



## **CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**For the period ended September 30, 2024 and 2023**

(Expressed in U.S. Dollars)

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

As at September 30, 2024 and June 30, 2024

(Expressed in U.S. dollars)

	Note	September 30, 2024	June 30, 2024 (restated - note 2(c))
<b>ASSETS</b>			
Cash		<b>\$463,233</b>	\$923,506
Accounts Receivable	6	<b>133,237</b>	123,370
Goods and sales tax receivable		<b>64,371</b>	95,561
Prepaid expenses and deposits	8	<b>98,986</b>	66,226
		<b>759,827</b>	1,208,663
Intangible asset	4,9	<b>2,484,109</b>	2,557,171
Right of use asset	5	<b>352,402</b>	375,131
Royalty interest	4,11	<b>371,340</b>	394,679
Property, plant and equipment	7	<b>1,086,779</b>	804,317
Restricted deposit		<b>50,048</b>	21,005
Mining property and rights acquisition costs	4,10	<b>3,327,731</b>	3,327,731
<b>Total assets</b>		<b>8,432,236</b>	8,688,697
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	12,16	<b>161,768</b>	266,504
Flow through share premium liability	13	<b>153,245</b>	153,245
Current lease liability	5	<b>81,447</b>	79,839
		<b>396,460</b>	499,588
Derivative liabilities	14	<b>3,764,447</b>	265,185
Long term lease liability	5	<b>278,625</b>	299,600
<b>Total liabilities</b>		<b>4,439,532</b>	1,064,373
<b>SHAREHOLDERS' EQUITY</b>			
Share capital (net of issuance costs)	15	<b>19,169,073</b>	17,867,304
Subscriptions receivable	15	<b>(2,445)</b>	-
Share-based payments reserve	15	<b>1,686,098</b>	1,633,154
Warrants reserve	15	<b>265,185</b>	1,306,152
Contributed surplus	15	<b>866,976</b>	761,046
Deficit		<b>(17,992,183)</b>	(13,943,332)
		<b>3,992,704</b>	7,624,324
<b>Total Liabilities and Shareholders' Equity</b>		<b>\$8,432,236</b>	\$8,688,697
<b>Nature of Operations and Going Concern</b>	1		
<b>Subsequent Events</b>	19		
<b>Approved on behalf of the Board of Directors by</b>			
<u>"Alex Wylie"</u> , CEO		<u>"Andrew Leslie"</u> , Chairman	
Alex Wylie		Andrew Leslie	

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

For the period ended September 30, 2024 and 2023

(Expressed in U.S. dollars, except number of shares)

	Note	For the three months ended September 30, 2024	For the three months ended September 30, 2023 (restated - note 2(c))
<b>Expenses</b>			
Management fees	16	131,108	129,977
Consulting fees		224,216	616,560
Exploration and evaluation expenditures		-	3,560
Filing and transfer fees		29,644	11,778
General and administrative	5	103,823	20,340
Amortization on intangible asset	9	73,062	73,062
Depreciation on property, plant and equipment	7	20,039	-
Insurance		66,899	9,928
Share-based compensation	15,16	63,845	700,286
Marketing and promotion		68,767	87,543
Research and development	16	479,136	145,513
Storage		-	22,518
Travel		42,311	20,069
Professional fees		32,918	11,075
Loss before other items		1,335,768	1,852,209
<b>Other income/(expense)</b>			
Interest income		-	25,322
Royalty income	11	49,352	32,214
Amortization of royalty interest	11	23,339	(14,986)
Change in fair value of derivative liabilities	14	(2,785,774)	-
Refundable tax credit		-	170,068
Recovery of flow-through premium liability	13	-	7,543
		(2,713,083)	220,161
<b>Loss and Comprehensive Loss</b>		<b>\$4,048,851</b>	<b>\$1,632,048</b>
<b>Loss per share</b>			
Basic and diluted		(0.03)	(0.01)
<b>Weighted average common shares outstanding</b>			
Basic and diluted		139,404,244	119,082,033

**VOLT LITHIUM CORP.**
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**

(Expressed in U.S. dollars, except number of shares)

