# GLOBAL LI-ION GRAPHITE CORP.

(An Exploration Stage Company)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
(Unaudited – Prepared by management)

For the three months ended November 30, 2024 and 2023

GLOBAL LI-ION GRAPHITE CORP.
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the three months ended November 30, 2024 and 2023
(Expressed in Canadian Dollars)
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## NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed interim consolidated financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

GLOBAL LI-ION GRAPHITE CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT NOVEMBER 30, 2024 AND AUGUST 31, 2024
(Expressed in Canadian Dollars)
(Unaudited – Prepared by management)

| | | November 30, 2024 | | August 31, 2024 |
|---|---|---|---|---|
| ASSETS | | | | |
| Current | | | | |
| Cash | $ | 7,244 | $ | 9,005 |
| Amounts receivable | | 1,086 | | 897 |
| GST recoverable | | 36,079 | | 32,929 |
| Deposits and prepaid expenses | | 34,500 | | 39,608 |
| Investments (Note 4) | | 3,000 | | 3,000 |
| | | 81,909 | | 85,439 |
| Non-Current | | | | |
| Amounts due from related parties (Note 3) | | 179,294 | | 176,095 |
| Exploration and evaluation assets (Note 5) | | 2,879,033 | | 2,863,616 |
| Total Assets | $ | 3,140,236 | $ | 3,125,150 |
| LIABILITIES | | | | |
| Current | | | | |
| Accounts payable and accrued liabilities | $ | 90,981 | $ | 127,091 |
| Amounts due to related parties (Note 3) | | 546,265 | | 562,765 |
| Loans payable (Note 6) | | 219,870 | | 215,442 |
| Shares to be issued | | 10,376 | | 10,376 |
| | | 867,492 | | 915,674 |
| EQUITY | | | | |
| Share capital (Note 7) | | 11,539,102 | | 11,316,602 |
| Share subscriptions receivable | | (87,500) | | (25,000) |
| Reserves | | 1,619,201 | | 1,619,201 |
| Deficit | | (10,798,059) | | (10,701,327) |
| | | 2,272,744 | | 2,209,476 |
| Total Liabilities and Equity | $ | 3,140,236 | $ | 3,125,150 |

Nature and continuance of operations (Note 1)

Approved and authorized for issue by the Directors on January 28, 2025:

*“Jason Walsh”* Director *“Geoff Watson”* Director

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

GLOBAL LI-ION GRAPHITE CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
FOR THE THREE MONTHS ENDED NOVMEBER 30, 2024 AND 2023
(Expressed in Canadian Dollars)
(Unaudited – Prepared by management)

| | For the three months ended November 30, 2024 | November 30, 2023 |
|---|---|---|
| EXPENSES | | |
| Administration fees | $ 11,400 | $ 1,872 |
| Advertising and awareness | 15,000 | 3,495 |
| Consulting fees (Note 8) | 10,000 | 15,000 |
| Foreign exchange | 7,869 | 517 |
| General and administrative | 17,920 | 6,204 |
| Interest expense (Note 6) | 8,182 | 7,515 |
| Professional fees (Note 8) | 17,417 | 22,936 |
| Travel, meals and entertainment | 8,944 | 9,584 |
| | (96,732) | (67,123) |
| Interest income | - | 2,972 |
| Net and comprehensive loss | $ (96,732) | $ (64,151) |
| Loss per share – basic and diluted | $ (0.00) | $ (0.00) |
| Weighted average number of shares outstanding – basic and diluted | 86,506,095 | 68,980,216 |

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

GLOBAL LI-ION GRAPHITE CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED NOVEMBER 30, 2024 AND 2023
(Expressed in Canadian Dollars)
(Unaudited – Prepared by management)

| | Number of Shares | Share capital | Share subscriptions receivable | Reserves | Deficit | Total |
|---|---|---|---|---|---|---|
| Balance August 31, 2023 | 68,980,216 | $ 10,971,290 | $ - | $ 1,619,201 | $(10,345,206) | $ 2,245,285 |
| Net loss for the period | - | - | - | - | (64,151) | (64,151) |
| Balance, November 30, 2023 | 68,980,216 | 10,971,290 | - | 1,619,201 | (10,409,357) | 2,181,134 |
| Balance August 31, 2024 | 81,585,216 | 11,316,602 | (25,000) | 1,619,201 | (10,701,327) | 2,209,476 |
| Private placements | 8,900,000 | 222,500 | (62,500) | - | - | 160,000 |
| Net loss for the period | - | - | - | - | (96,732) | (96,732) |
| Balance November 30, 2024 | 90,485,216 | $ 11,539,102 | $ (87,500) | $ 1,619,201 | $(10,798,059) | $ 2,272,744 |

