$1,191,116).

### Terminated option agreements

#### Silver King Property

On February 10, 2021, the Company entered into an option agreement with Goodsprings Exploration LLC, amongst others, to purchase 100% of the rights to the Silver King project in the State of Nevada (the "Silver King Option Agreement"). On August 11, 2023, the Company terminated the Silver King Option Agreement prior to exercising the option and the property was impaired to \$Nil upon termination of the Silver King Option Agreement.

#### Klondike Property

On December 3, 2021, the Company entered an agreement with Cloudbreak Discovery (Canada) Ltd. (a company with a former director in common) ("Cloudbreak") and Alianza Minerals Ltd ("Alianza"), inter alia, pursuant to which the Company was granted an option to purchase a 100% interest in the Klondike project in the State of Colorado (the "Klondike Option Agreement"). On February 2, 2023, the Company terminated the Klondike Option Agreement prior to exercising the option. After termination of the Klondike Option Agreement, the Company 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 upon the termination of the Klondike Option Agreement.

### Stateline Property

On February 9, 2022, the Company entered into an agreement with Cloudbreak and Alianza, amongst others, pursuant to which the Company was granted an option to purchase the Stateline property located in Colorado, USA (the "Stateline Option Agreement"). On August 11, 2023, the Company terminated the Stateline Option Agreement prior to exercising the option. After termination of the Stateline Option Agreement, the Company 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 upon the termination of the Stateline Option Agreement.

## **11. Royalty Agreement**

On December 9, 2022, the Company entered into an amending agreement to the overriding royalty agreement which was previously entered into on September 19, 2022 by Volt Operations. The overriding royalty agreement with a producing oil and gas is calculated at 3% of the production. The rate will be reduced to a non-convertible 2% overriding royalty subsequent to the Company receiving 100% of its original investment. Once the Company receives 300% of its original investment the royalty agreement is terminated. As part of this agreement, the Company agreed to, and has made, the following payments:

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

At December 31, 2023, the Company has accrued the royalty receivable of \$177,008 for the period from January 2023 to December 2023 production.

Balance, June 30, 2022	-
Acquisition (Note 4)	697,813
Amortization expense	(72,480)
Balance, June 30, 2023	625,333
Amortization expense	(42,381)
Balance, December 31, 2023	582,952

## **12. Accounts Payable and Accrued Liabilities**

As at December 31, 2023 and June 30, 2023, the Company's accounts payable and accrued liabilities were composed of the following:

	December 31, 2023	June 30, 2023
	\$	\$
Accounts payable	243,172	710,689
Accrued liabilities	20,000	59,403
	<b>263,172</b>	<b>770,092</b>

### 13. 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.

In August 2023, in connection with the Unit Financing (as defined below), 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 the flow-through Common Shares of \$230,583 (2022 - \$Nil). During the six months ended December 31, 2023, the Company spent \$201,476 of the flow-through funds raised in the Unit Financing and has recognized \$16,790 as flow-through recovery.

### 14. 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

On August 4, 2023, the Company closed a prospectus offering of flow-through units (“FT Units”) and units (“HD Units”) under a supplement to its short form base shelf prospectus (the “Prospectus Offering”). Pursuant to the Prospectus Offering, the Company issued an aggregate of 11,262,500 FT Units and 14,956,590 HD Units at a price of \$0.24 per FT Unit (the “FT Offering Price”) and \$0.22 per HD Unit (the “HD Offering Price” and, together with the FT Offering Price, the “Offering Prices”) for aggregate gross proceeds of approximately \$6.0 million. Concurrent with the closing of the Prospectus Offering, certain subscribers purchased, and the Company issued, on a private placement basis, a total of 266,666 FT Units and 3,287,931 HD Units at the respective Offering Prices for aggregate gross proceeds of \$787,345 (the “Concurrent Financing” and, together with the Prospectus Offering, the “Unit Financing”). Under the Unit Financing, each FT Unit consisted of one Common Share issued as a “flow-through share” within the meaning of the *Income Tax Act* (Canada) (the “Tax Act”) and one-half of one Common Share purchase warrant (each whole warrant, a “Warrant”) issued as a “flow-through share” within the meaning of the Tax Act. Each HD Unit consisted of one Common Share and one-half of one Warrant (without the benefit of any flow-through tax consequences under the Tax Act). Each Warrant entitles the holder thereof to purchase one Common Share at an exercise price of \$0.33 for a period of 24 months from closing of the Unit Financing.