	Note	Common Shares	Share Capital	Subscription receipts	Subscriptions receivable	Share-based payments reserve	Warrants reserve	Contributed surplus	Deficit	Total Shareholders' Equity
		#	\$	\$	\$	\$	\$	\$	\$	\$
<b>As at July 1, 2023 (restated - note 2(c))</b>		<b>100,372,416</b>	<b>13,820,137</b>	<b>4,591</b>	-	<b>946,105</b>	<b>644,359</b>	<b>78,424</b>	<b>(8,946,602)</b>	<b>6,547,014</b>
Shares issued - flow through	13,15	11,529,166	2,021,627	-	-	-	-	-	-	2,021,627
Flow-through share premium liability	15	-	(168,469)	-	-	-	-	-	-	(168,469)
Shares issued - private placement	15	18,244,521	2,932,560	-	-	-	-	-	-	2,932,560
Share issuance costs	15	-	(624,665)	-	-	-	-	-	-	(624,665)
Broker warrants issued	15	-	(176,401)	-	-	-	176,401	-	-	-
Subscription receipts returned to investors	15	-	-	(3,860)	-	-	-	-	-	(3,860)
Options granted	15	-	-	-	-	700,286	-	-	-	700,286
Warrants exercised	15	157,500	36,330	-	-	-	-	-	-	36,330
Net loss for the period		-	-	-	-	-	-	-	(1,632,048)	(1,632,048)
<b>As at September 30, 2023</b>		<b>130,303,603</b>	<b>17,841,119</b>	<b>731</b>	-	<b>1,646,391</b>	<b>820,760</b>	<b>78,424</b>	<b>(10,578,650)</b>	<b>9,808,775</b>
<b>As at July 1, 2024</b>		<b>137,362,757</b>	<b>17,867,304</b>	-	-	<b>1,633,154</b>	<b>1,306,152</b>	<b>761,046</b>	<b>(13,943,332)</b>	<b>7,624,324</b>
Options granted	15	-	-	-	-	63,845	-	-	-	63,845
Effect of change in functional currency	14,15	-	-	-	-	-	(1,040,967)	105,930	-	(935,037)
Warrants exercised	15	4,772,289	1,279,470	-	(2,445)	-	-	-	-	1,277,025
Options exercised	15	100,000	22,299	-	-	(10,901)	-	-	-	11,398
Net loss for the period		-	-	-	-	-	-	-	(4,048,851)	(4,048,851)
<b>As at September 30, 2024</b>		<b>142,235,046</b>	<b>19,169,073</b>	-	<b>(2,445)</b>	<b>1,686,098</b>	<b>265,185</b>	<b>866,976</b>	<b>(17,992,183)</b>	<b>3,992,704</b>

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

For the period ended September 30, 2024 and 2023

(Expressed in U.S. dollars)

<b>OPERATING ACTIVITIES</b>		
Net loss	<b>(\$4,048,851)</b>	(\$1,632,048)
Items not affecting cash		
Share-based compensation	<b>63,845</b>	700,286
Recovery of flow-through premium liability	-	(7,543)
Amortization of royalty interest	<b>23,339</b>	14,986
Amortization on intangible asset	<b>73,062</b>	73,062
Depreciation on property, plant and equipment	<b>20,039</b>	-
Interest on lease liability	<b>7,460</b>	-
Depreciation on right of use asset	<b>22,729</b>	-
Exchange gain/loss	<b>(293)</b>	-
Change in fair value of derivative liabilities	<b>2,785,774</b>	-
Changes in non-cash working capital		
Prepaid expenses and deposits	<b>(32,760)</b>	12,714
Accounts receivable	<b>(9,867)</b>	(179,733)
Goods and services tax receivable	<b>31,190</b>	167,884
Accounts payable and accrued liabilities	<b>(114,373)</b>	(445,285)
<b>Net cash provided by (used in) operating activities</b>	<b>(1,178,706)</b>	(1,295,677)
<b>INVESTING ACTIVITIES</b>		
Mining property and rights acquisition and exploration costs	-	(189,916)
Property, plant and equipment costs	<b>(292,863)</b>	(201,764)
Restricted deposit	<b>(28,750)</b>	-
<b>Net cash provided by (used in) investing activities</b>	<b>(321,613)</b>	(391,680)
<b>FINANCING ACTIVITIES</b>		
Shares issued - private placement (net of issuance costs)	-	4,329,521
Subscription receipts returned to investors	-	(3,860)
Cash received on exercise of options	<b>11,398</b>	-
Cash received on exercise of warrants	<b>1,055,476</b>	36,330
Principal payment on lease	<b>(26,827)</b>	-
<b>Net cash provided by (used in) financing activities</b>	<b>1,040,047</b>	4,361,991
<b>Increase (decrease) in cash</b>	<b>(460,272)</b>	2,674,634
Cash, beginning of period	<b>923,506</b>	655,739
<b>Cash, end of period</b>	<b>\$463,233</b>	\$3,330,373
<b>Supplemental disclosure of non-cash activities</b>		
Reclassification of fair value of warrants from derivative liabilities on exercise	<b>221,549</b>	-
Accounts payable related to property, plant and equipment costs	<b>9,638</b>	-
Accounts payable related to mineral properties	-	310,806

## 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 by utilizing oilfield brine sources in North America.

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.

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 \$17,992,183 as at September 30, 2024 (June 30, 2024 - \$13,943,332). The recoverability of the carrying value of its long-lived assets 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, exploration activities and extraction technologies 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 September 30, 2024, the Company had current assets of \$759,827 (June 30, 2024 - \$1,208,663)

to cover current liabilities of \$396,460 (June 30, 2024 - \$499,588). 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 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 financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These condensed interim consolidated financial statements were approved and authorized for issuance by the Board of Directors of the Company on November 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**

Effective July 1, 2024, the Company reassessed its functional currency due to changes in underlying transactions, events, and conditions. As a result of this reassessment, the Company determined that its functional currency changed from the Canadian dollar ("C\$") to the United States dollar ("US\$"). This change reflects the Company's increased operations in the United States and the planned scale-up of activities in the U.S., which will represent the primary focus of the business going forward. The change in functional currency was accounted for prospectively from July 1, 2024, with no impact on prior year comparative information. Determining the functional currency involved significant judgments to assess the primary economic environment in which the Company operates, including factors such as the currency of underlying transactions, the location of key operations, and the currency of expected cash flows.

Concurrent with the change in functional currency, the Company also elected to change its presentation currency from C\$ to US\$, effective July 1, 2024. The change in presentation currency was made to better reflect the Company's business activities, provide consistency with its functional currency, and improve comparability of its financial results with other publicly traded businesses in the industry.

