LITHIUM ONE METALS INC.

Consolidated Financial Statements

Years Ended June 30, 2024 and 2023

(Expressed in Canadian dollars)

Crowe

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Independent Auditor's Report

To the Shareholders of Lithium One Metals Inc.

Opinion

We have audited the consolidated financial statements of Lithium One Metals Inc. (the "Group"), which comprise the consolidated statements of financial position as at June 30, 2024 and June 30, 2023 and the consolidated statements of operations and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at June 30, 2024 and June 30, 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the consolidated financial statements which describes the material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the year ended June 30, 2024. In addition to the matter described in the Material uncertainty related to going concern section, we have determined the matters described below to be a key audit matter to be communicated in our report. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Recoverability of Exploration and Evaluation Assets
As disclosed in Note 4 to the consolidated financial statements, the carrying value of Exploration and Evaluation Assets represents a significant asset of the Group. Refer to Note 2 to the consolidated financial statements for a description of the accounting policy and significant judgments applied to Exploration and Evaluation Assets.

At each reporting period end, management applies judgment in assessing whether there are any indicators of impairment relating to mining claims and deferred exploration costs. If there are indicators of impairment, the recoverable amount of the related asset is estimated in order to determine the extent of any impairment. Indicators of impairment may include (i) the period during which the entity has the right to explore in the specific area has expired during the year or will expire in the near future and is not expected to be renewed; (ii) substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned; (iii) exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and (iv) sufficient data exists to indicate that the carrying amount of the mining claims and deferred exploration costs is unlikely to be recovered in full from successful development or by sale.

The total impairment recognized during the June 30, 2024 year was approximately $2.8 million.

Why the matter was determined to be a key audit matter
We considered this a key audit matter due to (i) the significance of the mining claims and deferred exploration costs balance and (ii) the judgments made by management in its assessment of indicators of impairment related to mining claims and deferred exploration costs, which have resulted in a high degree of subjectivity in performing audit procedures related to these judgments applied by management.

How the matter was addressed in our audit
We have evaluated management's assessment of impairment indicators per IFRS 6 Exploration for and Evaluation of Mineral Resources, including but not limited to:

- Obtaining, by reference to government registries, evidence to support (i) the right to explore the area and (ii) claim expiration dates;

- Assessing compliance with option agreements by reviewing agreements and vouching cash payments and share issuances;

- Enquiring with management and reviewing its future plans and other documentation as evidence that further exploration and evaluation activities in the area of interest will be continued in the future;

- Assessing whether any data exists to suggest that the carrying value of the Exploration and Evaluation assets is unlikely to be recovered through development or sale; and

- Assessing the adequacy of the related disclosures in Note 2 and Note 4 to the consolidated financial statements.

Acquisition of Norris Lithium Inc. ("Norris")
As disclosed in Note 4 to the consolidated financial statements, the Group completed the acquisition of Norris during the year in exchange for equity consideration issued to the former shareholders of Norris. The acquisition has been accounted for as an acquisition of assets.

Why the matter was determined to be a key audit matter
We identified the accounting of the acquisition as a key audit matter due to the significance of the exploration and evaluation assets recognized as at acquisition date, as well as the management judgment and estimates involved in determining certain flow-through liabilities assumed. This required a high degree of auditor judgment and an increased extent of effort when performing audit procedures.

How the matter was addressed in our audit
In responding to the key audit matter, we performed the following audit procedures:

- Reviewed the share exchange agreement and obtained an understanding of the transaction and key terms;
- Obtained an understanding of management's processes, controls and methodology in accounting for the acquisition, including management's assessment under IFRS 3 to determine Norris does not meet the definition of a business;
- Tested the fair value of the consideration shares issued in connection with the acquisition to determine the accuracy;
- Verified the inputs used by management in the option pricing model to determine the fair value of stock options and warrants issued, including share price, term, volatility, and risk-free rate;
- Assessed the reasonableness of assumptions used by management in determining whether certain liabilities existed prior to the acquisition date; and
- Assessed the adequacy of the related disclosures in Note 2 and Note 4 to the consolidated financial statements.

Other Information

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the other information prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

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

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

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

Those charged with governance are responsible for overseeing the Group’s financial reporting process.

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

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

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

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

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

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

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Hilda Leung.

Crowe MacKay LLP

Chartered Professional Accountants
Vancouver, Canada
October 25, 2024

LITHIUM ONE METALS INC.
Consolidated Statements of Financial Position
As at June 30,
(Expressed in Canadian Dollars)

	Note	2024 $	2023 $
ASSETS			
Current assets			
Cash		239,902	49,444
Receivables		44,629	45,470
Prepaid expenses		39,836	23,231
Total current assets		324,367	118,145
Non-current assets			
Deferred transaction costs		-	233,778
Deposits		86,817	-
Right-of-use asset	3	416,034	-
Exploration and evaluation assets	4,12	11,960,616	5,728,366
Total non-current assets		12,463,467	5,962,144
TOTAL ASSETS		12,787,834	6,080,289
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	7,12	2,512,028	853,228
Current portion of loans payable	5,12	-	90,000
Current portion of lease liability	6	65,350	-
Total current liabilities		2,577,378	943,228
Non-current liabilities			
Long-term portion of lease liability	6	364,574	-
Total liabilities		2,941,952	943,228
Shareholders' equity			
Share capital	8	17,411,143	9,560,560
Commitment to issue shares	9	16,625	-
Share-based payment reserve	8,10,11	2,359,194	1,693,151
Deficit		(9,941,080)	(6,116,650)
Total shareholders' equity		9,845,882	5,137,061
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		12,787,834	6,080,289

Nature and continuance of operations (Note 1)
Commitments (Note 16)
Subsequent events (Note 19)

Approved and authorized for issuance by the Board of Directors on October 25, 2024:

/s/ "Nav Dhaliwal" — Nav Dhaliwal, Director

/s/ "Dale Ginn" — Dale Ginn, Director

See accompanying notes to the consolidated financial statements.

LITHIUM ONE METALS INC.
Consolidated Statements of Operations and Comprehensive Loss
For the Years Ended June 30,
(Expressed in Canadian Dollars)

	Note	2024 $	2023 $
Expenses			
Consulting fees	12	302,021	395,405
Depreciation	3	37,820	-
Foreign exchange		60	832
General and administrative	12	126,375	53,048
Management and directors' fees	12	214,900	116,419
Professional fees	12	482,894	174,394
Rent (recovery)	12	(22,559)	30,000
Share-based compensation	10,12	-	858,928
Shareholder communications and promotion		190,471	547,202
Transfer agent and filing fees		44,567	99,732
Total expenses		(1,376,549)	(2,275,960)
Other income (expense)			
Gain on disposal of exploration and evaluation assets	4	50,729	-
Impairment of exploration and evaluation assets and termination payments	4	(2,770,410)	(2,106,199)
Interest and accretion expense	5, 6	(28,923)	(24,978)
Interest income		7,957	315
Recovery of flow-through premium	4, 7	292,766	-
Net loss and comprehensive loss for the year		(3,824,430)	(4,406,822)
Loss per share – basic and diluted		(0.05)	(0.14)
Weighted average number of common shares outstanding		72,245,841	32,563,767

See accompanying notes to the consolidated financial statements.

