LITHIUM ONE METALS INC.

Condensed Consolidated Interim Financial Statements

Three Months Ended September 30, 2023 and 2022

(Unaudited – Expressed in Canadian dollars)

NOTICE OF NO AUDITOR REVIEW OF
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The Company's independent auditor has not performed a review of these condensed consolidated interim financial statements. The accompanying condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

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LITHIUM ONE METALS INC.
Condensed Consolidated Interim Statements of Financial Position
(Expressed in Canadian Dollars)

	Note	September 30, 2023 $	June 30, 2023 $
		(unaudited)	
ASSETS			
Current assets			
Cash		2,032,165	49,444
Goods and Services Tax receivable		154,246	45,470
Prepaid expenses	9	674,381	23,231
Total current assets		2,860,792	118,145
Non-current assets			
Deferred transaction costs	3	-	233,778
Exploration and evaluation assets	3,9	9,993,928	5,728,366
Total non-current assets		9,993,928	5,962,144
TOTAL ASSETS		12,854,720	6,080,289
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	9	1,024,168	853,228
Current portion of loans payable	4,9	-	90,000
TOTAL LIABILITIES		1,024,168	943,228
Shareholders' equity			
Share capital	6	16,687,713	9,560,560
Share-based payment reserve	6,7,8	1,843,770	1,693,151
Deficit		(6,700,931)	(6,116,650)
Total shareholders' equity		11,830,552	5,137,061
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		12,854,720	6,080,289

Nature and continuance of operations (Note 1)
Subsequent events (Note 13)

Approved and authorized for issuance by the Board of Directors on November 28, 2023:

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

/s/ "Dominic Verdejo" — Dominic Verdejo, Director

See accompanying notes to the condensed consolidated interim financial statements.

LITHIUM ONE METALS INC.

Condensed Consolidated Interim Statements of Operations and Comprehensive Loss
For the Three Months Ended September 30,
(Unaudited – Expressed in Canadian Dollars)

	Note	2023 $	2022 $
Expenses			
Consulting fees	9	125,108	31,350
General and administrative		6,086	4,820
Management and directors' fees	9	69,000	51,000
Professional fees	9	147,150	15,623
Rent		15,000	-
Share-based compensation	7,9	150,619	-
Shareholder communications and promotion		56,046	37,500
Transfer agent and filing fees		15,538	5,688
Total expenses		(584,547)	(145,981)
Other income (expense)			
Interest expense	4	-	(8,988)
Interest income		266	-
Net loss and comprehensive loss for the period		(584,281)	(154,969)
Loss per share – basic and diluted		(0.01)	(0.01)
Weighted average number of common shares outstanding		47,650,645	23,295,952

See accompanying notes to the condensed consolidated interim financial statements.

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

	Share Capital				
	Number of Shares	Amount $	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 exercise of share purchase warrants	2,000,000	240,000	-	-	240,000
Net loss for the period	-	-	-	(154,969)	(154,969)
Balance, September 30, 2022	**26,300,000**	**3,167,741**	**554,563**	**(1,864,797)**	**1,857,507**
Common shares issued pursuant to private placement	5,180,000	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	4,100,000	562,000	-	-	562,000
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 period	-	-	-	(4,251,853)	(4,251,853)
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 for exploration and evaluation assets	3,000,000	665,000	-	-	665,000
Shares issued pursuant to acquisition (Note 3)	22,684,434	4,877,153	-	-	4,877,153
Fair value of stock options granted	-	-	150,619	-	150,619
Net loss for the period	-	-	-	(584,281)	(584,281)
Balance, September 30, 2023	**76,264,934**	**16,687,713**	**1,843,770**	**(6,700,931)**	**11,830,552**

See accompanying notes to the condensed consolidated interim financial statements.