The change in presentation currency was accounted for retrospectively. Comparative financial information for prior

periods has been restated to reflect the US\$ presentation currency. Balance sheet and profit and loss amounts previously reported in Canadian dollars were translated into US dollars using the foreign exchange rate of 1.3687 C\$/US\$, which was the rate prevailing on July 1, 2024.

A reconciliation of the prior period comparative amounts restated to reflect the US\$ presentation currency is provided below:

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	<b>June 30, 2024</b>		<b>July 1, 2023</b>	
	<u>As reported</u>	<u>Restated</u>	<u>As reported</u>	<u>Restated</u>
	<u>CAD\$</u>	<u>US\$</u>	<u>CAD\$</u>	<u>US\$</u>
<b>ASSETS</b>				
Cash	1,264,002	923,506	897,510	655,739
Accounts Receivable	168,856	123,370	117,693	85,989
Goods and sales tax	130,794	95,561	446,519	326,236
Prepaid expenses and deposits	90,644	66,226	184,306	134,657
	1,654,296	1,208,663	1,646,028	1,202,621
Intangible assets	3,500,000	2,557,171	3,900,000	2,849,419
Right of use asset	513,442	375,131	-	-
Royalty interest	540,197	394,679	625,333	456,881
Property, plant and equipment	1,100,869	804,317	-	-
Restricted deposits	28,750	21,005	-	-
Mining property and rights acquisition and exploration costs	4,554,666	3,327,731	3,559,627	2,600,736
<b>Total Assets</b>	<b>11,892,220</b>	<b>8,688,697</b>	<b>9,730,988</b>	<b>7,109,657</b>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	364,763	266,504	770,092	562,645
Flow through share premium liability	209,747	153,245	-	-
Current lease liability	109,276	79,839	-	-
	683,786	499,588	770,092	562,645
Derivative liabilities	362,959	265,185	-	-
Long term lease liability	410,063	299,600	-	-
<b>Total Liabilities</b>	<b>1,456,808</b>	<b>1,064,373</b>	<b>770,092</b>	<b>562,645</b>
<b>SHAREHOLDERS' EQUITY</b>				
Share Capital	24,454,979	17,867,304	18,915,621	13,820,137
Subscription receipts	-	-	6,283	4,590
Share based payments reserve	2,235,298	1,633,154	1,294,933	946,104
Warrants reserve	1,787,730	1,306,152	881,934	644,359
Contributed Surplus	1,041,643	761,046	107,339	78,424
Retained Earnings (Deficit)	(19,084,238)	(13,943,332)	(12,245,214)	(8,946,602)
	10,435,412	7,624,324	8,960,896	6,547,012
<b>Total Liabilities and Shareholders' Equity</b>	<b>11,892,220</b>	<b>8,688,697</b>	<b>9,730,988</b>	<b>7,109,657</b>



**CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**

	<b>September 30, 2023</b>	
	<u>As reported</u>	<u>Restated</u>
	<u>CAD\$</u>	<u>US\$</u>
<b>Expenses</b>		
Management fees	177,900	129,977
Consulting fees	843,886	616,560
Exploration & evaluation	4,872	3,560
Filing and transfer fees	16,121	11,778
General and Administrative	27,840	20,340
Amortization on intangible asset	100,000	73,062
Insurance	13,588	9,928
Share-based compensation	958,482	700,286
Marketing and promotion	119,820	87,543
Research & development	199,163	145,513
Storage	30,820	22,518
Travel	27,468	20,069
Professional fees	15,159	11,075
Loss before other items	2,535,119	1,852,209
<b>Other income/(expense)</b>		
Interest income	34,658	25,322
Royalty income	44,091	32,214
Amortization of royalty interest	(20,512)	(14,986)
Recovery of flow through premium liability	10,325	7,543
Refundable tax credit	232,773	170,068
	301,335	220,161
<b>Loss and Comprehensive Loss</b>	2,233,784	1,632,048
<b>Loss per share</b>		
Basic and diluted	<b>(0.02)</b>	<b>(0.01)</b>

**(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%	USD
1330340 B.C. Ltd.	Canada	100%	USD
Gold Rush Caribou Inc.	Canada	100%	USD
Red Bluff VLT LLC	USA	100%	USD
Volt Management Services USA LLC	USA	100%	USD
Volt Nevada Inc.	USA	100%	USD

### **3. Material Accounting Policy Information**

#### **(a) Estimates and critical judgements by management**

The preparation of condensed interim consolidated financial statements requires management to make judgements, estimates and assumptions 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 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 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, 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 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.

#### *Functional currency*

The determination of an entity's functional currency requires judgement where the operations of the Company are changing or current indicators are mixed. Additionally, the timing of a change in functional currency is a judgement as the balance of currency indicators may change over time.

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, 2024.

#### **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 CA\$0.15/share	4,260,978
Amounts advanced by the Company to Volt Operations	511,434
Legal fees	81,331
<b>Total purchase price</b>	<b>4,853,743</b>

#### **Identifiable net assets acquired**

Cash acquired	77,073
Amounts receivable	8,037
Prepaid expenses and deposits	120,552
Goods and sales tax receivable	27,705
Accounts payable and accrued liabilities	(542,424)
Fair value of net assets acquired	(309,057)
Excess value attributable as per below	(5,162,800)

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**Purchase price allocation**

Royalty agreement	509,837
Rainbow Lake Property	1,730,482
Intangible asset – DLE Technology	2,922,481
	5,162,800

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## 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 \$7,408 for the first three years of the lease and \$7,847 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 lease payment of \$1,534 per month.