LITHIUM ONE METALS INC.
Consolidated Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)

	Share Capital					
	Number of Shares	Amount $	Commitment to Issue Shares $	Share-based Payment Reserve $	Deficit $	Total Shareholders' Equity $
Balance, June 30, 2022	**24,300,000**	**2,927,741**	**-**	**554,563**	**(1,709,828)**	**1,772,476**
Common shares issued pursuant to private placement	6,180,000	1,545,000	-	-	-	1,545,000
Share issuance costs	-	(30,465)	-	-	-	(30,465)
Common shares issued pursuant to exercise of stock options	650,000	227,500	-	-	-	227,500
Common shares issued pursuant to exercise of share purchase warrants	5,100,000	802,000	-	-	-	802,000
Shares and share purchase warrants issued for exploration and evaluation assets	6,950,500	3,988,250	-	380,194	-	4,368,444
Fair value of stock options granted	-	-	-	858,928	-	858,928
Fair value transferred upon exercise of stock options	-	100,534	-	(100,534)	-	-
Net loss for the year	-	-	-	-	(4,406,822)	(4,406,822)
Balance, June 30, 2023	**43,180,500**	**9,560,560**	**-**	**1,693,151**	**(6,116,650)**	**5,137,061**
Common shares issued pursuant to private placement	5,600,000	1,400,000	-	-	-	1,400,000
Share issuance costs	-	(31,000)	-	-	-	(31,000)
Common shares issued pursuant to exercise of share purchase warrants	1,800,000	216,000	-	-	-	216,000
Shares issued or to be issued for exploration and evaluation assets	7,389,500	1,332,645	16,625	-	-	1,349,270
Shares issued pursuant to acquisition (Note 4)	22,684,434	4,877,153	-	-	-	4,877,153
Transaction costs (Note 4)	236,679	55,785	-	-	-	55,785
Fair value of stock options granted pursuant to acquisition (Note 4)	-	-	-	150,619	-	150,619
Fair value of warrants issued pursuant to acquisition (Note 4)	-	-	-	515,424	-	515,424
Net loss for the year	-	-	-	-	(3,824,430)	(3,824,430)
Balance, June 30, 2024	**80,891,113**	**17,411,143**	**16,625**	**2,359,194**	**(9,941,080)**	**9,845,882**

See accompanying notes to the consolidated financial statements.

LITHIUM ONE METALS INC.
Consolidated Statements of Cash Flows
For the Years Ended June 30,
(Expressed in Canadian Dollars)

	2024 $	2023 $
Operating activities		
Net loss for the year	(3,824,430)	(4,406,822)
Items not involving cash:		
Depreciation	37,820	-
Gain on disposal of exploration and evaluation assets	(50,729)	-
Impairment of exploration and evaluation assets	2,770,410	2,106,199
Interest and accretion expense	28,923	24,978
Share-based compensation	-	858,928
Recovery of flow-through premium	(292,766)	-
Changes in non-cash working capital items:		
Receivables	174,863	(1,307)
Prepaid expenses	355,697	(17,410)
Accounts payable and accrued liabilities	(490,459)	125,753
Net cash flows used in operating activities	(1,290,671)	(1,309,681)
Investing activities		
Deposits	(86,817)	-
Exploration and evaluation asset expenditures	(2,074,009)	(781,468)
Proceeds from disposal of exploration and evaluation assets	200,000	-
Cash assumed from acquisition	2,143,735	-
Transaction costs	(143,927)	(233,778)
Net cash flows provided by (used in) investing activities	38,982	(1,015,246)
Financing activities		
Proceeds from issuance of common shares	1,616,000	2,574,500
Share issuance costs	(31,000)	(30,465)
Repayments of lease liability	(52,853)	-
Proceeds from loans payable	-	224,000
Repayments of loans payable	(90,000)	(394,000)
Net cash flows provided by financing activities	1,442,147	2,374,035
Change in cash	190,458	49,108
Cash, beginning of year	49,444	336
Cash, end of year	239,902	49,444
Supplemental disclosure with respect to cash flows		
Interest paid	-	-
Income taxes paid	-	-
Non-cash investing and financing activities (Note 17)		

See accompanying notes to the consolidated financial statements.

1. Nature and continuance of operations

Lithium One Metals Inc. (the "Company") was incorporated on August 30, 2006 under the *Business Corporations Act* of British Columbia, and changed its name from Yorkton Ventures Inc. to Lithium One Metals Inc. on April 20, 2022. The Company's shares are traded on the TSX Venture Exchange ("TSX-V") under the trading symbol LONE. The Company's shares also trade on the OTC Pink in the United States under the symbol LOMEF. The Company's head office is located at 1615 – 200 Burrard Street, Vancouver, British Columbia, V6C 3L6, Canada, and the registered office of the Company is located at 2501 – 550 Burrard Street, Vancouver, British Columbia, V6C 2B5, Canada.

The Company's principal business activities are the exploration and evaluation of resource properties in North America. The Company is in the process of exploring its resource properties, but it has not yet determined whether these properties contain ore reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production or from proceeds of disposition. To date, the Company has not received any revenue from mining operations and is considered to be in the exploration stage.

These consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the ordinary course of business. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. During the year ended June 30, 2024, the Company incurred a net loss of $3,824,430. As at June 30, 2024, the Company had a working capital deficit of $2,253,011 and an accumulated deficit of $9,941,080. The Company's continuation as a going concern is dependent upon the successful results from its mineral property exploration activities and its ability to attain profitable operations and generate funds there from and/or raise equity capital or borrowings sufficient to meet current and future obligations. Management is of the opinion that sufficient working capital will be obtained from external financing to meet the Company's liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These factors may cast significant doubt on the Company's ability to continue as a going concern. These consolidated financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

2. Material accounting policies

Statement of compliance

The consolidated financial statements of the Company have been prepared in accordance with IFRS Accounting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

2. Material accounting policies (continued)

Statement of compliance (continued)

The consolidated financial statements were authorized for issue on October 25, 2024 by the directors of the Company.

Basis of preparation

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial assets measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. All dollar amounts presented are in Canadian dollars, unless otherwise specified.

Basis of consolidation

These consolidated financial statements include the accounts of the Company and its subsidiaries. A subsidiary is an entity in which the Company has control, directly or indirectly. Control is defined as the investor being exposed, or having rights, to variable returns from its involvement with the investee and having the ability to affect those returns through its power over the investee. All material intercompany transactions and balances have been eliminated on consolidation.

Details of the Company's subsidiaries as at June 30, 2024 are as follows:

Name	Place of Incorporation	Ownership % June 30, 2024	Ownership % June 30, 2023
9412-1068 Québec Inc.	Québec	0%	0% (Note 4(c))
1370835 BC Ltd.	British Columbia	100%	100%
Norris Lithium Inc. ("Norris")	British Columbia	100% (Note 4)	0%

Functional and presentation currency

Items included in the financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The functional currency of the Company and its subsidiaries is the Canadian dollar.

All financial information has been presented in Canadian dollars in these consolidated financial statements, except when otherwise indicated.

Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities are translated at the rate of exchange prevailing when the assets were acquired or the liabilities incurred. Revenue, expense items, and capitalized exploration and evaluation expenditures are translated using the average rate of exchange during the financial statement periods, except for depreciation and amortization, which are translated at historic rates.

2. Material accounting policies (continued)

Foreign currency translation (continued)

Foreign exchange gains and losses resulting from the translation of transactions and balances denominated in foreign currencies are included in the consolidated statement of operations.

Significant accounting judgments, estimates and assumptions

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements, and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Significant Estimates

Lease liability

The Company estimates the discount rate applied in its lease liabilities which is based on an analysis of its potential cost of borrowing, the cost of borrowing of comparable companies and the Company's risk factors.

Significant Judgments

Critical accounting judgments are accounting policies that have been identified as being complex or involving subjective judgments or assessments. Critical accounting judgments include the recoverability of exploration and evaluation assets and going concern assumption.

Exploration and evaluation assets
The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits are likely, either from future exploitation or sale, where activities have not reached a stage that permits a reasonable assessment of the existence of reserves. The deferral policy requires management to make certain estimates and assumptions about future events or circumstances, in particular whether an economically viable extraction operation can be established. Estimates and assumptions may change if new information becomes available. If information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the consolidated statement of operations in the period when the new information becomes available.

Going concern
The assessment of whether the going concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. The Company is aware that material uncertainties related to events or conditions may cast significant doubt upon the Company's ability to continue as a going concern.

