

LITHIUM ONE METALS INC.

Condensed Consolidated Interim Financial Statements

Three Months Ended September 30, 2024 and 2023

(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.

LITHIUM ONE METALS INC.

Condensed Consolidated Interim Statements of Financial Position

(Expressed in Canadian Dollars)

	Note	September 30, 2024 \$	June 30, 2024 \$
		(unaudited)	
ASSETS			
Current assets			
Cash		38,331	239,902
Receivables		52,509	44,629
Prepaid expenses		51,940	39,836
Total current assets		142,780	324,367
Non-current assets			
Deposits		86,817	86,817
Right-of-use asset	3	393,342	416,034
Exploration and evaluation assets	4,12	11,937,491	11,960,616
Total non-current assets		12,417,650	12,463,467
TOTAL ASSETS		12,560,430	12,787,834
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	7,12	2,276,291	2,512,028
Current portion of lease liability	6	68,602	65,350
Total current liabilities		2,344,893	2,577,378
Non-current liabilities			
Long-term portion of lease liability	6	346,184	364,574
Total liabilities		2,691,077	2,941,952
Shareholders' equity			
Share capital	8	17,461,143	17,411,143
Commitment to issue shares	9	16,625	16,625
Share-based payment reserve	8,10,11	2,359,194	2,359,194
Deficit		(9,967,609)	(9,941,080)
Total shareholders' equity		9,869,353	9,845,882
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		12,560,430	12,787,834

Nature and continuance of operations (Note 1)

Commitments (Note 16)

Subsequent event (Note 18)

Approved and authorized for issuance by the Board of Directors on November 27, 2024:

/s/ "Nav Dhaliwal"

Nav Dhaliwal, Director

/s/ "Dale Ginn"

Dale Ginn, 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)

		2024	2023
	Note	\$	\$
Expenses			
Consulting fees	12	15,000	125,108
Depreciation	3	22,692	-
General and administrative	12	10,848	6,086
Management and directors' fees (recovery)	12	(58,372)	69,000
Professional fees	12	51,210	147,150
Rent (recovery)	12	(34,970)	15,000
Share-based compensation	10,12	-	150,619
Shareholder communications and promotion		3,000	56,046
Transfer agent and filing fees		560	15,538
Total expenses		(9,968)	(584,547)
Other income (expense)			
Interest and accretion expense	6	(16,574)	-
Interest income		13	266
Net loss and comprehensive loss for the period		(26,529)	(584,281)
Loss per share – basic and diluted		(0.00)	(0.01)
Weighted average number of common shares outstanding		81,282,417	47,650,645

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		Commitment to Issue Shares \$	Share-based Payment Reserve \$	Deficit \$	Total Shareholders' Equity \$
	Number of Shares	Amount \$				
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	3,000,000	665,000	-	-	-	665,000
Shares issued pursuant to acquisition (Note 4)	22,684,434	4,877,153	-	-	-	4,877,153
Fair value of stock options granted pursuant to acquisition (Note 4)	-	-	-	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
Shares issued or to be issued for exploration and evaluation assets	4,389,500	667,645	16,625	-	-	684,270
Transaction costs (Note 4)	236,679	55,785	-	-	-	55,785
Fair value of warrants issued pursuant to acquisition (Note 4)	-	-	-	515,424	-	515,424
Net loss for the period	-	-	-	-	(3,240,149)	(3,240,149)
Balance, June 30, 2024	80,891,113	17,411,143	16,625	2,359,194	(9,941,080)	9,845,882
Shares issued or to be issued for exploration and evaluation assets	2,000,000	50,000	-	-	-	50,000
Net loss for the period	-	-	-	-	(26,529)	(26,529)
Balance, September 30, 2024	82,891,113	17,461,143	16,625	2,359,194	(9,967,609)	9,869,353

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)

	2024	2023
	\$	\$
Operating activities		
Net loss for the period	(26,529)	(584,281)
Items not involving cash:		
Depreciation	22,692	-
Interest and accretion expense	16,574	-
Share-based compensation	-	150,619
Changes in non-cash working capital items:		
Receivables	(7,880)	65,246
Prepaid expenses	(12,104)	(278,848)
Accounts payable and accrued liabilities	(142,737)	(331,935)
Net cash flows used in operating activities	(149,984)	(979,199)
Investing activities		
Exploration and evaluation asset expenditures	(19,875)	(597,888)
Cash assumed from acquisition	-	2,143,735
Transaction costs	-	(78,927)
Net cash flows provided by (used in) investing activities	(19,875)	1,466,920
Financing activities		
Repayments of lease liability	(31,712)	-
Proceeds from issuance of common shares	-	1,616,000
Share issuance costs	-	(31,000)
Repayments of loans payable	-	(90,000)
Net cash flows provided by (used in) financing activities	(31,712)	1,495,000
Change in cash	(201,571)	1,982,721
Cash, beginning of period	239,902	49,444
Cash, end of period	38,331	2,032,165
Supplemental disclosure with respect to cash flows		
Interest paid	16,773	-
Income taxes paid	-	-
Non-cash investing and financing activities (Note 17)		

See accompanying notes to the condensed consolidated interim financial statements.

