ACME LITHIUM INC.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

AS AT AND FOR THE PERIODS ENDED DECEMBER 31, 2024, AND 2023

(With Comparative AUDITED Figures as at SEPTEMBER 30, 2024)

(Expressed In Canadian dollars)

Notice of No Auditor Review of Interim Condensed Financial Statements

The accompanying unaudited interim condensed financial statements have been prepared by management and approved by the Audit Committee.

The Company's independent auditors have not performed a review of these interim condensed 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 auditors.

February 26, 2025

ACME LITHIUM INC.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2024, AND SEPTEMBER 30, 2024
(Expressed in Canadian dollars)

	Note	December 31, 2024 (Unaudited)	September 30, 2024 (Audited)
ASSETS			
Current assets			
Cash and cash equivalents		**$ 109,329**	$ 255,431
Amounts receivable	4	**70,127**	71,460
Prepaid expenses	5	**33,764**	25,209
Total current assets		**213,220**	352,100
Non-current assets			
Prepaid expenses and deposits	5	**106,419**	90,205
Right-of-use asset	6	**109,260**	118,626
Property and equipment	7	**22,007**	23,338
Exploration and evaluation assets	8	**12,813,323**	12,249,645
Total non-current assets		**13,051,009**	12,481,814
Total assets		**$ 13,264,229**	$ 12,833,914
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	9	**$ 296,166**	$ 250,252
Due to related parties	13	**20,000**	12,225
Current portion of lease liability	6	**36,198**	34,372
Total current liabilities		**352,364**	296,849
Non-current liabilities			
Non-current portion of lease liability	6	**93,566**	103,292
Total liabilities		**445,930**	400,141
Shareholders' equity			
Share capital	10	**16,999,145**	16,999,145
Reserves	11,12	**3,295,606**	3,295,606
Accumulated other comprehensive income		**682,883**	146,127
Deficit		**(8,159,335)**	(8,007,105)
Total shareholders' equity		**12,818,299**	12,433,773
Total liabilities and shareholders' equity		**$ 13,264,229**	$ 12,833,914

Nature and continuance of operations (Note 1)
Commitments (Note 19)

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS ON FEBRUARY 26, 2025

"Vivian Katsuris"
Vivian Katsuris, Director

"Ioannis Tsitos"
Ioannis Tsitos, Director

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

ACME LITHIUM INC.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE PERIOD ENDED DECEMBER 31, 2024, AND 2023
(Unaudited Expressed in Canadian dollars)

	Note	Three Months Ended	
		December 31, 2024	December 31, 2023
Operating expenses			
Business development	18	**$ 5,890**	$ 23,926
General and administrative	18	**60,489**	121,668
Professional fees	18	**88,863**	126,877
Loss before other income (expense)		**(155,242)**	(272,471)
Other income (expense)			
Interest income		**444**	227
Rental income	4	**-**	7,500
Foreign exchange loss		**2,568**	(1,299)
Gain on sale of equipment	7	**-**	24,557
Other income		**-**	3,122
Loss before other comprehensive loss		**$ (152,230)**	$ (238,365)
Other comprehensive loss			
Foreign currency translation gain (loss)		**536,756**	(170,599)
Loss and comprehensive loss for the year		**$ 384,526**	$ (408,964)
Weighted average number of shares – basic and diluted		**75,972,727**	60,348,798
Loss per share – basic and diluted		**$ (0.00)**	$ (0.00)

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

ACME LITHIUM INC.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE PERIOD ENDED DECEMBER 31, 2024 AND 2023
(Expressed in Canadian dollars)

	Share Capital						
	Number of shares #	**Amount** $	**Reserves** $	**Subscriptions receivable** $	**Accumulated other comprehensive income** $	**Deficit** $	**Total** $
Balances, September 30, 2023	**59,121,067**	**16,109,186**	**3,194,116**	**-**	**173,353**	**(7,120,996)**	**12,355,659**
Shares issued for:							
Private placement	1,851,660	277,749	-	-	-	-	277,749
Subscription receivable	-	-	-	(52,500)	-	-	(52,500)
Finder's Warrants	-	(2,611)	2,611	-	-	-	-
Share issuance costs	-	(9,100)	-	-	-	-	(9,100)
Loss and comprehensive loss for the year	-	-	-		(170,600)	(238,365)	(408,965)
Balances, December 31, 2023	**60,972,727**	**16,375,224**	**3,196,727**	**(52,500)**	**2,753**	**(7,359,361)**	**12,162,843**
Balances, September 30, 2024	**75,972,727**	**16,999,145**	**3,295,606**	**-**	**146,127**	**(8,007,105)**	**12,433,773**
Loss and comprehensive loss for the year	-	-	-	-	536,756	(152,230)	384,526
Balances, December 31, 2024	**75,972,727**	**16,999,145**	**3,295,606**	**-**	**682,883**	**(8,159,335)**	**12,818,299**