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

GLOBAL LI-ION GRAPHITE CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED NOVEMBER 30, 2024 AND 2023
(Expressed in Canadian Dollars)
(Unaudited – Prepared by management)

| | For the three months ended | |
|---|---|---|
| | November 30, 2024 | November 30, 2023 |
| CASH FLOWS USED IN OPERATING ACTIVITIES | | |
| Net loss for the period | $ (96,732) | $ (64,151) |
| Accrued interest | 6,928 | 6,237 |
| Changes in working capital: | | |
| Amounts receivable | (189) | (4,358) |
| GST recoverable | (3,150) | (1,182) |
| Deposits and prepaid expenses | 5,108 | - |
| Accounts payable and accrued liabilities | (36,110) | 21,299 |
| Cash used in operating activities | (124,145) | (42,155) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Shares issued | 160,000 | - |
| Loans received | - | 81,950 |
| Loans repaid | (2,500) | - |
| Repayments to related parties | (19,699) | (38,072) |
| Cash provided by financing activities | 137,801 | 43,878 |
| CASH FLOWS USED IN INVESTING ACTIVITIES | | |
| Expenditures on exploration and evaluation assets | (15,417) | (4,773) |
| Cash used in investing activities | (15,417) | (4,773) |
| Change in cash | (1,761) | (3,050) |
| Cash, beginning | 9,005 | 7,337 |
| Cash, ending | $ 7,244 | $ 4,287 |
| Supplemental disclosures | | |
| Taxes paid | $ - | $ - |
| Interest paid | $ - | $ - |

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

## 1. NATURE AND CONTINUANCE OF OPERATIONS

Global Li-Ion Graphite Corp. (the "Company") was incorporated under the laws of the province of British Columbia on November 6, 2014. The Company's principal business is the exploration and evaluation of mineral resources. The Company's corporate office is located at 908 - 510 Burrard Street, Vancouver B.C. Effective July 11, 2017, the Company completed a corporate name change from "Thelon Diamonds Ltd." to "Global Li-Ion Graphite Corp." and effective July 14, 2017, the Company trades on the Canadian Securities Exchange (the "CSE") under the symbol LION.

These condensed interim consolidated financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS") applicable to a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. During the three months ended November 30, 2024, the Company has not generated revenues, net loss was $96,732 (2023: $64,151) and, as at November 30, 2024, it had working capital deficit of $785,583 (August 31, 2024: $830,235). The ability of the Company to remain in operation as a going concern is dependent on its ability to obtain necessary financing, generate positive cash flows and, ultimately, the achievement of profitable operations.

These conditions create a material uncertainty which may cast significant doubt upon the Company's ability to continue as a going concern and, therefore, the Company may be unable to realize its assets and discharge its liabilities in the normal course of business. As the outcome of these matters cannot be predicted at this time, these consolidated financial statements do not include any adjustments to the amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue in business. These adjustments could be material.

## 2. MATERIAL ACCOUNTING POLICY INFORMATION

*(a) Statement of compliance*

These condensed interim consolidated financial statements are prepared in accordance with International Accounting Standards 34 - Interim Financial Reporting of the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretation Committee ("IFRIC"). The consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual consolidated financial statements as at and for the year ended August 31, 2024.

*(b) Basis of preparation, consolidation and functional currency*

These consolidated financial statements have been prepared on a historical cost basis, except for financial instruments measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

The consolidated financial statements include Global Li-Ion Graphite Corp. and its wholly owned subsidiary Khensani Limited ("Khensani") from the date of acquisition, April 4, 2018, which owns 100% of Avana Industrial Minerals ("AIM"). All inter-company transactions have been eliminated.