### (a) Right-of-Use Assets

As at September 30, 2024, \$352,402 of right-of-use assets are recorded as follows:

	\$
As at July 1, 2024	375,131
Depreciation	(22,729)
As at September 30, 2024	352,402

### (b) Lease Liabilities

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

	\$
Undiscounted minimum lease payments:	
Less than one year	\$107,309
Two to five years	315,052
	422,361
Effect of discounting	(62,289)
Present value of minimum lease payments	360,072
Less current portion	(81,447)
Long-term portion	\$278,625

### (c) Lease Liability Continuity

The lease liability continuity is as follows:

	\$
As at July 1, 2024	\$379,439
Cash flows:	
Principal payments	(26,827)
Interest	7,460
As at September 30, 2024	\$360,072

During the period ended September 30, 2024, interest of \$7,460 and depreciation of \$22,729 is included in the general and administrative expense on the condensed interim consolidated statements of comprehensive loss.

## 6. Accounts Receivable

The Company's accounts receivable were comprised of the following as at the period ended September 30, 2024, and the period ended June 30, 2024:

	September 30, 2024	June 30, 2024
	\$	\$
Royalty receivable (Note 11)	133,237	123,370
	<b>133,237</b>	<b>123,370</b>

## 7. Property, Plant and Equipment

The Demonstration Plant was commissioned on November 22, 2023, and is depreciated on a straight-line basis for an estimated useful life of 10 years. The DLE field units were installed and ready for use during the period ended 30, September, 2024 and have been depreciated on a straight line basis over 5 years. The Company also purchased a motor vehicle which has been depreciated on a straight line basis over 5 years.

	Motor Vehicles	Demonstration Plant Units	DLE Field Units	Total
	\$	\$	\$	\$
Cost as at July 1, 2023	-	-	-	-
Additions	-	201,764	614,322	816,086
Disposals	-	-	-	-
Accumulated Amortization	-	(11,769)	-	(11,769)
Net Book Value, June 30, 2024	-	189,995	614,322	804,317
Additions	54,343	17,123	231,035	302,501
Disposals	-	-	-	-
Accumulated Amortization	(906)	(5,044)	(14,089)	(20,039)
Net Book Value, September 30, 2024	53,437	202,074	831,268	1,086,779

## 8. Prepaid Expenses and Deposits

As at September 30, 2024 and June 30, 2024, the Company's prepaid expenses and deposits were comprised of the following:

	September 30, 2024	June 30, 2024
	\$	\$
Prepaid expenses	98,986	66,226
	<b>98,986</b>	<b>66,226</b>

### **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 based on current assumptions and 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.

	\$
<b>As at June 30, 2024</b>	<b>2,557,171</b>
Amortization	(73,062)
<b>As at September 30, 2024</b>	<b>2,484,109</b>

### **10. Mining Property and Rights Acquisition Costs**

	Rainbow Lake Property
<b>As at June 30, 2024</b>	<b>3,327,731</b>
<b>As at September 30, 2024</b>	<b>3,327,731</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").

As of September 30, 2024, the Company has incurred exploration and evaluation expenditures of \$1,597,249 related to the Rainbow Lake Property (June 30, 2024 - \$1,597,249).

### **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:

- CAD\$125,000 on execution of the agreement;
- CAD\$125,000 upon execution of the definitive agreement; and

- CAD\$250,000 is due within 5 business days of the Volt Operations shares being listed on the TSX Venture Exchange.

At September 30, 2024, the Company has accrued the royalty receivable of \$133,237 and recognized the royalty income of \$49,352 for the period ended September 30, 2024.

Balance, June 30, 2023	<b>456,881</b>
Amortization expense	(62,202)
Balance, June 30, 2024	394,679
Amortization expense	(23,339)
Balance, September 30, 2024	371,340

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

As at September 30, 2024, and June 30, 2024, the Company's accounts payable and accrued liabilities were composed of the following:

	<b>September 30, 2024</b>	June 30, 2024
	\$	\$
Accounts payable	<b>146,952</b>	251,891
Accrued liabilities	<b>14,816</b>	14,613
	<b>161,768</b>	266,504

## **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 in Note 15), the Company issued 11,529,166 flow-through Common Shares at CA \$0.24 per share for gross proceeds of \$2,021,626 and recognized a liability for the flow-through Common Shares of \$168,468. During the year ended June 30, 2024, the Company spent \$182,682 of the flow-through funds raised in the Unit Financing and has recognized \$15,223 as flow-through recovery. No additional flow through funds were spent during the period ended September 30, 2024.

## **14. Derivative Liabilities**

- (a) Prior to July 1, 2024, the Company's functional currency was the CAD; as such, the Company recorded a derivative liability on the warrants outstanding with USD exercise prices. This derivative liability was being revalued at each reporting period.



The Company revalued its derivative liability upon the change in functional currency, which resulted in a loss on revaluation of \$145,223.

Due to the change in functional currency on July 1, 2024, the derivative liability was measured at fair value using the Black-Scholes Option Pricing Model with a valuation date of July 1, 2024. The derivative liability of the Company on that date was \$265,185, which upon reclassification, was charged to equity as an increase in reserves of \$265,185.