LITHIUM ONE METALS INC.

Notes to the Condensed Consolidated Interim Financial Statements

For the Three Months Ended September 30, 2024 and 2023

(Unaudited – Expressed in Canadian Dollars)

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 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, 2024, the Company incurred a net loss of \$26,529. As at September 30, 2024, the Company had a working capital deficit of \$2,202,113 and an accumulated deficit of \$9,967,609. 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. Material accounting policies

Statement of compliance

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

LITHIUM ONE METALS INC.

Notes to the Condensed Consolidated Interim Financial Statements

For the Three Months Ended September 30, 2024 and 2023

(Unaudited – Expressed in Canadian Dollars)

2. Material accounting policies (continued)

Statement of compliance (continued)

The condensed consolidated interim financial statements were authorized for issue on November 27, 2024 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. 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, 2024 are as follows:

Name	Place of Incorporation	Ownership % September 30, 2024	Ownership % June 30, 2024
1370835 BC Ltd.	British Columbia	100%	100%
Norris Lithium Inc. ("Norris")	British Columbia	100%	100% (Note 4)

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.

LITHIUM ONE METALS INC.

Notes to the Condensed Consolidated Interim Financial Statements

For the Three Months Ended September 30, 2024 and 2023

(Unaudited – Expressed in Canadian Dollars)

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 condensed consolidated interim statement of operations.

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

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 condensed consolidated interim 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.

LITHIUM ONE METALS INC.

Notes to the Condensed Consolidated Interim Financial Statements

For the Three Months Ended September 30, 2024 and 2023

(Unaudited – Expressed in Canadian Dollars)

2. Material accounting policies (continued)

Accounting standard adopted during the year

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. The Company adopted these amendments for the reporting period beginning on July 1, 2024. These amendments did not have a material impact on the Company.

Accounting standards issued but not yet effective

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18. 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.

LITHIUM ONE METALS INC.

Notes to the Condensed Consolidated Interim Financial Statements

For the Three Months Ended September 30, 2024 and 2023

(Unaudited – Expressed in Canadian Dollars)

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.

	Three Months Ended September 30, 2024 \$	Year Ended June 30, 2024 \$
Cost		
Balance, beginning of period	453,854	-
Additions	-	453,854
Balance, end of period	453,854	453,854
Accumulated depreciation		
Balance, beginning of period	37,820	-
Depreciation	22,692	37,820
Balance, end of period	60,512	37,820
Net book value, beginning of period	416,034	-
Net book value, end of period	393,342	416,034

LITHIUM ONE METALS INC.

Notes to the Condensed Consolidated Interim Financial Statements

For the Three Months Ended September 30, 2024 and 2023

(Unaudited – Expressed in Canadian Dollars)

4. Exploration and evaluation assets

	Québec Lithium Properties \$	Ontario Lithium Properties \$	Total \$
Acquisition costs:			
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
Additions – cash and shares	50,000	-	50,000
Claim costs	1,875	-	1,875
Balance, September 30, 2024	9,935,855	937,313	10,873,168
Exploration costs:			
Balance, June 30, 2023	198,369	374,089	572,458
Assays	54,787	60,582	115,369
Drilling	84,695	-	84,695
Geological (Note 12)	669,952	511,445	1,181,397
Miscellaneous	27,264	-	27,264
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
Geological (recovery) (Note 12)	(75,000)	-	(75,000)
Balance, September 30, 2024	1,057,287	7,036	1,064,323
Net carrying value, June 30, 2024	11,016,267	944,349	11,960,616
Net carrying value, September 30, 2024	10,993,142	944,349	11,937,491

LITHIUM ONE METALS INC.

Notes to the Condensed Consolidated Interim Financial Statements

For the Three Months Ended September 30, 2024 and 2023

(Unaudited – 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.

LITHIUM ONE METALS INC.

Notes to the Condensed Consolidated Interim Financial Statements

For the Three Months Ended September 30, 2024 and 2023

(Unaudited – Expressed in Canadian Dollars)

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 and valued at \$50,000) 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.

LITHIUM ONE METALS INC.

Notes to the Condensed Consolidated Interim Financial Statements

For the Three Months Ended September 30, 2024 and 2023

(Unaudited – Expressed in Canadian Dollars)

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).

LITHIUM ONE METALS INC.

Notes to the Condensed Consolidated Interim Financial Statements
For the Three Months Ended September 30, 2024 and 2023
(Unaudited – Expressed in Canadian Dollars)

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.

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For the Three Months Ended September 30, 2024 and 2023

(Unaudited – Expressed in Canadian Dollars)

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.

LITHIUM ONE METALS INC.