LITHIUM ONE METALS INC.
Condensed Consolidated Interim Statements of Cash Flows
For the Three Months Ended September 30,
(Unaudited – Expressed in Canadian Dollars)

	2023 $	2022 $
Operating activities		
Net loss for the period	(584,281)	(154,969)
Item not involving cash:		
Share-based compensation	150,619	-
Changes in non-cash working capital items:		
Goods and Services Tax receivable	65,246	(2,753)
Prepaid expenses	(278,848)	(48,413)
Accounts payable and accrued liabilities	(331,935)	88,402
Net cash flows used in operating activities	(979,199)	(117,733)
Investing activities		
Exploration and evaluation asset expenditures	(597,888)	(4,700)
Cash assumed from acquisition	2,143,735	-
Net cash flows provided by (used in) investing activities	1,545,847	(4,700)
Financing activities		
Proceeds from issuance of common shares	1,616,000	240,000
Share issuance costs	(31,000)	-
Financing costs	(78,927)	-
Proceeds from loans payable	-	10,000
Repayments of loans payable	(90,000)	-
Net cash flows provided by financing activities	1,416,073	250,000
Change in cash	1,982,721	127,567
Cash, beginning of period	49,444	336
Cash, end of period	2,032,165	127,903
Supplemental disclosure with respect to cash flows		
Interest paid	-	-
Income taxes paid	-	-
Non-cash investing and financing activities		
Fair value of common shares issued for acquisition of Norris Lithium Inc.	4,877,153	-
Fair value of common shares issued for exploration and evaluation assets	665,000	-
Net increase in exploration and evaluation asset expenditures in accounts payable and accrued liabilities	387,201	-

See accompanying notes to the condensed consolidated interim 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 OTCQB in the United States under the symbol LOMEF. The Company's head office is located at 1680 – 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 condensed consolidated interim 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 three months ended September 30, 2023, the Company incurred a net loss of $584,281. As at September 30, 2023, the Company had working capital of $1,836,624 and an accumulated deficit of $6,700,931. 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 condensed consolidated interim financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

2. Significant accounting policies

Statement of compliance

These condensed consolidated interim financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), and interpretations of the International Financial Reporting Interpretations Committee. Therefore, these financial statements comply with International Accounting Standard ("IAS") 34 *Interim Financial Reporting*.

This interim financial report does not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that this financial report be read in conjunction with the annual consolidated financial statements of the Company as at June 30, 2023 and for the year then ended.

2. Significant accounting policies (continued)

The condensed consolidated interim financial statements were authorized for issue on November 28, 2023 by the directors of the Company.

Basis of preparation

The condensed consolidated interim financial statements have been prepared on a historical cost basis, except for certain financial assets measured at fair value, as explained in the accounting policies set out in Note 2 of the annual consolidated financial statements for the year ended June 30, 2023. In addition, these condensed consolidated interim 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 condensed consolidated interim 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 September 30, 2023 are as follows:

Name	**Place of Incorporation**	**Ownership % September 30, 2023**	**Ownership % June 30, 2023**
9412-1068 Québec Inc.	Québec	0%	0% (Note 3(c))
1370835 BC Ltd.	British Columbia	100%	100%
Norris Lithium Inc. ("Norris")	British Columbia	100% (Note 3)	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 condensed consolidated interim 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.

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

2. Significant accounting policies (Continued)

Significant accounting judgments, estimates and assumptions

The preparation of the Company's condensed consolidated interim 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

There are no significant areas requiring the use of estimates.

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.

<u>Exploration and evaluation assets</u>
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 or 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 condensed consolidated interim statement of operations in the period when the new information becomes available.

<u>Going concern</u>
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 is 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.

<u>Business combination</u>
The determination of the acquisition of Norris as an asset acquisition rather than a business combination requires management judgment whether Norris met the definition of business, as disclosed in Note 3.

2. Significant accounting policies (Continued)

Accounting standards adopted during the period

Disclosure of Accounting Policies (Amendments to 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. These amendments did not have any impact for the Company.

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.

2. Significant accounting policies (Continued)

Accounting standards issued but not yet effective

Classification of Liabilities as Current or Non-current (Amendments to IAS 1 Presentation of Financial Statements*)*

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.

(Unaudited – Expressed in Canadian Dollars)

3. 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 3(c))	-	-	(383,367)	-	-	(383,367)
Balance, June 30, 2023	**3,721,158**	**1,434,750**	**-**	**-**	**-**	**5,155,908**
Additions – cash and shares	465,000	220,000	-	-	-	685,000
Acquisition (Note 3)	2,658,292	521,420	-	-	-	3,179,712
Balance, September 30, 2023	**6,844,450**	**2,176,170**	**-**	**-**	**-**	**9,020,620**
Exploration costs:						
Balance, June 30, 2022	**-**	**-**	**7,837**	**170,757**	**170,757**	**349,351**
Consulting (Note 9)	-	-	-	4,700	-	4,700
Geological (Note 9)	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	38,550	42,627	-	-	-	81,177
Geological (Note 9)	174,769	139,779	-	-	-	314,548
Travel	5,125	-	-	-	-	5,125
Balance, September 30, 2023	**416,813**	**556,495**	**-**	**-**	**-**	**973,308**
Net carrying value, June 30, 2023	**3,919,527**	**1,808,839**	**-**	**-**	**-**	**5,728,366**
Net carrying value, September 30, 2023	**7,261,263**	**2,732,665**	**-**	**-**	**-**	**9,993,928**