Acquisition of Norris
The determination of the acquisition of Norris as an asset acquisition rather than a business combination requires management judgment as to whether Norris met the definition of a business, as disclosed in Note 4.

2. Material accounting policies (continued)

Exploration and evaluation expenditures

Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation expenditures are recognized and capitalized, in addition to the acquisition costs. These direct expenditures include such costs as materials used, surveying costs, drilling costs, payments made to contractors, and depreciation on plant and equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the year in which they occur. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in the consolidated statement of operations.

Government tax credits received are recorded as a reduction to the cumulative costs incurred and capitalized on the related property. The amounts are recorded in the year they are received due to uncertainty of the recoverability.

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditures, in excess of estimated recoveries, are written off to the consolidated statement of operations.

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount and at least annually. The recoverable amount is the higher of the asset’s fair value less costs to sell and value in use.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property.

As the Company currently has no operational income, any incidental revenues earned in connection with exploration activities are applied as a reduction to capitalized exploration costs.

Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

Loss per share

Basic loss per share is calculated by dividing the loss attributable to common shareholders by the weighted average number of common shares outstanding in the period. For all periods presented, the loss attributable to common shareholders equals the reported loss attributable to owners of the Company. Diluted loss per share is calculated by the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period. In a loss reporting period, potentially dilutive common shares are excluded from the loss per share calculation, as the effect would be anti-dilutive.

2. Material accounting policies (continued)

Impairment of non-current assets

The carrying amount of the Company's non-current assets is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognized in the consolidated statement of operations.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs. An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

Share-based payments

The Company operates an employee stock option plan. Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to nonemployees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured and are recorded at the date the goods or services are received. The corresponding amount is recorded to the share-based payment reserve. The fair value of the option is determined using a Black-Scholes pricing model, which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

All equity-settled share-based payments are reflected in the share-based payment reserve. Upon exercise, shares are issued from treasury and the amount reflected in the share-based payment reserve is credited to share capital, adjusted for any consideration paid. Upon expiry of stock options, the amount remains in the share-based payment reserve.

Financial instruments

Financial instruments are measured on initial recognition at fair value, plus, in the case of financial instruments other than those classified as fair value through profit or loss ("FVPL"), directly attributable transaction costs. Financial instruments are recognized when the Company becomes party to the contracts that give rise to them and are classified as amortized cost, FVPL or fair value through other comprehensive income ("FVOCI"), as appropriate.

2. Material accounting policies (continued)

Financial instruments (continued)

The Company considers whether a contract contains an embedded derivative when the entity first becomes a party to it. The embedded derivatives are separated from the host contract if the host contract is not measured at FVPL and when the economic characteristics and risks are not closely related to those of the host contract. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required.

Financial assets at amortized cost

A financial asset is measured at amortized cost if it is held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, and is not designated as FVPL. Financial assets classified as amortized cost are measured subsequent to initial recognition at amortized cost using the effective interest method. Cash and deposits are classified as and measured at amortized cost.

Financial liabilities

Financial liabilities, including accounts payable and accrued liabilities and loans payable, are recognized initially at fair value, net of transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in net earnings when the liabilities are derecognized, as well as through the amortization process. Borrowing liabilities are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the consolidated statement of financial position date. Accounts payable and accrued liabilities, lease liability and loans payable are classified as and measured at amortized cost.

Income taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in net income, except to the extent that it relates to a business combination or items recognized directly in equity or in other comprehensive loss/income.

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction that is not a business combination, and at the time of the transaction affects neither accounting nor taxable income or loss, and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.

2. Material accounting policies (continued)

Income taxes (continued)

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting year, the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable income will allow the deferred tax asset to be recovered. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities, and the deferred taxes relate to the same taxable entity and the same taxation authority.

Share capital

Common shares issued by the Company are classified as equity. Costs directly attributable to the issue of common shares, share purchase warrants and share options are recognized as a deduction from equity, net of any related income tax effects.

The proceeds from the issuance of units are allocated between common shares and warrants based on the residual value method. Under this method, the proceeds are allocated first to share capital based on the fair value of the common shares at the time the units are priced and any residual value is allocated to the warrants reserve within the share-based payments reserve.

Flow-through Shares

The Company will from time to time, issue flow-through common shares to finance a significant portion of its exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability, and ii) share capital. Upon qualifying expenditures being incurred, the Company derecognizes the liability and recognizes the premium as other income.

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures within a two-year period.

The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Look-back Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense until paid.

Leases

At inception of a contract, the Company assesses whether a contract is, or contains a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured based on the initial amount of the lease obligation adjusted for any lease payments made at or before the commencement date. The assets are depreciated over the lease term using the straight-line method as this most closely reflects the expected pattern of consumption of future economic benefits.

2. Material accounting policies (continued)

Leases (continued)

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability. The lease liability is subsequently measured at amortized cost using the effective interest rate method.

Restoration and environmental obligations

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future restoration cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to exploration and evaluation assets along with a corresponding increase in the restoration provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The restoration asset will be depreciated on the same basis as other mining assets.

The Company’s estimates of restoration costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to exploration and evaluation assets with a corresponding entry to the restoration provision. The Company’s estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates.

Changes in the net present value, excluding changes in the Company’s estimates of reclamation costs, are charged to the consolidated statement of operations for the period.

The net present value of restoration costs arising from subsequent site damage that is incurred on an ongoing basis during production are charged to profit or loss in the period incurred.

The costs of restoration projects that were included in the provision are recorded against the provision as incurred. The costs to prevent and control environmental impacts at specific properties are capitalized in accordance with the Company’s accounting policy for exploration and evaluation assets. As at June 30, 2024 and 2023, the Company has no restoration and environmental obligations.

2. Material accounting policies (continued)

Accounting standards adopted during the year

Disclosure of Accounting Policies (Amendments to International Accounting Standard ("IAS") 1 Presentation of Financial Statements *and IFRS Practice Statement 2* Making Materiality Judgments*)*

These amendments continue the IASB's clarifications on applying the concept of materiality. These amendments help companies provide useful accounting policy disclosures, and they include: requiring companies to disclose their material accounting policies instead of their significant accounting policies; clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and do not need to be disclosed; and clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material. The IASB also amended IFRS Practice Statement 2 to include guidance and examples on applying materiality to accounting policy disclosures.

These amendments are effective for reporting periods beginning on or after January 1, 2023. The Company adopted these amendments for the reporting period beginning on July 1, 2023. These amendments have reduced the disclosure of accounting policies for the Company.

Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction (Amendments to IAS 12 Income Taxes*)*

These amendments clarify how companies account for deferred taxes on transactions, such as leases and decommissioning obligations, with a focus on reducing diversity in practice. They narrow the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognize a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision.

These amendments to IAS 12 are effective for years beginning on or after January 1, 2023. The Company adopted these amendments for the reporting period beginning on July 1, 2023. The adoption of the amendments resulted in a grossed-up presentation of the lease liability deferred tax asset and right-of-use deferred tax liability for the lease transaction incurred during the year in Note 18.

Amendments to IAS 8 Definition of Accounting Estimates

IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* was amended in February 2021. The IASB issued "Definition of Accounting Estimates" to help entities distinguish between accounting policies and accounting estimates.

These amendments are effective for reporting periods beginning on or after January 1, 2023. The Company adopted these amendments for the reporting period beginning on July 1, 2023. These amendments did not have a material impact on the Company.

(Expressed in Canadian Dollars)

2. Material accounting policies (continued)

Accounting standards issued but not yet effective

Classification of Liabilities as Current or Non-current (Amendments to IAS 1)

IAS 1 has been amended to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.

These amendments to IAS 1 are effective for years beginning on or after January 1, 2024. These amendments are expected to have no impact for the Company.

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements. This standard aims to improve the consistency and clarity of financial statement presentation and disclosures by providing updated guidance on the structure and content of financial statements. Key changes include enhanced requirements for the presentation of financial performance, financial position, and cash flows, as well as additional disclosures to improve transparency and comparability.

IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027. The Company is currently assessing the impact that the adoption of IFRS 18 will have on its consolidated financial statements.

3. Right-of-use asset

The Company entered into leases to use certain office space for its operations commencing February 1, 2024. The Company is required to recognize a right-of-use asset representing its right to use this underlying leased asset over the lease term.

	Year Ended June 30, 2024 $	**Year Ended June 30, 2023 $**
Cost		
Balance, beginning of year	-	-
Additions	453,854	-
Balance, end of year	453,854	-
Accumulated depreciation		
Balance, beginning of year	-	-
Depreciation	37,820	-
Balance, end of year	37,820	-
Net book value, beginning of year	-	-
Net book value, end of year	416,034	-

(Expressed in Canadian Dollars)

4. Exploration and evaluation assets

	Québec Lithium Properties $	Ontario Lithium Properties $	Bellechasse-Timmins $	Parkview $	Knights Melange $	Total $
Acquisition costs:						
Balance, June 30, 2022	**302,964**	**-**	**1,700,000**	**170,000**	**265,515**	**2,438,479**
Additions – cash and shares	3,418,194	1,434,750	-	-	-	4,852,944
Impairment	-	-	(1,316,633)	(170,000)	(265,515)	(1,752,148)
Disposition (Note 4(c))	-	-	(383,367)	-	-	(383,367)
Balance, June 30, 2023	**3,721,158**	**1,434,750**	**-**	**-**	**-**	**5,155,908**
Additions – cash and shares	1,501,280	354,490	-	-	-	1,855,770
Acquisition	4,771,632	935,948	-	-	-	5,707,580
Claim costs	15,000	-	-	-	-	15,000
Impairment	(125,090)	(1,703,875)	-	-	-	(1,828,965)
Disposition (Note 4(b))	-	(84,000)	-	-	-	(84,000)
Balance, June 30, 2024	**9,883,980**	**937,313**	**-**	**-**	**-**	**10,821,293**
Exploration costs:						
Balance, June 30, 2022	**-**	**-**	**7,837**	**170,757**	**170,757**	**349,351**
Consulting (Note 12)	-	-	-	4,700	-	4,700
Geological (Note 12)	198,369	374,089	-	-	-	572,458
Impairment	-	-	(7,837)	(175,457)	(170,757)	(354,051)
Balance, June 30, 2023	**198,369**	**374,089**	**-**	**-**	**-**	**572,458**
Assays	54,787	60,582	-	-	-	115,369
Drilling	84,695	-	-	-	-	84,695
Miscellaneous	27,264	-	-	-	-	27,264
Geological (Note 12)	669,952	511,445	-	-	-	1,181,397
Travel	110,899	53,957	-	-	-	164,856
Impairment	(13,679)	(927,766)	-	-	-	(941,445)
Disposition (Note 4(b))	-	(65,271)	-	-	-	(65,271)
Balance, June 30, 2024	**1,132,287**	**7,036**	**-**	**-**	**-**	**1,139,323**
Net carrying value, June 30, 2023	**3,919,527**	**1,808,839**	**-**	**-**	**-**	**5,728,366**
Net carrying value, June 30, 2024	**11,016,267**	**944,349**	**-**	**-**	**-**	**11,960,616**

(Expressed in Canadian Dollars)

4. Exploration and evaluation assets (continued)

On September 27, 2023, the Company completed the acquisition of Norris by way of a court-approved plan of arrangement. The Company acquired all the outstanding shares of Norris in consideration for the issuance of an aggregate 22,684,434 common shares (valued at $4,877,153 based on the closing price on the date of issuance) of the Company to the former Norris shareholders, based on the share exchange ratio of 0.672 common shares of the Company for each Norris share held (the "Exchange Ratio").

All stock options of Norris were exchanged for 1,747,200 stock options (valued at $150,619 - Note 10) of the Company, with adjustments to the number of options and the exercise price in accordance with the Exchange Ratio. All warrants of Norris remain exercisable for the same aggregate consideration payable, subject to adjustments for the Exchange Ratio as if the warrants had been exercised prior to the plan of arrangement, resulting in 5,491,247 warrants outstanding to former Norris warrant holders (valued at $515,424 - Note 11).

The acquisition of Norris has been accounted for as an acquisition of assets and liabilities, as Norris does not meet the definition of a business under IFRS 3 *Business Combinations*. The acquisition of the net assets of Norris was recorded at fair value of the consideration transferred of $5,543,196, as detailed above.

Net Assets Acquired	**$**
Cash and cash equivalents	2,143,735
Goods and Services Tax and other receivables	174,022
Prepaid expenses	372,302
Exploration and evaluation assets	5,064,414
Accounts payable and accrued liabilities	(1,918,511)
Flow-through liability	(292,766)
	5,543,196

The Company incurred consulting and legal fees of $643,166 relating to the acquisition of Norris, which is added to exploration and evaluation assets.

(a) Québec Lithium Properties

Cyr-Kapiwak Property

On December 3, 2021, the Company entered into an agreement to acquire a 100% interest in the Cyr-Kapiwak property located in Québec, Canada.

To acquire a 100% interest, the Company paid $25,000 and issued 250,000 units (valued at $112,500 for the shares and $40,374 for the warrants). Each unit consisted of one common share and one share purchase warrant exercisable at $0.60 for a period of 18 months.

In addition, the vendor retains a 2% net smelter return ("NSR") royalty. The Company can purchase one-half of the NSR royalty at any time in exchange for a payment of $1,000,000.

4. Exploration and evaluation assets (continued)

(a) Québec Lithium Properties (continued)

Sirmac Property

On January 11, 2022, the Company entered into an agreement to acquire a 100% interest in the Sirmac property located in Québec, Canada. To acquire the 100% interest, the Company paid $25,000 and issued 250,000 units (valued at $75,000 for the shares and $25,090 for the warrants). Each unit consisted of one common share and one share purchase warrant exercisable at $0.60 for a period of 18 months.

In addition, the vendor retains a 2% NSR royalty. The Company can purchase one-half of the NSR royalty at any time in exchange for a payment of $1,000,000.

During the year ended June 30, 2024, the Company recorded an impairment charge of $138,769.

Taycan Property

On September 22, 2022, the Company entered into a mineral property option agreement whereby the Company can acquire a 100% interest in 70 mining claims located in Québec, Canada. The agreement was amended on October 16, 2023. To acquire the 100% interest, the Company is to make the following cash and equity payments:

- Payment of $100,000 (paid) and issuance of 1,200,000 common shares (issued and valued at $588,000) and 1,200,000 share purchase warrants (issued and valued at $380,194) exercisable at $0.40 per common share for two years from the date of issuance within 10 days of TSX-V approval;
- Payment of $200,000 (paid) and issuance of 1,000,000 common shares on or before December 15, 2023 (issued and valued at $145,000); and
- Payment of $300,000 and issuance of 2,000,000 common shares (issued subsequent to June 30, 2024) on or before December 15, 2024.

Upon exercise of the option by the Company, the optionor will retain a 3% NSR royalty, two-thirds of which may be purchased by the Company for $2,000,000.

Bugatti Property

On February 3, 2023, the Company entered into a mineral property option to acquire a 100% interest in the Bugatti property located in Québec, Canada. The agreement was amended on September 1, 2023, April 30, 2024 and July 9, 2024. To acquire the 100% interest, the Company made the following cash and share payments:

- Payment of $20,000 (paid) upon execution of the agreement;
- Payment of $75,000 (paid) and issuance of 1,500,000 common shares upon TSX-V approval (issued and valued at $945,000);
- Issuance of 2,000,000 common shares on or before September 1, 2023 (issued and valued at $460,000); and
- Payment of $75,000 (paid) on or before October 31, 2023.

The optionor retains a 2% NSR royalty, one-half of which may be purchased by the Company for $1,000,000.