Balance, July 1, 2024	<b>265,185</b>
Reclassification of derivative liability per change in functional currency	(265,185)
Balance, September 30, 2024	-

A summary of the warrants with USD exercise prices outstanding and exercisable as at July 1, 2024, upon the change in functional currency was as follows:

Warrants outstanding	Exercise Price	Expiry Date
3,409,091	0.35	May 1, 2026

The following weighted average assumptions were used in the Black-Scholes option-pricing model for the revaluations for the warrants priced in USD as at July 1, 2024:

	<b>July 1, 2024</b>
Risk-free interest rate	3.99%
Expected life	1.84 years
Expected volatility	127%
Forfeiture rate	0%
Dividend rate	0%

- (b) On July 1, 2024, the Company's functional currency changed to the USD from the CAD; as such, the Company recorded a derivative liability on the warrants outstanding with previously issued CAD exercise prices. This derivative liability is being revalued at each reporting period.

As at July 1, 2024, the Company charged \$1,200,222 to warrants reserve to reclassify the derivative liability for warrants with exercise prices denominated in CAD using the Black-Scholes Option Pricing Model. On July 1, 2024, 30,058,422 warrants were re-valued from CAD to USD denominated exercise price which resulted in \$1,200,222 of the derivative liability being reclassified to warrants reserve. During the period ended September 30, 2024, the Company exercised warrants with a value of \$221,549, revalued the remaining derivative liability to \$3,764,447 and recorded a loss on revaluation of \$2,785,774.

The following table summarizes the continuity of the derivative liability for the period ended September 30, 2024:

Balance, June 30, 2024	-
Reclassification of derivative liability per change in functional currency	1,200,222
Fair value of warrants exercised during period	(221,549)
Fair value changes of derivative liability	2,785,774
Balance, September 30, 2024	3,764,447

A summary of the warrants with CAD exercise prices outstanding and exercisable as at September 30, 2024 is as follows:

Warrants outstanding	Exercise Price	Expiry Date
8,775,623	CA\$0.30	February 24, 2025
12,722,433	CA\$0.33	August 4, 2025
757,973	CA\$0.22	August 4, 2025
<b>22,256,029</b>		

The following weighted average assumptions were used in the Black-Scholes option-pricing model for the revaluations for the warrants priced in CAD as at September 30, 2024 and July 1, 2024:

	September 30, 2024	July 1, 2024
Risk-free interest rate	2.94%	2.94% - 4.02%
Expected life	0.4 – 0.84 years	0.65 – 1.09 years
Expected volatility	115% - 122%	100% - 105%
Forfeiture rate	0%	0%
Dividend rate	0%	0%

## 15. 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 (\$CAD)	Gross Proceeds
October 8, 2020	Incorporation shares	1,000	1,000	0.01	7
March 11, 2021	Seed shares	6,690,000	6,691,000	0.006	29,327
October 27, 2021	Shares issued through RTO	18,308,748	24,999,748	0.30	4,013,023
October 27, 2021	Conversion of subscription receipts	13,076,004	38,075,752	0.30	2,866,078
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	500,000	40,575,752	0.17	-

<i>(Klondike Option Agreement)</i>					
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	2,922,481
April 10, 2023	Warrant exercise	111,111	99,566,863	0.30	24,354
April 12, 2023	Warrant exercise	166,666	99,733,529	0.45	54,797
April 20, 2023	Option exercise	150,000	99,883,529	0.155	16,987
April 28, 2023	Warrant exercise	133,333	100,016,862	0.45	43,837
May 17, 2023	Warrant exercise	44,444	100,061,306	0.30	9,741
May 19, 2023	Warrant exercise	66,666	100,127,972	0.30	14,612
May 19, 2023	Warrant exercise	200,000	100,327,972	0.45	65,756
May 26, 2023	Warrant exercise	44,444	100,372,416	0.30	9,741
July 19, 2023	Warrant exercise	75,000	100,447,416	0.30	16,439
August 4, 2023	Issue of Shares – Prospectus HD Units	14,956,590	115,404,006	0.22	2,404,070
August 4, 2023	Issue of Shares – Prospectus FT Units	11,262,500	126,666,506	0.24	1,974,867
August 4, 2023	Issue of Shares – Private Placement HD Units	3,287,931	129,954,437	0.22	528,491
August 4, 2023	Issue of Shares – Private Placement FT Units	266,666	130,221,103	0.24	46,760
September 13, 2023	Warrant exercise	82,500	130,303,603	0.33	19,891
April 1, 2024	Warrant exercise	195,555	130,499,158	0.30	42,863
April 26, 2024	Warrant exercise	45,417	130,544,575	0.30	9,955
May 1, 2024	Issue of Shares – Private Placement	6,818,182	137,362,757	0.31	1,500,000
July 25, 2024	Warrant Exercise	75,000	137,437,757	0.33	17,910
July 25, 2024	Warrant Exercise	475,000	137,912,757	0.30	103,119
July 26, 2024	Warrant Exercise	100,000	138,012,757	0.33	23,861
July 26, 2024	Warrant Exercise	349,666	138,362,423	0.30	75,849
July 29, 2024	Warrant Exercise	50,000	138,412,423	0.33	11,912
July 30, 2024	Warrant Exercise	85,500	138,497,923	0.30	18,519
July 30, 2024	Warrant Exercise	364,000	138,861,923	0.33	86,723
August 1, 2024	Warrant Exercise	37,500	138,899,423	0.30	8,125
August 12, 2024	Warrant Exercise	237,500	133,136,923	0.33	57,050
August 12, 2024	Warrant Exercise	357,973	139,494,896	0.22	57,326
August 14, 2024	Warrant Exercise	50,000	139,544,896	0.30	10,940
August 15, 2024	Warrant Exercise	38,500	139,583,396	0.33	9,264
August 16, 2024	Warrant Exercise	90,400	139,673,796	0.33	21,764
August 19, 2024	Warrant Exercise	137,500	139,811,296	0.33	33,239
August 20, 2024	Warrant Exercise	35,400	139,846,696	0.33	8,573
August 21, 2024	Warrant Exercise	50,000	139,896,696	0.30	11,036
August 21, 2024	Warrant Exercise	133,600	140,030,296	0.33	32,437
August 22, 2024	Warrant Exercise	50,000	140,080,296	0.30	11,028
August 22, 2024	Warrant Exercise	200,000	140,280,296	0.33	48,522
August 22, 2024	Warrant Exercise	400,000	140,680,296	0.22	64,696
August 26, 2024	Warrant Exercise	75,000	140,755,296	0.30	16,690
August 27, 2024	Warrant Exercise	200,000	140,955,296	0.33	49,034
August 28, 2024	Warrant Exercise	425,000	141,380,296	0.33	104,113