Subsidiaries are entities over which the Company has exposure, or has rights, to variable returns from its involvement, and has the ability to use power over the investee to direct the relevant activities of the entity to affect its returns.

The functional currency of an entity is the currency of the primary economic environment in which the entity operates. The functional currency of the Company, and its wholly owned subsidiaries, is the Canadian dollar, which is also the Company's presentation currency.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

*(c) Significant accounting estimates and judgments*

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

*Critical accounting estimates*

Significant assumptions about the future that management has made and other sources of estimation uncertainty at the end of the reporting period that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made. There were no significant estimates identified for the three months ended November 30, 2024.

*Critical accounting judgments*

In the preparation of these consolidated financial statements, management has made judgments, aside from those that involve estimates, in the process of applying the accounting policies. The judgments which may have an effect on the amounts recognized in the consolidated financial statements include the following:

i. The determination of the functional currencies of the Company and its subsidiaries; and
ii. The assessment of impairment indicators for the exploration and evaluation assets.

*(g) Changes in accounting policies*

There were no material changes to the Company's accounting policies during the three months ended November 30, 2024.

*Amendments to IAS 1 - Presentation of Financial Statements*

In October 2022, the IASB issued amendments to IAS 1, Presentation of Financial Statements titled non-current liabilities with covenants. These amendments sought to improve the information that an entity provides when its right to defer settlement of a liability is subject to compliance with covenants within 12 months after the reporting period. These amendments to IAS 1 override but incorporate the previous amendments, Classification of liabilities as current or noncurrent, issued in January 2020, which clarified that liabilities are classified as either current or non-current depending on the rights that exist at the end of the reporting period. Liabilities should be classified as non-current if an entity has a substantive right to defer settlement for at least 12 months at the end of the reporting period. The amendments are effective for annual periods beginning on or after January 1, 2024, with early adoption permitted. Retrospective application is required on adoption. These amendments did not have a material effect on the consolidated financial statements.

(Expressed in Canadian Dollars)

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

*Amendments to IAS 7 and IFRS 7 - Supplier Finance Arrangements*

In May 2023, the IASB issued amendments to IAS 7, Statement of Cash Flows and IFRS 7, Financial Instruments Disclosures to provide guidance on disclosures related to supplier finance arrangements that enable users of financial statements to assess the effects of these arrangements on the entity's liabilities and cash flows and on the entity's exposure to liquidity risk. The amendments are effective for annual periods beginning on or after January 1, 2024, with early adoption permitted. These amendments did not have a material effect on the consolidated financial statements.

*IFRS 18 Presentation and Disclosure in Financial Statements*

IFRS 18 requires entities to classify income and expenses into five categories, three of which are new – i.e. operating, investing and financing – and the income tax and discontinued operation categories. The new standard sets out detailed requirements for classifying income and expenses into each category. These amendments are effective for annual periods beginning on or after January 1, 2027. The Company has not yet determined the impact of this amendment on the consolidated financial statements.

## 3. AMOUNTS DUE TO AND FROM RELATED PARTIES

Bios Energy Corp., Bua Capital Management Ltd., Incubara Capital Corp., Swiss EMX, XRApplied Technologies Inc. ("XRApplied"), GRWiNC, 667981 BC J ROOZ and Zadar Minerals Corp. are companies with directors in common with the Company. Unless otherwise noted amounts due from and to related parties are unsecured, non-interest bearing and have no fixed terms of repayment.

*Amounts due from related parties*

| | November 30, 2024 | August 31, 2024 |
|---|---|---|
| Director | $ 3,940 | $ 3,940 |
| Bios Energy Corp. | 6,503 | 5,831 |
| Bua Capital Management Ltd. | 83,603 | 83,375 |
| Incubara Capital Corp. | 20,880 | 20,201 |
| Swiss EMX | 15,967 | 15,967 |
| Stars US LLC | 31,903 | 31,903 |
| Zadar Minerals Corp. | 16,498 | 14,878 |
| Total | $ 179,294 | $ 176,095 |

*Amounts due to related parties*

| | November 30, 2024 | August 31, 2024 |
|---|---|---|
| 667981 BC J ROOZ | $ 5,250 | $ 5,250 |
| Bua Capital Management Ltd. | 127,631 | 149,631 |
| Director | 332,500 | 332,500 |
| GRWiNC | 61,500 | 56,000 |
| Incubara Capital Corp. | 19,384 | 19,384 |
| Total | $ 546,265 | $ 562,765 |

The amount due to Incubara Capital Corp. includes an amount of $19,384 which represents outstanding interest on a previous interest-bearing debt that was settled during the year ended August 31, 2019. The interest portion remains unsettled.