4. Exploration and evaluation assets (continued)

(a) Québec Lithium Properties (continued)

Ferrari Property

On February 7, 2023, the Company entered into a mineral property option agreement to acquire a 100% interest in the Ferrari property located in Québec, Canada. The agreement was amended on September 14, 2023, April 30, 2024 and July 9, 2024. To acquire the 100% interest, the Company made the following cash and share payments:

- Payment of $10,000 (paid) upon execution of the agreement;
- Payment of $100,000 (paid) and issuance of 2,000,000 common shares upon TSX-V approval (issued and valued at $1,200,000);
- Issuance of 2,000,000 common shares on or before October 12, 2023 (issued and valued at $360,000); and
- Payment of $100,000 (paid) on or before October 31, 2023.

The optionor retains a 3% NSR royalty, one-third of which may be purchased by the Company for $1,000,000.

Highway and Bus Properties

As a result of the acquisition of Norris, the Company acquired 100% of the interest in the Highway and Bus properties.

On September 12, 2022, Norris entered into a purchase option agreement to acquire a 100% interest in the Highway and Bus properties located in Québec, Canada. The claims are subject to a 3% NSR royalty, of which one-third can be purchased by the Company within four years of the date of the option agreement for $1,000,000, or $2,500,000 thereafter.

Under the agreement, Norris and the Company made cash payments and issued common shares as follows:

- Cash payment of $10,000 (paid) upon signing of the agreement;
- Cash payment of $100,000 (paid) and the issuance of 1,344,000 common shares (issued and valued at $800,000) upon regulatory acceptance;
- Cash payment of $100,000 (paid) and the issuance of 1,344,000 common shares by March 12, 2023; and
- Issuance of 1,344,000 common shares (issued and valued at $161,280) by September 12, 2023.

The optionors may also earn an additional 2,352,000 common shares based on achieving certain milestones during exploration.

Norris was required to incur $200,000 in exploration expenditures on the properties before September 12, 2024 (incurred).

4. Exploration and evaluation assets (continued)

(b) Ontario Lithium Properties

Root South Property

On December 20, 2022, the Company entered into an option agreement to acquire a 100% interest in certain mineral claims located in Ontario, Canada. To acquire a 100% interest, the Company was to make the following cash and share payments:

- Payment of $19,000 (paid) and issuance of 130,000 common shares on TSX-V approval (issued and valued at $65,000);
- Payment of $19,000 and issuance of 130,000 common shares on or before January 11, 2024; and
- Payment of $38,500 and issuance of 265,000 common shares on or before January 11, 2025.

Upon acquiring a 100% interest, the Company would grant the vendors a 2% NSR royalty, of which one-half could be repurchased for $1,000,000.

On June 27, 2024, the Company completed an assignment of the Root South Property option agreement. The Company received an assignment fee of $200,000 in exchange for the Company's exclusive right and option to acquire 100% of the rights, title and interest of the property. The purchaser acquiring the exclusive right is a related party, as it has a common officer.

As a result of the assignment, the Company recorded a gain on disposal of exploration and evaluation assets of $50,729.

Allison South Property

On December 20, 2022, the Company entered into an option agreement to acquire a 100% interest in certain mineral claims located in Ontario, Canada. To acquire a 100% interest, the Company was to make the following cash and share payments:

- Payment of $7,000 (paid) and issuance of 45,500 common shares on TSX-V approval (issued and valued at $22,750);
- Payment of $7,000 (paid) and issuance of 45,500 common shares on or before January 11, 2024 (issued and valued at $1,365); and
- Payment of $12,500 and issuance of 91,000 common shares on or before January 11, 2025.

Upon acquiring a 100% interest, the Company would grant the vendors a 2% NSR royalty, of which one-half could be repurchased for $1,000,000.

During the year ended June 30, 2024, the Company decided to discontinue the option agreement and recorded $118,435 in impairment against the property.

4. Exploration and evaluation assets (continued)

(b) Ontario Lithium Properties (continued)

Sharp Property

On December 20, 2022, the Company entered into an option agreement to acquire a 100% interest in certain mineral claims located in Ontario, Canada. To acquire a 100% interest, the Company was to make the following cash and share payments:

- Payment of $14,500 (paid) and issuance of 100,000 common shares on TSX-V approval (issued and valued at $50,000);
- Payment of $14,500 (accrued) and issuance of 100,000 common shares (accrued in commitment to issue shares and valued at $3,500) on or before January 11, 2024; and
- Payment of $29,000 and issuance of 200,000 common shares on or before January 11, 2025.

Upon acquiring a 100% interest, the Company would grant the vendors a 2% NSR royalty, of which one-half could be repurchased for $1,000,000.

During the year ended June 30, 2024, the Company decided to discontinue the option agreement and recorded $201,927 in impairment against the property. The Company accrued the cash and share payments due on or before January 11, 2024 as notice to terminate the option agreement was given after the due date.

Parks Property

On December 20, 2022, the Company entered into an option agreement to acquire a 100% interest in certain mineral claims located in Ontario, Canada. To acquire a 100% interest, the Company was to make the following cash and share payments:

- Payment of $55,000 (paid) and issuance of 375,000 common shares on TSX-V approval (issued and valued at $187,500);
- Payment of $55,000 (accrued) and issuance of 375,000 common shares (accrued in commitment to issue shares and valued at $13,125) on or before January 11, 2024; and
- Payment of $110,000 and issuance of 750,000 common shares on or before January 11, 2025.

Upon acquiring a 100% interest, the Company would grant the vendors a 2% NSR royalty, of which one-half could be repurchased for $1,000,000.

During the year ended June 30, 2024, the Company decided to discontinue the option agreement and recorded $984,995 in impairment against the property. The Company accrued the cash and share payments due on or before January 11, 2024 as notice to terminate the option agreement was given after the due date.

4. Exploration and evaluation assets (continued)

(b) Ontario Lithium Properties (continued)

Adamhay Property

On December 20, 2022, the Company entered into an option agreement to acquire a 100% interest in certain mineral claims located in Ontario, Canada. The agreement was amended on April 5, 2024. To acquire a 100% interest, the Company was to make the following cash and share payments:

- Payment of $12,000 (paid) upon execution of the option agreement;
- Issuance of 300,000 common shares on TSX-V approval (issued and valued at $150,000);
- Payment of $18,000 on or before July 11, 2024;
- Payment of $21,000 on or before January 11, 2025; and
- Payment of $30,000 on or before January 11, 2026.

Upon acquiring a 100% interest, the Company would grant the vendors a 1.5% NSR royalty, of which one-third could be repurchased for $500,000.

During the year ended June 30, 2024, the Company decided to discontinue the option agreement and recorded $175,168 in impairment against the property. Subsequent to June 30, 2024, the Company paid $12,500 for settlement with the vendor. The amount is accrued at June 30, 2024 and has been recorded in impairment of exploration and evaluation assets and termination payments.

Dagny Property

On December 20, 2022, the Company entered into an option agreement to acquire a 100% interest in certain mineral claims located in Ontario, Canada. The agreement was amended on April 5, 2024. To acquire a 100% interest, the Company was to make the following cash and share payments:

- Payment of $12,000 (paid) upon execution of the option agreement;
- Issuance of 300,000 common shares on TSX-V approval (issued and valued at $150,000);
- Payment of $18,000 on or before July 11, 2024;
- Payment of $21,000 on or before January 11, 2025; and
- Payment of $30,000 on or before January 11, 2026.

Upon acquiring a 100% interest, the Company would grant the vendors a 1.5% NSR royalty, of which one-third could be repurchased for $500,000.

During the year ended June 30, 2024, the Company decided to discontinue the option agreement and recorded $173,938 in impairment against the property. Subsequent to June 30, 2024, the Company paid $12,500 for settlement with the vendor. The amount is accrued at June 30, 2024 and has been recorded in impairment of exploration and evaluation assets and termination payments.