In connection with the Unit Financing, the Company paid to a syndicate of agents an aggregate 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 (“Broker Warrants”), which was equal to 6.0% of the total FT Units and HD Units (together, the “Units”), collectively, sold under 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 into one HD Unit at the offering price of the HD Units until August 4, 2025. The Company also paid legal fees of \$465,015 in connection with the Unit Financing.

During the three months ended December 31, 2023, 157,500 warrants were exercised into 157,500 Common Shares for gross proceeds of \$49,725.

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 per share.

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 per share

**(c) Share purchase warrants**

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

	Warrants outstanding	Weighted average exercise price	Weighted average contractual remaining life
	#	\$	(years)
<b>Balance, June 30, 2022</b>	<b>18,770,344</b>	<b>0.39</b>	<b>1.38</b>
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	
<b>Balance, June 30, 2023</b>	<b>24,387,689</b>	<b>0.34</b>	<b>1.02</b>
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	
Expired	(6,871,579)	0.45	
<b>Balance, December 31, 2023</b>	<b>33,739,180</b>	<b>0.31</b>	<b>1.18</b>

The Company's share purchase warrants outstanding and exercisable as at December 31, 2023 and June 30, 2023 are as follows:

Expiry date	Exercise price	December 31, 2023	June 30, 2023
	\$	#	#
March 31, 2024	0.30	<b>7,044,432</b>	7,066,654
October 26, 2023	0.45	-	6,871,579
February 24, 2025	0.30	<b>10,374,456</b>	10,449,456
August 4, 2025	0.33	<b>16,320,292</b>	-
Total		<b>33,739,180</b>	24,387,689
Weighted average remaining contractual life		<b>1.18 years</b>	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
		\$	#	\$
<b>Balance, June 30, 2022</b>				
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
<b>Balance, June 30, 2023</b>			<b>566,666</b>	<b>0.43</b>
Exercised	July 19, 2023	0.30	75,000	0.12
Exercised	September 19, 2023	0.33	82,500	0.16

<b>Balance, December 31, 2023</b>	<b>157,500</b>	<b>0.28</b>
-----------------------------------	----------------	-------------

**(d)** Stock options

The Company has a stock option plan (the "Option Plan") to provide employees, directors, officers and consultants with options to purchase Common Shares. Under the Option Plan, options are issued at an exercise price equal to the market price of the Common Shares on the day of grant and expire a maximum five years from the date of grant. The maximum number of Common Shares that may be issued under the Option Plan shall not exceed 10% of the issued and outstanding Common Shares.

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

	<b>Options outstanding</b>	<b>Weighted average exercise price</b>	<b>Weighted average contractual remaining life</b>
	#	\$	(years)
<b>Balance, June 30, 2022</b>	<b>2,400,000</b>	<b>0.40</b>	<b>2.71</b>
Issued	5,815,000	0.17	
Expired	(300,000)	0.38	
Exercised	(150,000)	0.16	
<b>Balance, June 30, 2023</b>	<b>7,765,000</b>	<b>0.24</b>	<b>3.00</b>
Issued	3,855,000	0.30	
Expired	(1,050,000)	0.405	
<b>Balance, December 31, 2023</b>	<b>10,570,000</b>	<b>0.24</b>	<b>3.14</b>

- 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 December 31, 2023, the Company recorded a stock-based compensation expense of \$958,482 (2023 - \$984,330) related to the vesting of stock options.