## 4. INVESTMENTS

As at November 30, 2024, the fair value of the 100,000 common shares of XRApplied was $3,000 (August 31, 2024: $3,000).

## 5. EXPLORATION AND EVALUATION ASSETS

### a) Lac de Gras property

During the year ended August 31, 2016, the Company acquired an interest in the Lac de Gras property, in the Northwest Territories. The Company holds a 29.46 % interest in 3 claims, pursuant to a New Money Tranche Head Agreement with Peregrine Diamonds Ltd. The property is subject to a Gross Overriding Royalty ("GOR") of 4% on diamonds and a net smelter royalty ("NSR") of 4% on all metals, of which 50% of either of these royalties can be purchased for $4,000,000.

In addition to the royalty noted above, royalty payments would also be required to be made to the Government of the Northwest Territories in the event of future production.

In 2017, management wrote down the costs accumulated on the Lac de Gras property to $10,000 as an asset impairment.

### b) Madagascar Graphite Project

On September 13, 2017, the Company entered into a memorandum of understanding ("MOU") with Avana Resources Limited ("Avana") to acquire a 100% interest in Avana's graphite interests in Madagascar. On April 4, 2018, the Company entered into and closed a definitive share purchase agreement with Avana for the acquisition of Avana's graphite interests in Madagascar. Pursuant to this agreement the Company acquired 100% of Khensani Limited which owns 100% of Avana Industrial Minerals ("AIM") which entered into an agreement to acquire certain mining permits from the original permit holders. The project comprises 3 mining exploitation permits totaling 4,375 hectares (10,811 acres), in the vicinity of Andasibe in Toamasina Province in Madagascar (collectively, the "Property").

Pursuant to the MOU and definitive share purchase agreement to acquire a 100% interest in the Property, the Company will make the following cash and share payments to Avana:

- US$40,000 within one day of signature of the MOU (paid);
- US$100,000 within 5 business days of signature of the Definitive Agreement (paid);
- US$100,000 within 30 business days of signature of the Definitive Agreement (paid);
- EUR$200,000 to be directed to certain third parties in respect of an agreement to transfer the Property from the original permit holders to AIM (paid);
- 4,000,000 common shares of the Company within 10 business days of approval by the CSE of the transaction (issued – fair value of $1,720,000);
- Upon the Company achieving an annualized production rate from the Property of at least 5,000 tons of graphite oxide per year as calculated on a monthly basis for at least three consecutive months;

    (i) US$1,000,000 in cash or in common shares of the Company; and
    (ii) The greater in terms of value of either 1,000,000 common shares of the Company or common shares of the Company worth US$1,000,000.

The Company also issued 333,797 common shares with a fair value of $143,533 as a finder's fee.

(Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS (continued)

| | Lac de Gras | Madagascar Graphite | Total |
|---|---|---|---|
| **Acquisition Costs** | | | |
| Balance, August 31, 2023 | $ 10,000 | $ 2,597,303 | $2,607,303 |
| Additions – cash | - | 17,085 | 17,085 |
| Balance, August 31, 2024 | $ 10,000 | $ 2,614,388 | $2,624,388 |
| Additions – cash | - | - | - |
| Balance, November 30, 2024 | $ 10,000 | $ 2,614,388 | $2,624,388 |
| | | | |
| **Deferred Exploration Costs** | | | |
| Balance, August 31, 2023 | $ - | $ 220,634 | $ 220,634 |
| Technical reports | - | 563 | 563 |
| Other | - | 18,031 | 18,031 |
| Balance, August 31, 2024 | $ - | $ 239,228 | $ 239,228 |
| Other | - | 15,417 | 15,417 |
| Balance, November 30, 2024 | $ - | $ 254,645 | $ 254,645 |
| | | | |
| Balance at August 31, 2024 | $ 10,000 | $ 2,853,616 | $2,863,616 |
| Balance at November 30, 2024 | $ 10,000 | $ 2,869,033 | $2,879,033 |