4. Exploration and evaluation assets (continued)

(b) Ontario Lithium Properties (continued)

Pinto Property

On February 1, 2023, the Company entered into a mineral property option agreement to acquire a 100% interest in the Pinto property located in Ontario, Canada. The agreement was amended on September 2, 2023. To acquire the 100% interest, the Company made the following cash and share payments:

- Payment of $10,000 (paid) upon execution of the agreement;
- Payment of $50,000 (paid) and issuance of 1,000,000 common shares upon TSX-V approval (issued and valued at $630,000);
- Payment of $15,000 (paid) and issuance of 1,000,000 common shares on or before September 1, 2023 (issued and valued at $205,000); and
- Payment of $15,000 (paid) on or before October 31, 2023.

Under the terms of the agreement, the Company must issue an additional 4,300,000 common shares on achieving certain milestones relating to sampling results, drilling results and a resource statement. The optionor retains a 3% NSR royalty, one-third of which may be purchased by the Company for $2,000,000.

During the year ended June 30, 2024, the Company recorded an impairment charge of $952,178.

Solitude Property

As a result of the acquisition of Norris, the Company acquired 100% of the interest in the Solitude property.

On June 2, 2021, Norris entered into a purchase option agreement with parties that included a non-arm's length party. Pursuant to the agreement, Norris acquired a 100% interest in seven mineral claims known as the Solitude property located in Ontario, Canada. The claims are subject to a 1.5% NSR royalty, of which one-third can be purchased by the Company at any time for $500,000.

Under the terms of the agreement, Norris made cash payments of $83,000 and issued 201,600 common shares.

4. Exploration and evaluation assets (continued)

(b) Ontario Lithium Properties (continued)

Alice Lithium Property

As a result of the acquisition of Norris, the Company acquired 100% of the interest in the Alice Lithium property.

On August 8, 2023, Norris entered into an agreement to acquire a 100% interest in the Alice Lake mineral property located in Ontario, Canada. To acquire the 100% interest, Norris paid $100,000 and issued 672,000 common shares. In addition, the vendor retains a 2% NSR royalty. The Company can purchase one-half of the NSR royalty in exchange for $1,000,000.

(c) Bellechasse-Timmins Property, Québec

On July 3, 2020, the Company entered into an agreement with Delta Resources Limited (“Delta”) to acquire a 100% interest in the Bellechasse-Timmins mineral property located in Québec, Canada. To acquire the 100% interest, the Company paid $1,700,000. In addition, Delta retains a 1% NSR royalty. The Company can purchase one-half of the NSR royalty in exchange for $1,000,000.

On February 7, 2023, the Company entered into an agreement whereby it sold all the issued and outstanding common shares of its wholly owned subsidiary, 9412-1068 Québec Inc., to an arm’s length private company. 9412-1068 Québec Inc. holds the mineral claims that make up the Bellechasse-Timmins property. As consideration, the purchaser assumed the principal and accrued interest outstanding in respect of a promissory note dated April 1, 2022, in the principal amount of $353,000 with interest of 10% per annum (Note 5). The Company recorded an impairment charge of $1,324,470 during the year ended June 30, 2023 to match the remaining carrying amount to the balance of the promissory note plus accrued interest, which was assumed by the purchaser on completion of the sale.

(d) Parkview Property, Newfoundland

On July 12, 2021, the Company entered into an option agreement to acquire a 100% interest in certain mineral claims located in Newfoundland, Canada. To acquire the 100% interest, the Company was required to make the following cash and share payments:

- Payment of $50,000 (paid) and issuance of 400,000 common shares (issued and valued at $120,000) on TSX-V approval;
- Payment of $50,000 and issuance of 300,000 common shares on or before 14 months following TSX-V approval;
- Payment of $50,000 and issuance of 400,000 common shares on or before the second anniversary of TSX-V approval; and
- Payment of $50,000 and issuance of 600,000 common shares on or before the third anniversary of TSX-V approval.

Upon acquiring a 100% interest, the Company was required to grant the vendors a 2% NSR royalty, of which one-half could be repurchased for $1,000,000. Furthermore, the Company was required to commence advance royalty payments of $25,000 beginning after July 12, 2026 until the earlier of the date that the Company began commercial production or made a buyout payment to the vendor.

(Expressed in Canadian Dollars)

4. Exploration and evaluation assets (continued)

(d) Parkview Property, Newfoundland (continued)

During the year ended June 30, 2023, the Company did not make an option payment and decided not to pursue further exploration on the project. Accordingly, the Company recorded an impairment charge of $345,457.

(e) Knights Melange Property, Newfoundland

On July 12, 2021, the Company entered into an option agreement to acquire a 100% interest in certain mineral claims located in Newfoundland, Canada. To acquire a 100% interest, the Company was required to make the following cash and share payments:

- Payment of $70,000 (paid) and issuance of 600,000 shares (issued and valued at $180,000) on TSX-V approval;
- Payment of $50,000 and issuance of 400,000 common shares on or before 14 months following TSX-V approval;
- Payment of $50,000 and issuance of 400,000 common shares on or before the second anniversary of TSX-V approval; and
- Payment of $50,000 and issuance of 400,000 common shares on or before the third anniversary of TSX-V approval.

Upon acquiring a 100% interest, the Company was required to grant the vendors a 2% NSR royalty, of which one-half could be repurchased for $1,000,000. Furthermore, the Company was required to commence advance royalty payments of $25,000 beginning after July 12, 2026 until the earlier of the date that the Company began commercial production or made a buyout payment to the vendor.

During the year ended June 30, 2023, the Company did not make an option payment and decided not to pursue further exploration on the project. Accordingly, the Company recorded an impairment charge of $436,272.

5. Loans payable

Continuity of the Company's loans payable is as follows:

	Year Ended June 30, 2024 $	Year Ended June 30, 2023 $
Balance, opening	90,000	613,000
Loan proceeds	-	224,000
Interest accrued	-	24,978
Net interest transferred from accounts payable and accrued liabilities	-	5,389
Repayments	(90,000)	(394,000)
Assumption of loan payable (Note 4(c))	-	(383,367)
Balance, closing	-	90,000
Less: current portion	-	(90,000)
Non-current portion	-	-

(Expressed in Canadian Dollars)

5. Loans payable (continued)

On September 23, 2021, the Company received a loan of $230,000, which was non-interest-bearing, unsecured and due on December 23, 2022. The loan was repaid during the year ended June 30, 2023.

On January 19, 2022, the Company received a loan of $30,000, which was non-interest-bearing, unsecured and due on December 23, 2022. The loan was repaid during the year ended June 30, 2023.

On April 1, 2022, the Company received a promissory note of $353,000, which was unsecured, bearing interest at 10% per annum and due on December 23, 2023. During the year ended June 30, 2024, the Company accrued interest of $nil (2023 - $21,542). On February 7, 2023, the Company entered into an agreement where the loan and accrued interest of $383,367 was assumed by the party acquiring the Company's subsidiary, 9412-1068 Québec Inc. (Note 4(c)).

On September 15, 2022, the Company received a loan of $110,000, which was unsecured, bearing interest at 10% per annum and due on December 31, 2022. During the year ended June 30, 2023, the Company accrued interest of $3,436. The loan was repaid during the year ended June 30, 2023.

On December 20, 2022, a private company controlled by a director paid $24,000 on behalf of the Company for the Adamhay and Dagny properties (Note 4(b)), which was unsecured, non-interest-bearing and due on demand. The Company repaid the loan during the year ended June 30, 2023.

On June 28, 2023, the Company received a loan from a private company controlled by a director in the amount of $90,000, which was unsecured, non-interest-bearing and due on demand. The loan was repaid on August 4, 2023.

6. Lease liability

The Company entered into an office lease expiring in 2029 discounted at an interest rate of 16% per annum.