The fair value of options and warrants is estimated by the Company using the Black-Scholes option-pricing model. The assumptions used during the six month period ended December 31, 2023, and the year ended June 30, 2023 are as follows:

	<b>Sept 5, 2023</b> <b>(Options)</b>	<b>Mar 24, 2023</b> <b>(Options)</b>	<b>Dec 15, 2022</b> <b>(Options)</b>
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 exercise price of options exercised during the period are detailed below:

	<b>Exercise Date</b>	<b>Exercise Price</b>	<b>Number of options exercised</b>	<b>Weighted average share price on exercise date</b>
		\$	#	\$
<b>Balance, June 30, 2022</b>				
Exercised	April 21, 2023	0.43	150,000	0.43
<b>Balance, June 30, 2023</b>			<b>150,000</b>	<b>0.43</b>
No options exercised during the period				
<b>Balance, December 31, 2023</b>				

The Company's stock options outstanding and exercisable as at December 31, 2023, and June 30, 2023, are as follows:

<b>Expiry date</b>	<b>Exercise price</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
	\$		
August 18, 2023	0.405	-	<b>725,000</b>
October 27, 2025	0.405	<b>650,000</b>	<b>975,000</b>
January 1, 2026	0.405	<b>400,000</b>	<b>400,000</b>
December 15, 2026	0.155	<b>4,650,000</b>	<b>4,650,000</b>
March 24, 2027	0.25	<b>1,015,000</b>	<b>1,015,000</b>
September 5, 2027	0.30	<b>3,855,000</b>	-
<b>Total</b>		<b>10,570,000</b>	<b>7,765,000</b>
<b>Weighted average remaining contractual life</b>		<b>3.14 years</b>	3.00 years

## 15. 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.

Compensation to key management for the periods ended December 31, 2023 and 2022 is comprised as follows:

	<b>December 31, 2023</b>	December 31, 2022
	<b>\$</b>	<b>\$</b>
Stock-based compensation	<b>845,354</b>	443,787
Management Services	<b>275,820</b>	246,000
Consulting Fees	<b>10,000</b>	-
Technical Services	<b>811,752</b>	41,667

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

Management fees for the six months ended December 31, 2023 were allocated for services rendered by the Chief Executive Officer and Chief Financial Officer.

Payments categorized under 'Technical Services' were made to Sterling Chemicals Ltd. ("Sterling"), a wholly owned subsidiary of Camber Resource Services Ltd. ("Camber"). \$483,335 of this amount was in conjunction with the technical services agreement ("TSA") dated April 12, 2022, as amended September 1, 2023. In addition, \$328,416 was paid to Sterling for reimbursement of media/consumables, equipment and additional personnel outside the scope of the TSA. Alex Wylie, the Company's Chief Executive Officer, is a shareholder of Camber, and a director of the Company, Martin Scase, is a shareholder, director and officer of Camber and a director and officer of Sterling.

Outstanding balances as of December 31, 2023 included \$Nil payable to Cronin Services Ltd. (June 30, 2023 – \$19,073), \$56,250 receivable to Sterling (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 \$3,425 payable to Maury Dumba (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 of the Company's condensed interim consolidated financial statements for the three and six months ended December 31, 2023.

## **16. Financial Instruments and Risk Management**

### **(a) Fair value of financial instruments**

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 (unadjusted) in active markets for identical assets or liabilities;

*Level 2* – Inputs other than quoted prices included in Level 1 that are observable for the asset or

liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices) for similar items in active markets; and

*Level 3* – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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. At December 31, 2023, the Company had cash of \$3,281,425 and a working capital surplus of \$3,508,390 with total liabilities of \$1,047,761.

*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 three and six month periods ended December 31, 2023, would have varied by a negligible amount.
- c. The Company had no hedging agreements in place with respect to foreign exchange rates.

## **17. 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 six month period ended December 31, 2023, and capital management is consistent with the year ended June 30, 2023. The Company is not subject to any externally imposed capital requirements.

## **18. Subsequent Events**

The Company has evaluated its activities and the external environment in which it operates subsequent to the balance sheet date up to the date the financial statements were authorized for issue. Based on this evaluation, the Company has determined that there are no material subsequent events that require disclosure in accordance with IAS 10, 'Events After the Reporting Period'.