August 28, 2024	Warrant Exercise	115,000	141,495,296	0.30	25,610
August 29, 2024	Warrant Exercise	68,750	141,564,046	0.30	15,307
August 30, 2024	Warrant Exercise	250,000	141,814,046	0.33	61,152
September 10, 2024	Option Exercise	100,000	141,914,046	0.155	11,398
September 13, 2024	Warrant Exercise	37,500	141,951,546	0.30	8,280
September 24, 2024	Warrant Exercise	159,500	142,111,046	0.30	35,529
September 27, 2024	Warrant Exercise	114,000	142,225,046	0.33	27,869
September 30, 2024	Warrant Exercise	10,000	142,235,046	0.33	2,445

On May 1, 2024, the company closed a non brokered private placement for 6,818,182 units priced at \$0.22 per unit for total gross proceeds of \$1,500,000. Each unit comprises of one common share and one-half warrant. Each warrant is exercisable into one common share at a price of \$0.35 per share and expires May 1, 2026. The Company also incurred share issue costs of \$28,170 in connection with the private placement.

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 CAD per FT Unit (the "FT Offering Price") and \$0.22 CAD per HD Unit (the "HD Offering Price" and, together with the FT Offering Price, the "Offering Prices") for aggregate gross proceeds of approximately \$4.4 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 \$575,250 (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 CAD for a period of 24 months from closing of the Unit Financing. The 9,122,262 HD warrants and the 5,764,584 FT warrants were fair valued using the Black-Scholes Option Pricing Model.

In connection with the Unit Financing, the Company paid to a syndicate of agents an aggregate cash commission of \$253,414, 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 CAD 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 and other share issue costs of \$374,726 in connection with the Unit Financing. The 1,515,946 broker warrants were fair valued using the Black-Scholes Option Pricing Model.

During the year ended June 30, 2024, 398,472 warrants were exercised into 398,472 common shares for gross proceeds of \$89,148.

During the period ended September 30, 2024, 4,772,289 warrants were exercised into 4,772,289 Common Shares for gross proceeds of \$1,057,921. Of this amount, \$2,445 is receivable at September 30, 2024.

During the period ended September 30, 2024, 100,000 options were exercised for gross proceeds of \$11,398.

**(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, 2023</b>	<b>24,387,689</b>	<b>0.25</b>	<b>1.02</b>
Issued	14,886,846	CA\$0.33	
Issued (broker warrants)*	1,515,946	CA\$0.22	
Expired	(22,222)	CA\$0.30	
Exercised	(75,000)	CA\$0.30	
Exercised	(82,500)	CA\$0.33	
Exercised	(195,555)	CA\$0.30	
Expired	(6,848,877)	CA\$0.30	
Expired	(6,871,579)	CA\$0.45	
Exercised	(45,417)	CA\$0.30	
Issued	3,409,091	\$0.35	
<b>Balance, June 30, 2024</b>	<b>30,058,422</b>	<b>0.20</b>	<b>1.01</b>
Exercised (includes 70,000 Broker warrants)	(1,553,416)	CA\$0.30	
Exercised (FT Units)	(415,400)	CA\$0.33	
Exercised (HD Units)	(2,045,500)	CA\$0.33	
Exercised (Broker Warrants)	(757,973)	CA\$0.22	
Issued on exercise of broker warrants	378,987	CA\$0.33	
<b>Balance, September 30, 2024</b>	<b>25,665,120</b>	<b>0.25</b>	<b>0.79</b>

\*These broker warrants are exercisable into one HD Unit.