	Year Ended June 30, 2024 $	Year Ended June 30, 2023 $
Balance, beginning of year	-	-
Additions	453,854	-
Accretion expenses	28,923	-
Repayments	(52,853)	-
Balance, end of year	429,924	-
Less: current portion	(65,350)	-
Non-current portion	364,574	-

7. Flow-through share indemnification and interest

On December 23, 2022, Norris issued flow-through shares for gross proceeds of $3,315,000. The flow-through share proceeds were renounced to subscribers effective December 31, 2022. The Company, through Norris, had a commitment to incur qualifying Canadian exploration expenditures in relation to the flow-through financing by December 31, 2023, which was not fully met.

7. Flow-through share indemnification and interest (continued)

The Company incurred actual qualifying expenditures of approximately $1,300,000 in Québec and approximately $618,000 in additional expenditures in Ontario and amended its flow-through filings to renounce $1,918,000 instead. Accordingly, effective December 31, 2023, the Company accrued a $1,315,000 provision for the estimated cost to indemnify flow-through share subscribers for their expected personal income tax reassessments by the Canada Revenue Agency and Revenu Québec. The indemnifications are provided for in the underlying subscription agreements for the private placements and recorded in accounts payable and accrued liabilities as at June 30, 2024.

As at June 30, 2024, the Company has also accrued $254,060 for federal Part XII.6 tax and similar Québec tax in accounts payable and accrued liabilities.

8. Share capital

Authorized share capital

Unlimited number of common shares without par value

Issued

Share transactions for the year ended June 30, 2024:

(a) On August 2, 2023 and September 13, 2023, the Company closed a private placement in two tranches and issued 5,600,000 common shares at $0.25 per share for proceeds of $1,400,000. The Company paid $24,000 in finders' fees and incurred share issuance costs of $7,000.

(b) On September 5, 2023, the Company issued 1,000,000 common shares in connection with the Pinto property agreement valued at $205,000 (Note 4(b)).

(c) On September 15, 2023, the Company issued 2,000,000 common shares in connection with the Bugatti property agreement valued at $460,000 (Note 4(a)).

(d) On September 27, 2023, the Company issued 22,684,434 common shares with a value of $4,877,153 in connection with the acquisition of Norris (Note 4).

(e) On October 12, 2023, the Company issued 2,000,000 common shares in connection with the Ferrari property agreement valued at $360,000 (Note 4(a)).

(f) On October 17, 2023, the Company issued 1,000,000 common shares in connection with the Taycan property agreement valued at $145,000 (Note 4(a)).

(g) On October 20, 2023, the Company issued 236,679 common shares with a value of $55,785 for transaction costs in connection with the acquisition of Norris (Note 4).

(h) On November 23, 2023, the Company issued 1,344,000 common shares in connection with the Highway and Bus properties agreement valued at $161,280 (Note 4(a)).

(i) On May 1, 2024, the Company issued 45,500 common shares in connection with the Allison South property agreement valued at $1,365 (Note 4(b)).

8. Share capital (continued)

Issued (continued)

(j) During the year ended June 30, 2024, the Company issued 1,800,000 common shares for proceeds of $216,000 pursuant to the exercise of warrants.

<u>Share transactions for the year ended June 30, 2023:</u>

(a) On December 14, 2022, the Company completed a private placement and issued 6,180,000 common shares at $0.25 per share for proceeds of $1,545,000. The Company incurred share issuance costs of $30,465.

(b) On December 15, 2022, the Company issued 1,200,000 units in connection with the Taycan property agreement (Note 4(a)). Each unit consisted of one common share and one share purchase warrant exercisable at $0.40, expiring on December 15, 2024. The fair values of the common shares and share purchase warrants were determined to be $588,000 and $380,194, respectively.

(c) On January 11, 2023, the Company issued a total of 1,250,500 common shares for option payments on the Adamhay, Dagny, Allison South, Parks, Root South and Sharp property agreements valued at $625,250 (Note 4(b)).

(d) On March 2, 2023, the Company issued 1,000,000 common shares in connection with the Pinto property agreement valued at $630,000 (Note 4(b)) and 1,500,000 common shares in connection with the Bugatti property agreement valued at $945,000 (Note 4(a)).

(e) On March 14, 2023, the Company issued 2,000,000 common shares in connection with the Ferrari property agreement valued at $1,200,000 (Note 4(a)).

(f) During the year ended June 30, 2023, the Company issued 5,100,000 common shares for proceeds of $802,000 pursuant to the exercise of warrants.

(g) During the year ended June 30, 2023, the Company issued 650,000 common shares for proceeds of $227,500 pursuant to the exercise of stock options.

9. Commitment to issue shares

On April 30, 2024, the Company discontinued the option agreements on the Sharp Lake and Parks Lake properties. The Company is required to issue 100,000 and 375,000 common shares (valued at $3,500 and $13,125, respectively) in relation to the termination of option agreements for the properties, respectively (Note 4(b)).

10. Stock options

The Company has implemented a stock option plan pursuant to which stock options may be granted to directors, officers, employees and consultants of the Company. The Company may grant stock options to a maximum of 10% of the issued shares of the Company at the date of granting the stock options. The minimum exercise price of each stock option must not be less than the discounted market price (as permissible by TSX-V policy). Stock options are exercisable over periods of up to ten years and vesting periods can be imposed at the discretion of the board of directors.

(Expressed in Canadian Dollars)

10. Stock options (continued)

A summary of stock option activities is as follows:

	Number of Options	Weighted Average Exercise Price $
Balance, June 30, 2022	1,200,000	0.35
Granted	3,500,000	0.39
Exercised	(650,000)	0.35
Expired	(100,000)	0.35
Balance, June 30, 2023	3,950,000	0.38
Exchanged from acquisition of Norris	1,747,200	0.63
Expired	(2,753,200)	0.37
Balance, June 30, 2024	2,944,000	0.55

Outstanding and exercisable stock options as at June 30, 2024 are as follows:

Options Outstanding	Options Exercisable	Exercise Price $	Weighted Average Remaining Contractual Life (Years)	Expiry Date
1,276,800	1,276,800	0.75	1.38	November 16, 2025
1,600,000	1,600,000	0.40	1.75	March 29, 2026
67,200	67,200	0.15	7.38	November 16, 2031
2,944,000	2,944,000	0.55	1.72	

The total fair value of the stock options granted and vested during the year ended June 30, 2024 was $150,619, which was issued as consideration for the acquisition of Norris and was allocated as exploration and evaluation assets (2023 - $858,928, which was granted as share-based compensation and charged to operations).

Upon the exercise of nil (2023 - 650,000) stock options during the year ended June 30, 2024, $nil (2023 - $100,534) was transferred from the share-based payment reserve to share capital. The weighted average share price on the date of exercise for stock options exercised during the year ended June 30, 2024 was $nil (2023 - $0.47).

The fair value of stock options granted is estimated using the Black-Scholes option pricing model based on the following weighted average assumptions:

	Year Ended June 30, 2024	Year Ended June 30, 2023
Expected life (years)	1.94	2.53
Risk-free interest rate	4.95%	3.67%
Annualized volatility*	116%	113%
Dividend yield	0%	0%
Stock price at grant date	$0.22	$0.39
Exercise price	$0.63	$0.39
Weighted average grant date fair value	$0.09	$0.25

* Annualized volatility was determined based on the historical trading prices of the Company.