(Unaudited – Expressed in Canadian Dollars)

3. Exploration and evaluation assets (continued)

On September 27, 2023, the Company completed the acquisition of Norris by way of 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) 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 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.

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 $4,877,153, as detailed above.

Net Assets Acquired	**$**
Cash	2,143,735
Goods and Services Tax and other receivables	174,022
Prepaid expenses	372,302
Exploration and evaluation assets	2,536,546
Accounts payable and accrued liabilities	(349,452)
	4,877,153

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.

3. 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.

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. 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 and issuance of 1,000,000 common shares on or before December 15, 2023 (issued subsequent to September 30, 2023); and
- Payment of $300,000 and issuance of 2,000,000 common shares 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 agreement whereby the Company can acquire a 100% interest in the Bugatti property located in Québec, Canada. The agreement was amended on September 1, 2023. To acquire the 100% interest, the Company is to make 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);
- Payment of $75,000 (paid subsequent to September 30, 2023) on or before October 31, 2023; and
- Issuance of 1,000,000 common shares on or before March 1, 2024.

Under the terms of the agreement, the Company must issue an additional 1,000,000 common shares on achieving certain milestones relating to drill results. Upon exercise of the option by the Company, the optionor will retain a 2% NSR royalty, one-half of which may be purchased by the Company for $1,000,000.

3. 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 whereby the Company can acquire a 100% interest in the Ferrari property located in Québec, Canada. The agreement was amended on September 14, 2023. To acquire the 100% interest, the Company is to make 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 subsequent to September 30, 2023);
- Payment of $100,000 (paid subsequent to September 30, 2023) on or before October 31, 2023; and
- Issuance of 2,000,000 common shares on or before March 14, 2024.

Under the terms of the agreement, the Company must issue an additional 3,500,000 common shares on achieving certain milestones relating to sampling results, drilling results and a resource statement. Upon exercise of the option by the Company, the optionor will retain 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:

- A cash payment of $10,000 (paid) upon signing of the agreement;
- A cash payment of $100,000 (paid) and the issuance of 1,344,000 common shares (issued and valued at $800,000) upon regulatory acceptance;
- A cash payment of $100,000 (paid) and the issuance of 1,344,000 common shares (issued and valued at $1,220,000) by March 12, 2023; and
- The issuance of 1,344,000 common shares (issued subsequent to September 30, 2023) 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).

3. Exploration and evaluation assets (continued)

(b) Ontario Lithium Properties

Root South Property

On December 20, 2022, the Company entered into an option agreement whereby it can acquire a 100% interest in certain mineral claims located in Ontario, Canada. To acquire a 100% interest, the Company is 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 will grant the vendors a 2% NSR royalty, of which one-half can be repurchased for $1,000,000.

Sharp Property

On December 20, 2022, the Company entered into an option agreement whereby it can acquire a 100% interest in certain mineral claims located in Ontario, Canada. To acquire a 100% interest, the Company is 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 and issuance of 100,000 common shares 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 will grant the vendors a 2% NSR royalty, of which one-half can be repurchased for $1,000,000.

Allison South Property

On December 20, 2022, the Company entered into an option agreement whereby it can acquire a 100% interest in certain mineral claims located in Ontario, Canada. To acquire a 100% interest, the Company is 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 and issuance of 45,500 common shares on or before January 11, 2024; and
- Payment of $12,500 and issuance of 91,000 common shares on or January 11, 2025.

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

3. Exploration and evaluation assets (continued)

(b) Ontario Lithium Properties (continued)

Parks Property

On December 20, 2022, the Company entered into an option agreement whereby it can acquire a 100% interest in certain mineral claims located in Ontario, Canada. To acquire a 100% interest, the Company is 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 and issuance of 375,000 common shares 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 will grant the vendors a 2% NSR royalty, of which one-half can be repurchased for $1,000,000.