6. LOANS PAYABLE

During the years ended August 31, 2023 and 2024, the Company entered into promissory note agreements with Walsh Bros Holdings Inc. in the total amount of $94,700 (Note 8). The loans are subject to an interest rate of 10% per annum, unsecured and were repayable on September 30, 2024. In addition, the Company must pay a 25% stock bonus fair valued at $21,050 based on the 10 day trading average prior to the date of the loans. On January 10, 2024, the Company issued 314,800 common shares related to the stock bonus on the principal amount of $78,700 (Note 7). During the year ended August 31, 2024, the Company repaid $4,500 (2023 - $Nil). On December 3, 2024, the Company entered into an amended promissory note agreement which reduced the stock bonus from 25% to 20% on a prospective basis.

During the years ended August 31, 2023 and 2024, the Company entered into promissory note agreements with Incubara Capital Corp., which is a company with directors in common with the Company, in the total amount of $148,050 (Notes 3 and 8). The loans are subject to an interest rate of 10% per annum, unsecured and were repayable on June 30, 2024. In addition, the Company must pay a 25% stock bonus fair valued at $35,013 based on the 10 day trading average prior to the date of the loans. On January 10, 2024, the Company issued 490,200 common shares related to the stock bonus on the principal amount of $122,550 (Note 7). During the year ended August 31, 2024, the Company repaid $57,500 (2023 - $Nil). During the three months ended November 30, 2024, the Company repaid $2,500. On December 3, 2024, the Company entered into an amended promissory note agreement which reduced the stock bonus from 25% to 20% on a prospective basis.

During the year ended August 31, 2023, a third party creditor provided a loan to the Company in the amount of $4,500. The loan is unsecured, non-interest bearing and repayable on demand.

(Expressed in Canadian Dollars)

## 6. LOANS PAYABLE (continued)

During the year ended August 31, 2024, the Company entered into a promissory note agreement with Zadar Minerals Corp., which is a company with directors in common with the Company, in the total amount of $10,000 (Notes 3 and 8). The loan is unsecured, non-interest bearing and repayable on demand.

| | November 30, 2024 | August 31, 2024 |
|---|---|---|
| Balance at beginning of period | $ 215,442 | $ 141,158 |
| Loans received | - | 115,950 |
| Loans repaid | (2,500) | (62,000) |
| Transaction costs | - | (26,488) |
| Interest | 6,928 | 46,822 |
| Balance at end of period | $ 219,870 | $ 215,442 |

## 7. SHARE CAPITAL AND SHARE-BASED PAYMENT RESERVES

a) Authorized

An unlimited number of common shares, without par value.

b) Issued

On January 10, 2024, the Company closed a non-brokered private placement and issued 11,800,000 units at a price of $0.025 per unit for gross proceeds of $295,000. Each unit consists of one common share and one share purchase warrant. Each warrant is exercisable to acquire one common share at an exercise price of $0.10 per share in the first year of the exercise period and at a price of $0.20 per share in the second year of the exercise period until January 10, 2026. The warrants were allocated $nil value under the residual value method.

On January 10, 2024, the Company issued 805,000 common shares related to the stock bonus on loans payable (Note 6), recorded at a fair value of $50,312.

In October 2024, the Company closed a non-brokered private placement and issued 8,900,000 units at a price of $0.025 per unit for gross proceeds of $222,500. Each unit consists of one common share and one share purchase warrant. Each warrant is exercisable to acquire one common share at an exercise price of $0.10 per share in the first year of the exercise period and at a price of $0.20 per share in the second year of the exercise period for a period of two years from the closing date. The warrants were allocated $nil value under the residual value method.

c) Options

The Company has an incentive stock option plan (the "Plan"), whereby the Company may grant stock options to directors, officers, employees or consultants. Under the Plan, options are exercisable up to a maximum of 5 years and vest as determined by the Board of Directors and are required to have an exercise price no less than the closing market price of the Company's shares on the trading day immediately preceding the day on which the Company announces the grant of options. The Plan provides for the issuance of up to 10% of the Company's issued common shares at the date of the grant. Options awarded under the Plan are equity settled.