(Expressed in Canadian Dollars)

11. Share purchase warrants

The following table summarizes the continuity of share purchase warrants:

	Number of Warrants	Weighted Average Exercise Price $
Balance, June 30, 2022	7,400,000	0.15
Issued	1,200,000	0.40
Exercised	(5,100,000)	0.16
Balance, June 30, 2023	3,500,000	0.28
Exchanged from acquisition of Norris	5,491,247	0.29
Exercised	(1,800,000)	0.12
Expired	(843,727)	0.42
Balance, June 30, 2024	6,347,520	0.32

As at June 30, 2024, the following share purchase warrants were outstanding:

Number of Warrants Outstanding	Exercise Price $	Weighted Average Remaining Contractual Life (Years)	Expiry Date
5,147,520	0.30	0.34	November 2, 2024
1,200,000	0.40	0.46	December 15, 2024
6,347,520	0.32	0.36	

The fair value of share purchase warrants issued during the period is estimated using the Black-Scholes option pricing model based on the following weighted average assumptions:

	Year Ended June 30, 2024	Year Ended June 30, 2023
Expected life (years)	1.08	2.00
Risk-free interest rate	4.94%	3.68%
Annualized volatility*	127%	117%
Dividend yield	0%	0%
Stock price at grant date	$0.22	$0.49
Exercise price	$0.29	$0.40
Weighted average grant date fair value	$0.09	$0.32

* Annualized volatility was determined based on the historical trading prices of the Company.

The total fair value of the share purchase warrants exchanged from the acquisition of Norris during the year ended June 30, 2024 was $515,424, which was issued as consideration for the acquisition of Norris and was allocated to exploration and evaluation assets (2023 - $380,194, which was issued in connection with the Taycan property agreement and was allocated to exploration and evaluation asset).

(Expressed in Canadian Dollars)

12. Related party transactions

The Company considers its chief executive officer, chief financial officer and directors to be key management personnel. These amounts of key management compensation are included in the amounts shown on the consolidated statements of operations and comprehensive loss:

	Year Ended June 30, 2024 $	Year Ended June 30, 2023 $
Short-term compensation (consulting fees, management and directors' fees, professional fees, and exploration and evaluation asset expenditures)	455,400	283,719
Share-based compensation	-	443,929
	455,400	727,648

As at June 30, 2024, the Company owed $295,451 (2023 - $185,928) to companies controlled by current and previous directors of the Company, which is included in accounts payable and accrued liabilities. The amounts are unsecured and without interest.

During the year ended June 30, 2024, the Company also paid:

- $30,000 (2023 - $5,000) in shared office expenses included in general and administrative to a private company controlled by a director of the Company; and
- $35,000 (2023 - $15,000) in rent to a company with a common officer.

During the year ended June 30, 2024, the Company recorded rent recovery of $86,000 (2023 - $nil) with companies with a common officer.

On December 20, 2022, a private company controlled by a director paid $24,000 on behalf of the Company for the Adamhay and Dagny properties (Notes 4(b) and 5), which was unsecured, non-interest-bearing and due on demand. The Company repaid the loan on January 6, 2023.

On May 3, 2023, a director of the vendors of the Ferrari, Bugatti and Pinto properties became an officer and director of the Company.

On June 28, 2023, the Company received a loan from a private company controlled by a director in the amount of $90,000, which is unsecured, non-interest-bearing and due on demand. The loan was repaid on August 4, 2023 (Note 5).

(Expressed in Canadian Dollars)

13. Financial instruments and risk management

(a) Fair value

Fair value measurements are classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 – valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – valuation techniques based on 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); and
- Level 3 – valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair values of financial instruments, which include cash, deposits, accounts payable and accrued liabilities, lease liability, and loans payable, approximate their carrying values due to the nature of these instruments.

(b) Credit risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash. The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions. The carrying amount of cash represents the maximum credit exposure.

(c) Foreign exchange risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign currency exchange rates. The Company is not exposed to any significant foreign exchange risk.

(d) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company is not exposed to significant interest rate risk, as it does not have any liabilities with variable rates.

(e) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's objective to managing liquidity risk is to ensure that it has sufficient liquidity available to meet its liabilities when due. The Company relies on raising debt or equity financing in a timely manner.

The following amounts are the contractual maturities of financial liabilities as at June 30, 2024 and 2023:

June 30, 2024	**Total** **$**	**Within 1 Year** **$**	**Within 2-5 Years** **$**
Accounts payable and accrued liabilities	2,512,028	2,512,028	-
Lease liability	604,281	127,825	476,456
	3,116,309	2,639,853	476,456

(Expressed in Canadian Dollars)

13. Financial instruments and risk management (continued)

(e) Liquidity risk (continued)

June 30, 2023	Total $	Within 1 Year $	Within 2-5 Years $
Accounts payable and accrued liabilities	853,228	853,228	-
Loans payable	90,000	90,000	-
	943,228	943,228	-

(f) Price risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities.

14. Capital management

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of cash and equity comprised of issued share capital and share-based payment reserve.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its board of directors, will balance its overall capital structure through new share issuances or by undertaking other activities deemed appropriate under the specific circumstances.

The Company is not subject to externally imposed capital requirements and the Company's overall strategy with respect to capital risk management remains unchanged for the year ended June 30, 2024.

15. Segmented disclosure

The Company has one operating segment, being mineral exploration and development. All of the Company's assets are located in Canada.

16. Commitments

The Company entered into an office lease agreement that commenced on February 1, 2024 and expires on January 31, 2029 with basic rent per fiscal year approximately as follows:

Period	$
Fiscal 2025	127,825
Fiscal 2026	129,978
Fiscal 2027	132,327
Fiscal 2028	134,676
Fiscal 2029	79,475
	604,281

(Expressed in Canadian Dollars)

17. Non-cash investing and financing activities

	2024 $	2023 $
Fair value of common shares, stock options and warrants issued for acquisition of Norris Lithium Inc.	5,543,196	-
Fair value of common shares and warrants issued or to be issued for exploration and evaluation assets	1,349,270	4,368,444
Net increase in exploration and evaluation asset expenditures in accounts payable and accrued liabilities	230,748	280,190
Promissory note extinguished in sale of exploration and evaluation assets	-	383,367
Fair value transferred upon exercise of stock options	-	100,534
Right-of-use asset	453,854	-

18. Income Taxes

A reconciliation of the expected income tax recovery to the actual income tax recovery is as follows:

	2024 $	2023 $
Loss before income taxes	(3,824,430)	(4,406,822)
Combined effective statutory rate	27%	27%
Expected income tax recovery at the statutory tax rate	(1,032,596)	(1,189,842)
Tax effect of:		
Permanent differences and other	(78,375)	232,227
Change in unrecognized deferred income tax assets	1,110,971	957,615
Income tax provision	-	-

The unrecognized deductible temporary differences as at June 30, 2024 and 2023 are comprised of the following:

	2024 $	Expiry Date	2023 $	Expiry Date
Exploration and evaluation assets	2,573,000	None	927,000	None
Lease liability	430,000	2025-2029	-	N/A
Non-capital losses	3,575,000	2041-2044	2,641,000	2040-2043
Share-issuance costs	43,000	2025-2028	24,000	2024-2027
Capital losses	662,000	None	662,000	None
Unrecognized deductible temporary differences	7,283,000		4,254,000	

(Expressed in Canadian Dollars)

18. Income taxes (continued)

The following is the analysis of recognized deferred tax liabilities and deferred tax assets for the years ended June 30, 2024 and 2023:

	2024 $	2023 $
Deferred tax liabilities		
Right-of-use asset	112,000	-
Exploration and evaluation assets	817,000	-
Deferred tax assets		
Share-issuance costs	(38,000)	-
Non-capital loss	(891,000)	-
Net deferred tax assets (liabilities)	-	-

As at June 30, 2024, the Company has unrecognized deferred tax liabilities of $529,000 (2023 - $nil) due to temporary differences arising from the initial recognition of the acquisition of all of the issued and outstanding shares of Norris.

19. Subsequent events

(a) Subsequent to June 30, 2024, the option agreements for the Bugatti and Ferrari properties were amended (Note 4(a)).

(b) Subsequent to June 30, 2024, the Company paid $25,000 as settlement for the terminated Adamhay and Dagny property option agreements (Note 4(b)).

(c) Subsequent to June 30, 2024, the Company issued 2,000,000 common shares in connection with the Taycan property agreement (Note 4(a)).