Adamhay Property

On December 20, 2022, the Company entered into an option agreement whereby it can acquire a 100% interest in certain mineral claims located in Ontario, Canada. To acquire a 100% interest, the Company is 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 January 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 will grant the vendors a 1.5% NSR royalty, of which one-third can be repurchased for $500,000.

Dagny Property

On December 20, 2022, the Company entered into an option agreement whereby it can acquire a 100% interest in certain mineral claims located in Ontario, Canada. To acquire a 100% interest, the Company is 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 January 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 will grant the vendors a 1.5% NSR royalty, of which one-third can be repurchased for $500,000.

3. 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 whereby the Company can 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 is to make 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 subsequent to September 30, 2023) 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. Upon exercise of the option by the Company, the optionor will retain a 3% NSR royalty, one-third of which may be purchased by the Company for $2,000,000.

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 and issued common shares as follows:

- A cash payment of $15,000 (paid) upon execution and delivery of the agreement;
- A cash payment of $18,000 (paid) and the issuance of 201,600 common shares (issued and valued at $30,000) on the earlier of June 2, 2022 and the date upon which the common shares are listed on a stock exchange in Canada;
- A cash payment of $20,000 (paid) on or before June 2, 2022; and
- A cash payment of $30,000 (paid) on or before June 2, 2023.

3. 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 with 1252272 B.C. Ltd. (“1252272”) to acquire a 100% interest in the Alice Lake mineral property located in Red Lake Mining District, Ontario, Canada. To acquire the 100% interest, Norris paid $100,000 and issued 670,000 common shares (valued at $150,000). In addition, 1252272 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 4). 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.

3. 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.

(Unaudited – Expressed in Canadian Dollars)

4. Loans payable

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

	Three Months Ended September 30, 2023 $	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 3(c))	-	(383,367)
Balance, closing	-	90,000
Less: current portion	-	(90,000)
Non-current portion	-	-

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 three months ended September 30, 2023, the Company accrued interest of $nil (year ended June 30, 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, 9402-1068 Québec Inc. (Note 3(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 $23,436. The loan was repaid during the year ended June 30, 2023.

On December 20, 2022, a private company controlled by the chief executive officer ("CEO") paid $24,000 on behalf of the Company for the Adamhay and Dagny properties (Note 3(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 the CEO in the amount of $90,000, which was unsecured, non-interest-bearing and due on demand. The loan was repaid on August 4, 2023.

5. Other liabilities

On December 23, 2022, Norris issued 2,970,240 flow-through shares at a price of $1.12 per share.

At September 30, 2023, the Company, through Norris, had a remaining commitment to incur exploration expenditures of $2,723,776 (June 30, 2023 - $nil) in relation to its December 23, 2022 flow-through financing

6. Share capital

Authorized share capital

Unlimited number of common shares without par value

Issued

Share transactions for the three months ended September 30, 2023:

(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 3(b)).

(c) On September 12, 2023, the Company issued 2,000,000 common shares in connection with the Bugatti property agreement valued at $460,000 (Note 3(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 3).

(e) During the three months ended September 30, 2023, the Company issued 1,800,000 common shares for proceeds of $216,000 pursuant to the exercise of warrants.

Share transactions for the year ended June 30, 2023:

(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 3(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 3(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 3(b)) and 1,500,000 common shares in connection with the Bugatti property agreement valued at $945,000 (Note 3(a)).

(Unaudited – Expressed in Canadian Dollars)

6. Share capital (continued)

Issued (continued)

Share transactions for the year ended June 30, 2023 (continued):

(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 3(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.

7. 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 by the Board of Directors.

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
Granted	1,747,200	0.63
Expired	(900,000)	0.34
Balance, September 30, 2023	4,797,200	0.48

(Unaudited – Expressed in Canadian Dollars)

7. Stock options (continued)

Outstanding and exercisable stock options as at September 30, 2023 are as follows:

Options Outstanding	Options Exercisable	Exercise Price $	Weighted Average Remaining Contractual Life (Years)	Expiry Date
350,000	350,000	0.35	0.04	*October 14, 2023
67,200	67,200	0.15	0.13	*November 17, 2023
368,800	368,800	0.15-0.75	0.24	December 26, 2023
67,200	67,200	0.15	0.42	March 1, 2024
1,276,800	1,276,800	0.40	2.13	November 16, 2025
2,600,000	2,600,000	0.40	2.50	March 29, 2026
67,200	67,200	0.15	8.13	November 16, 2031
4,797,200	4,797,200	0.48	2.06	

* see Note 13(b)

The total fair value of the stock options granted and vested during the three months ended September 30, 2023 was $150,619 (year ended June 30, 2023 - $858,928), which was recorded as share-based payment reserve and charged to operations. The weighted average fair value of the stock options granted during the three months ended September 30, 2023 was $0.09 (year ended June 30, 2023 - $0.25) per option.