The Company's share purchase warrants outstanding and exercisable as at September 30, 2024 and June 30, 2024 are as follows:

Expiry date	Exercise price	September 30, 2024	June 30, 2024
	\$	#	#
February 24, 2025	CA\$0.30	<b>8,775,623</b>	10,329,039
August 4, 2025	CA\$0.33	<b>12,722,433</b>	14,804,346
August 4, 2025	CA\$0.22	<b>757,973</b>	1,515,946
May 1, 2026	0.35	<b>3,409,091</b>	3,409,091
Total		<b>25,665,120</b>	30,058,422
Weighted average remaining contractual life		<b>0.79 years</b>	1.01 years

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

	Exercise Date	Exercise Price	Number of warrants exercised	Weighted average share price on exercise date
		\$	#	\$
Exercised	July 19, 2023	CA\$ 0.30	75,000	0.036
Exercised	September 13, 2023	CA\$ 0.33	82,500	0.046
Exercised	April 1, 2024	CA\$ 0.30	195,555	0.099
Exercised	April 26, 2024	CA\$ 0.30	45,417	0.030
<b>Balance, June 30, 2024</b>			<b>398,472</b>	<b>0.21</b>
Exercised	July 25, 2024	CA\$ 0.33	75,000	0.005
Exercised	July 25, 2024	CA\$ 0.30	475,000	0.029
Exercised	July 26, 2024	CA\$ 0.33	100,000	0.006
Exercised	July 26, 2024	CA\$ 0.30	349,666	0.022
Exercised	July 29, 2024	CA\$ 0.33	50,000	0.003
Exercised	July 30, 2024	CA\$ 0.33	364,000	0.023
Exercised	July 30, 2024	CA\$ 0.30	85,500	0.005
Exercised	August 1, 2024	CA\$ 0.30	37,500	0.002
Exercised	August 12, 2024	CA\$ 0.33	237,500	0.015
Exercised	August 12, 2024	CA\$ 0.22	357,973	0.022
Exercised	August 14, 2024	CA\$ 0.30	50,000	0.003
Exercised	August 15, 2024	CA\$ 0.33	38,500	0.002
Exercised	August 16, 2024	CA\$ 0.33	90,400	0.006
Exercised	August 19, 2024	CA\$ 0.33	137,500	0.008
Exercised	August 20, 2024	CA\$ 0.33	35,400	0.002
Exercised	August 21, 2024	CA\$ 0.33	133,600	0.009
Exercised	August 21, 2024	CA\$ 0.30	50,000	0.003
Exercised	August 22, 2024	CA\$ 0.33	200,000	0.014
Exercised	August 22, 2024	CA\$ 0.22	400,000	0.027
Exercised	August 22, 2024	CA\$ 0.30	50,000	0.003
Exercised	August 26, 2024	CA\$ 0.30	75,000	0.006
Exercised	August 27, 2024	CA\$ 0.33	200,000	0.015
Exercised	August 28, 2024	CA\$ 0.33	425,000	0.029
Exercised	August 28, 2024	CA\$ 0.30	115,000	0.008
Exercised	August 29, 2024	CA\$ 0.30	68,750	0.004
Exercised	August 30, 2024	CA\$ 0.33	250,000	0.017
Exercised	September 13, 2024	CA\$ 0.30	37,500	0.002
Exercised	September 24, 2024	CA\$ 0.30	159,500	0.009
Exercised	September 27, 2024	CA\$ 0.33	114,000	0.009
Exercised	September 30, 2024	CA\$ 0.33	10,000	0.001
<b>Balance, September 30, 2024</b>			<b>4,772,289</b>	<b>0.31</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:

	Options outstanding	Weighted average exercise price	Weighted average contractual remaining life
	#	\$	(years)
<b>Balance, June 30, 2023</b>	<b>7,765,000</b>	<b>0.17</b>	<b>3.00</b>
Issued	3,855,000	CA\$ 0.30	
Expired	(1,050,000)	CA\$ 0.405	
Expired	(100,000)	CA\$ 0.155	
Expired	(10,000)	CA\$ 0.25	
Granted	600,000	CA\$ 0.20	
Granted	800,000	CA\$ 0.25	
<b>Balance, June 30, 2024</b>	<b>11,860,000</b>	<b>0.17</b>	<b>2.79</b>
Exercised	(100,000)	CA\$ 0.155	
Granted	425,000	CA\$ 0.44	
<b>Balance, September 30, 2024</b>	<b>12,185,000</b>	<b>0.18</b>	<b>2.58</b>

- On August 23, 2024, the Company granted a total of 425,000 stock options ("Options") to new employees under the Company's stock option plan. Each Option entitles the holder to purchase one common share ("Share") of the Company at an exercise price of CA\$0.44 per Share. The Options vest over a six-month period and are exercisable for a period of four years, expiring on August 25, 2028.
- On June 13, 2024, the Company granted 800,000 stock options to various key employees and contractors, which are exercisable at a price of CA\$0.25 per share for a period of four years from the date of grant, expiring on June 13, 2028. These options will vest in two tranches, with 400,000 vesting immediately upon grant and 400,000 vesting on December 13, 2024.
- On February 21, 2024, the company granted 600,000 stock options to a consultant of the company which are exercisable at a price of CA\$0.20 per share for a period of four years from the date of grant, expiring on February 21, 2028. These options will vest in equal tranches every six months over an 18-month period, with the first vesting date being August 21, 2024.
- 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 CA\$0.30 per share for a period of four years from the date of grant, expiring on September 5, 2027.