(Expressed in Canadian Dollars)

7. SHARE CAPITAL AND SHARE-BASED PAYMENT RESERVES (continued)

Option transactions and the number of options outstanding are summarized as follows:

| | Number of options | Weighted average exercise price |
|---|---|---|
| Outstanding, August 31, 2023 | 2,500,000 | $ 0.12 |
| Expired | (2,500,000) | 0.12 |
| Outstanding, August 31, 2024 and November 30, 2024 | - | $ - |

During the year ended August 31, 2024, a total of 2,500,000 stock options with an exercise price of $0.12 per share expired unexercised.

d) Warrants

Warrant transactions and the number of warrants outstanding are summarized as follows:

| | Number of warrants | Weighted average exercise price |
|---|---|---|
| Outstanding, August 31, 2023 | 5,654,000 | $ 0.15 |
| Issued | 11,800,000 | 0.10 |
| Expired | (5,654,000) | 0.15 |
| Outstanding, August 31, 2024 | 11,800,000 | 0.10 |
| Issued | 8,900,000 | 0.10 |
| Outstanding, November 30, 2024 | 20,700,000 | $ 0.10 |

During the year ended August 31, 2024, 5,654,000 warrants with an exercise price of $0.15 per share expired unexercised.

Warrants outstanding at November 30, 2024 are as follows:

| Number of warrants | Exercise price | Issue date | Expiry date |
|---|---|---|---|
| 11,800,000 | Year 1 $0.10 / Year 2 $0.20 | January 10, 2024 | January 10, 2026 |
| 2,800,000 | Year 1 $0.10 / Year 2 $0.20 | October 10, 2024 | October 10, 2026 |
| 6,100,000 | Year 1 $0.10 / Year 2 $0.20 | October 11, 2024 | October 11, 2026 |
| 20,700,000 | | | |

(Expressed in Canadian Dollars)

## 8. RELATED PARTY BALANCES AND TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the Company, directly or indirectly. Key management personnel include directors and officers of the Company.

The Company paid or accrued fees to companies controlled by key management personnel as follows:

| | November 30, 2024 | November 30, 2023 |
|---|---|---|
| Consulting fees | $ - | $ 15,000 |
| Interest expense | 2,198 | 10,502 |
| Professional fees | 10,500 | 10,500 |
| | $ 12,698 | $ 36,002 |

Refer to Note 3 for balances owing to and from to related parties, Note 4 for an investment in a related party and Note 6 for loans payable to related parties as at November 30, 2024 and August 31, 2024.

## 9. CAPITAL DISCLOSURES

The Company's principal source of capital is from the issuance of common shares. The Company's capital management objective is to obtain sufficient capital to explore current exploration and evaluation assets, and to develop new business opportunities for the benefit of its shareholders. To meet the objectives, management monitors the Company's ongoing capital requirements on specific business opportunities on a case by case basis. The capital structure of the Company consists of equity attributable to common shareholders, consisting of issued share capital, share-based payment reserves, share subscriptions receivable and deficit. The Company's capital totaled $2,272,744 as at November 30, 2024 (August 31, 2024: $2,209,476). The Company is not subject to any externally imposed capital requirements. There has been no change in the Company's approach to capital management from the previous year.

## 10. FINANCIAL RISK MANAGEMENT

The Company's financial instruments consist of cash, deposits, amounts receivable, amounts due from related parties, investment, accounts payable and accrued liabilities, amounts due to related parties, shares to be issued and loans payable. The fair value of these financial instruments, except for investment, shares to be issued and loans payable which are discussed below, approximates their carrying amounts, due to their short terms to maturity.

Financial instruments measured at fair value are classified into one of the three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 – Inputs that are not based on observable market data.

The Company's investment is measured at FVTPL using Level 1 inputs.