Upon the exercise of nil (year ended June 30, 2023 - 650,000) stock options during the three months ended September 30, 2023, $nil (year ended June 30, 2023 - $100,534) was moved from the share-based payment reserve to share capital. The weighted average fair value on the date of exercise for stock options exercised during the three months ended September 30, 2023 was $nil (year ended June 30, 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:

	Three Months Ended September 30, 2023	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.

(Unaudited – Expressed in Canadian Dollars)

8. 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
Granted	1,200,000	0.40
Exercised	(5,100,000)	0.16
Balance, June 30, 2023	3,500,000	0.28
Granted	5,491,247	0.30
Exercised	(1,800,000)	0.12
Expired	(250,000)	0.60
Balance, September 30, 2023	6,941,247	0.33

As at September 30, 2023, the following share purchase warrants were outstanding:

Number of Warrants Outstanding	Exercise Price $	Weighted Average Remaining Contractual Life (Years)	Expiry Date
250,000	0.60	0.10	*November 3, 2023
5,491,247	0.30	1.09	November 2, 2024
1,200,000	0.40	1.21	December 15, 2024
6,941,247	0.33	0.08	

* see Note 13(b)

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

	Three Months Ended September 30, 2023	Year Ended June 30, 2023
Expected life (years)	N/A	2.00
Risk-free interest rate	N/A	3.68%
Annualized volatility*	N/A	117%
Dividend yield	N/A	0%
Stock price at grant date	N/A	$0.49
Exercise price	N/A	$0.40
Weighted average grant date fair value	N/A	$0.32

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

(Unaudited – Expressed in Canadian Dollars)

9. Related party transactions

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

	Three Months Ended September 30, 2023 $	Three Months Ended September 30, 2022 $
Short-term compensation (consulting fees, management and directors' fees, professional fees, and exploration and evaluation asset expenditures)	104,000	60,700
Share-based compensation	80,798	-
	184,798	60,700

As at September 30, 2023, the Company owed $58,965 (June 30, 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.

As at September 30, 2023, the Company had prepaid expenses of $58,000 (June 30, 2023 - $nil) with a company controlled by a current director of the Company, which is included prepaid expenses.

During the three months ended September 30, 2023, the Company also paid:

- $7,500 (2022 - $nil) in shared office expenses included in general and administrative to a private company controlled by the CEO; and
- $15,000 (2022 - $nil) in rent to a company with a common officer.

On December 20, 2022, a private company controlled by the CEO paid $24,000 on behalf of the Company for the Adamhay and Dagny properties (Note 3(b)), 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 the CEO 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 4).

10. 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, accounts payable and accrued liabilities, and loans payable, approximate their carrying values due to the relatively short-term maturity 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.

(Unaudited – Expressed in Canadian Dollars)

10. Financial instruments and risk management (continued)

(e) Liquidity risk (continued)

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

September 30, 2023	Total $	Within 1 Year $	Within 2-5 Years $
Accounts payable and accrued liabilities	1,024,168	1,024,168	-
	1,024,168	1,024,168	-

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.

11. 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 three months ended September 30, 2023.

12. Segmented disclosure

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

13. Subsequent events

(a) Subsequent to September 30, 2023, the Company issued 2,000,000 common shares in connection with the Ferrari property agreement (Note 3(a)), 1,000,000 common shares in connection with the Taycan property agreement (Note 3(a)) and 1,344,000 common shares in connection with the Highway and Bus properties (Note 3(a)).

(b) Subsequent to September 30, 2023, 250,000 share purchase warrants and 417,200 stock options expired unexercised.

(c) Subsequent to September 30, 2023, the Company issued 236,679 common shares to the company that acted as financial adviser for the acquisition of Norris.