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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. During the three months ended September 30, 2024, the Company paid \$12,500 for settlement with the vendor.

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. During the three months ended September 30, 2024, the Company paid \$12,500 for settlement with the vendor.

LITHIUM ONE METALS INC.

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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.

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.

LITHIUM ONE METALS INC.

Notes to the Condensed Consolidated Interim Financial Statements

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5. Loans payable

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

	Three Months Ended September 30, 2024 \$	Year Ended June 30, 2024 \$
Balance, opening	-	90,000
Repayments	-	(90,000)
Balance, closing	-	-

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.

	Three Months Ended September 30, 2024 \$	Year Ended June 30, 2024 \$
Balance, beginning of period	429,924	-
Additions	-	453,854
Accretion expenses	16,574	28,923
Repayments	(31,712)	(52,853)
Balance, end of period	414,786	429,924
Less: current portion	(68,602)	(65,350)
Non-current portion	346,184	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.

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 September 30, 2024.

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

As at September 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 three months ended September 30, 2024:

- (a) On September 12, 2024, the Company issued 2,000,000 common shares in connection with the Taycan property agreement valued at \$50,000 (Note 4(a)).

Share transactions for the year ended June 30, 2024:

- (b) 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.
- (c) 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)).
- (d) 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)).
- (e) 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).
- (f) 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)).
- (g) 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)).
- (h) 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).
- (i) 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)).
- (j) 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)).
- (k) 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.

LITHIUM ONE METALS INC.

Notes to the Condensed Consolidated Interim Financial Statements

For the Three Months Ended September 30, 2024 and 2023

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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.

A summary of stock option activities is as follows:

	Number of Options	Weighted Average Exercise Price \$
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 and September 30, 2024	2,944,000	0.55

Outstanding and exercisable stock options as at September 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	1.13	November 16, 2025
1,600,000	1,600,000	0.40	1.49	March 29, 2026
67,200	67,200	0.15	7.13	November 16, 2031
2,944,000	2,944,000	0.55	1.46	

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.

LITHIUM ONE METALS INC.

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For the Three Months Ended September 30, 2024 and 2023

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10. Stock options (continued)

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

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

11. Share purchase warrants

The following table summarizes the continuity of share purchase warrants:

	Number of Warrants	Weighted Average Exercise Price \$
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 and September 30, 2024	6,347,520	0.32

As at September 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	0.09	*November 2, 2024
1,200,000	0.40	0.21	December 15, 2024
6,347,520	0.32	0.11	

*See Note 18

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11. Share purchase warrants (continued)

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:

	Three Months Ended September 30, 2024	Year Ended June 30, 2024
Expected life (years)	N/A	1.08
Risk-free interest rate	N/A	4.94%
Annualized volatility*	N/A	127%
Dividend yield	N/A	0%
Stock price at grant date	N/A	\$0.22
Exercise price	N/A	\$0.29
Weighted average grant date fair value	N/A	\$0.09

* 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.

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 condensed consolidated interim statements of operations and comprehensive loss:

	Three Months Ended September 30, 2024 \$	Three Months Ended September 30, 2023 \$
Short-term compensation (recovery) (consulting fees, management and directors' fees, professional fees, and exploration and evaluation asset expenditures)	(60,000)	104,000
Share-based compensation	-	80,798
	(60,000)	184,798

As at September 30, 2024, the Company owed \$156,221 (June 30, 2024 - \$295,451) 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 three months ended September 30, 2024, the Company also paid:

- \$7,500 (2023 - \$7,500) in shared office expenses included in general and administrative to a private company controlled by a director of the Company; and
- \$nil (2023 - \$15,000) in rent to a company with a common officer.

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12. Related party transactions (continued)

During the three months ended September 30, 2024, the Company recorded rent recovery of \$52,000 (2023 - \$nil) with companies with a common officer.

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).

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, and lease liability, 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.

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13. Financial instruments and risk management (continued)

(e) Liquidity risk (continued)

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

	Total	Within 1 Year	Within 2-5 Years
	\$	\$	\$
September 30, 2024			
Accounts payable and accrued liabilities	2,276,291	2,276,291	-
Lease liability	572,569	128,412	444,157
	2,848,860	2,404,703	444,157
June 30, 2024			
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

(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 three months ended September 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.

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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	96,113
Fiscal 2026	129,978
Fiscal 2027	132,327
Fiscal 2028	134,676
Fiscal 2029	79,475
	572,569

17. Non-cash investing and financing activities

	2024	2023
	\$	\$
Fair value of common shares, stock options and warrants issued for acquisition of Norris	-	4,877,153
Fair value of common shares and warrants issued or to be issued for exploration and evaluation assets	50,000	665,000
Net increase (decrease) in exploration and evaluation asset expenditures in accounts payable and accrued liabilities	(93,000)	387,201

18. Subsequent event

Subsequent to September 30, 2024, 5,147,250 share purchase warrants expired unexercised.