The fair value of options and warrants is estimated by the Company using the Black-Scholes option-pricing model. The assumptions used during the period ended September 30, 2024, and the period ended September 30, 2023 are as follows:

	August 23, 2024 (Options)	June 13, 2024 (Options)	Feb 21, 2024 (Options)	Sept 5, 2023 (Options)
Risk-free interest rate	3.35%	3.35%	3.72%	4.63%
Expected life	4 years	4 years	4 years	4 years
Expected volatility	125%	123%	125%	132%
Forfeiture rate	0%	0%	0%	0%
Dividend rate	0%	0%	0%	0%

The weighted average exercise price of options exercised during the year are detailed below:

	Exercise Date	Exercise Price	Number of options exercised	Weighted average share price on exercise date
Exercised	September 10, 2023	CA\$ 0.155	100,000	0.23

The Company's stock options outstanding and exercisable as at September 30, 2024, and June 30, 2024, are as follows:

Expiry date	Exercise price	September 30, 2024	June 30, 2024
	\$		
October 27, 2025	CA\$ 0.405	650,000	650,000
January 11, 2026	CA\$ 0.405	400,000	400,000
December 15, 2026	CA\$ 0.155	4,450,000	4,550,000
March 24, 2027	CA\$ 0.25	1,005,000	1,005,000
September 5, 2027	CA\$ 0.30	3,855,000	3,855,000
February 14, 2028	CA\$ 0.20	600,000	600,000
June 13, 2028	CA\$ 0.25	800,000	800,000
August 23, 2028	CA\$ 0.44	425,000	-
Total outstanding		12,185,000	11,860,000
Total exercisable		10,960,000	10,860,000
Weighted average remaining contractual life		2.58 years	2.79 years

## 16. 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 September 30, 2024, and 2023 is comprised as follows:

	September 30, 2024	September 30, 2023
	\$	\$
Stock-based compensation	-	617,633
Management Services	83,571	129,977
Consulting Fees	-	7,306
Technical Services	433,906	190,308

Management fees for the period ended September 30, 2024 were allocated for services rendered by the Chief Executive Officer and Chief Financial Officer.

Sterling Chemicals Ltd. ("Sterling"), a wholly owned subsidiary of Camber Resources Services Ltd ("Camber"), provides certain technical services to the Company pursuant to a technical services agreement dated April 12, 2022, as amended on September 1, 2023 (the "Services Agreement"). The technical services provided under the Services



Agreement by Sterling are considered by the Board to be material to the Company's operations.

Payments categorized under 'Technical Services' were made to Sterling. \$214,918 of this amount was in conjunction with the Services Agreement. In addition, \$191,988 was paid to Sterling for reimbursement of media/consumables, equipment and additional personnel outside the scope of the Services Agreement. Alex Wylie, the Company's Chief Executive Officer, holds in excess of 10% of the issued and outstanding shares of Camber, and Martin Scase, a director of the Company, holds in excess of 10% of the issued and outstanding shares of Camber, is a director and officer of Camber and is a director and officer of Sterling.

Outstanding balances as of September 30, 2024, included, \$42,040 receivable from Sterling (June 30, 2024 – \$100,622 (payable to Sterling)), \$18,201 payable to Alex Wylie (June 30, 2024 – \$17,951) and \$5,186 payable to Martin Scase (June 30, 2024 - \$5,114). 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 period ended September 30, 2024.

## **17. 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 September 30, 2024, the Company had cash of \$463,233 and a working capital surplus of \$363,367 with total liabilities of \$4,439,532.

*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, due to 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, 2024, would have varied by a negligible amount.
- c. The Company had no hedging agreements in place with respect to foreign exchange rates.

## **18. 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, 2024, and capital management is consistent with the year ended June 30, 2024. The Company is not subject to any externally imposed capital requirements.

### **19. Subsequent Events**

Subsequent to the year end, 600,000 warrants were exercised for total proceeds of \$136,604, resulting in the Company issuing additional shares. The exercise of these warrants occurred at various strike prices, leading to an increase in share capital.

On October 2, 2024, 100,000 options with an exercise price of CA\$0.25 were exercised for total proceeds of \$18,531.

On November 12, 2024, 300,000 options with an exercise price of CA\$0.25 were exercised for total proceeds of \$53,992.

On November 19, 2024, the Company closed its upsized marketed public offering of units ("Units") and concurrent private placement (the "Offering"). The Company issued a total of 19,930,000 Units at a price of CA\$0.31 per Unit, raising aggregate gross proceeds of \$4,419,069 (CA\$6,178,300). Each Unit consists of one common share of the Company and one-half of one common share purchase warrant, with each whole warrant exercisable at CA\$0.44 for a period of 24 months from the closing date.

The Company paid a total of \$265,144 (CA\$370,698) in broker fees to Canaccord Genuity Corp. ("Canaccord Genuity") for the public offering, representing 6% of the gross proceeds, and issued 1,195,800 broker warrants (6% of the Units sold). Each broker warrant is exercisable for one Unit at CA\$0.31 per Unit for a period of 24 months following the closing date.

In addition, under the concurrent private placement, the Company raised \$345,755 (CA\$483,400) and paid \$10,373 (CA\$14,502) in broker fees (3% of gross proceeds) to Canaccord Genuity and issued 46,781 broker warrants (3% of Units sold under the private placement). Each broker warrant issued under the private placement is exercisable for one Unit at CA\$0.31 for a period of 24 months.