## 10. FINANCIAL RISK MANAGEMENT (continued)

The shares to be issued and loans payable are measured at FVTPL using level 3 inputs. The shares to be issued are considered to be a derivative liability closely related to the loans payable. They have been measured at fair value based on 25% of the face value of the loans payable, which are current liabilities. The loans payable have been fair valued using an effective interest rate of 35%.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

*Credit risk*

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company has credit risk in the amount of its cash, deposits, amounts receivable and amounts due from related parties, with the carrying amounts of each representing the Company's maximum exposure to credit risk. The Company manages credit risk by placing cash and deposits with major Canadian financial institutions. Management assesses the recoverability of amounts receivable and amounts due from related parties. While management believes that credit risk related to amounts receivable and due from related parties is not material, there is no guarantee that the amounts will be recovered in full. The Company has provided an allowance for doubtful accounts against amounts receivable and amounts due from related parties in the amount of $43,130. The Company's exposure to and management of credit risk has not changed materially during the three months ended November 30, 2024.

*Liquidity risk*

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company has a working capital deficit of $785,583 as at November 30, 2024, which includes $7,244 of cash to settle current liabilities of $867,492. Management is assessing various options to raise funds including the issuance of shares and units. The Company closed a private placement of units at $0.025 per unit for 8,900,000 units for total proceeds of $222,500 in October 2024. The Company's exposure to and management of liquidity risk has not changed materially during the three months ended November 30, 2024.

*Market risk*

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of interest rate risk, other price risk and currency risk.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk is limited to the fixed rate of interest on the loans payable, which is 10%. Fluctuations in the prime rate of interest will not impact the cash flows of the Company, due to the interest rate being fixed, and the Company does not believe that the loans payable have a material fair value risk due to changes in the interest rates, as the notes payable are current liabilities. The Company's exposure to and management of interest rate risk has not changed materially during the three months ended November 30, 2024.

(Expressed in Canadian Dollars)

10. FINANCIAL RISK MANAGEMENT (continued)

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, whether those changes are caused by factors specific to the individual financial instrument or its issuer or by factors affecting all similar financial instruments traded in the market. The other price risk associated with the Company's current investment primarily relates to the change in the market price of the investment in XRApplied common shares. As at November 30, 2024, the Company owns 100,000 common shares. Each common share is fair valued at $0.03 (August 31, 2024: $0.03). A 10% change in the market price of XRApplied common shares would have an impact of approximately $300 (2023: $300) on profit or loss. Management believes there is other price risk related to this investment. While the Company will seek to maximize the proceeds it receives from the sale of its investment, there is no assurance as to the timing of disposition or the amount that will be realized. The Company's exposure to and management of other price risk has not changed materially during the three months ended November 30, 2024.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to currency risk on its foreign currency denominated cash, and accounts payable and accrued liabilities. As at November 30, 2024, the Company held US$736 cash, and US$22,744 accounts payable and accrued liabilities. As at November 30, 2024, a 10% change in the foreign exchange rate would have impacted profit or loss by approximately $3,000. The Company's exposure to and management of currency risk has not changed materially during the three months ended November 30, 2024.

11. SEGMENTED INFORMATION

The assets and operations of the Company are located in Canada and Madagascar.

| | **Canada** | **Madagascar** | **TOTAL** |
|---|---|---|---|
| | **$** | **$** | **$** |
| **For the Three Months Ended November 30, 2024** | | | |
| Net loss | (96,732) | - | (96,732) |
| **As at November 30, 2024** | | | |
| Current assets | 81,909 | - | 81,909 |
| Non-current assets | 189,294 | 2,869,033 | 3,058,327 |
| Total liabilities | 837,595 | 29,897 | 867,492 |

| | **Canada** | **Madagascar** | **TOTAL** |
|---|---|---|---|
| | **$** | **$** | **$** |
| **For the Three Months Ended November 30, 2023** | | | |
| Net loss | (64,151) | - | (64,151) |
| **As at August 31, 2024** | | | |
| Current assets | 85,439 | - | 85,439 |
| Non-current assets | 186,095 | 2,853,616 | 3,039,711 |
| Total liabilities | 879,478 | 36,196 | 915,674 |