(Unaudited - Expressed in Canadian dollars)

	December 31, 2024		December 31, 2023	
OPERATING ACTIVITIES				
Loss before other comprehensive income	**$**	**(152,230)**	$	(238,365)
Items not involving cash:				
Allowance for doubtful accounts				-
Depreciation		**10,697**		22,405
Interest on lease liability		**6,079**		7,354
Gain on sale of equipment		**-**		(24,557)
Changes in non-cash working capital items:				
Amounts receivable		**1,333**		12,617
Prepaid expenses		**(24,769)**		31,857
Accounts payable and accrued liabilities		**45,914**		(147,159)
Due to related parties		**7,775**		6,471
Net cash used in operating activities	**$**	**(105,201)**	$	(329,377)
INVESTING ACTIVITIES				
Proceeds from sale of equipment		**-**		143,588
Proceeds from Earn-in-Option		**-**		20,000
Exploration and evaluation expenditures		**(14,533)**		(2,675)
Net cash used in investing activities	**$**	**(14,533)**	$	160,913
FINANCING ACTIVITIES				
Proceeds from issuance of common shares		**-**		216,149
Lease liability payment		**(13,979)**		(13,728)
Net cash provided by financing activities	**$**	**(13,979)**	$	202,421
Change in cash and cash equivalents		**(133,713)**		33,956
Effect of foreign exchange rate in cash		**(12,389)**		(1,355)
Cash and cash equivalents, beginning of year	**$**	**255,431**	$	292,538
Cash and cash equivalents, end of year	**$**	**109,329**	$	325,139
Cash	**$**	**78,620**	$	295,637
Cash equivalents	**$**	**30,709**	$	29,502

Supplemental cash flow information (Note 17)

1. NATURE AND CONTINUANCE OF OPERATIONS

ACME Lithium Inc. (the "Company") was incorporated under the provisions of the Business Corporations Act of British Columbia on January 31, 2017. On November 23, 2020, the Company changed its name from Hapuna Ventures Inc. to ACME Lithium Inc. and changed its principal business from technology to a mineral exploration company.

The Company's corporate office is located at 318 - 1199 W Pender St, Vancouver, British Columbia, Canada, V6E 2R1 and its registered and records office address is at 2900-733 Seymour Street, Vancouver, British Columbia, Canada V6B 0S6. The Company's common shares are traded on the Canadian Securities Exchange ("CSE") under the symbol "ACME" and on the OTCQB Best Market ("OTCQXB") under the symbol "ACLHF".

The Company is a mineral exploration company engaged in the acquisition, exploration and evaluation of natural resource properties located in the State of Nevada, USA, and Manitoba, Canada. To date, no mineral development projects have been completed and no commercial development or production has commenced.

As at December 31, 2024, the Company has not yet determined whether the properties are economically recoverable. The recoverability of amounts shown for exploration and evaluation properties is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development of and future profitable production from the properties or realizing proceeds from their disposition.

The Company is a reporting issuer in the Province of British Columbia, Alberta, and Ontario. All public filings for the Company can be found on the SEDARPLUS website www.sedarplus.ca.

Going concern

These consolidated financial statements (the "financial statements") have been prepared on a going concern basis, assuming that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. During the three-month period ended December 31, 2024, the Company had a deficit of $8,159,335 (September 30, 2024 – $8,007,105) and a working capital deficit of $139,144 (2023 – working capital deficit of $55,251). The Company expects to incur further losses in the development of its business.

As the Company is in early-stage mineral exploration and it does not generate revenues, the continuing operations of the Company are dependent upon obtaining, in the short term, the necessary financing to meet the Company's operating commitments as they come due. There are no assurances that the Company will be able to obtain additional financial resources and/or achieve positive cash flows or profitability. These circumstances comprise a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. There have been continuous efforts from management to maintain the Company's working capital position.

Over the past year, global stock markets have experienced volatility and a significant weakening in the aftermath of COVID-19. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions. Volatility in financial markets subsequent to December 31, 2024, may have a significant impact on the Company's financial position. The duration and impact of the higher inflationary environment, as well as the effectiveness of government and central bank responses, remains unclear at this time.

2. BASIS OF PREPARATION

a) Statement of Compliance

These financial statements have been prepared in accordance with International Accounting Standards ("IAS") 34 'Interim Financial Reporting' issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), and in accordance with the same accounting policies and methods of computation as compared with the most recent annual financial statements, being for the year ended September 30, 2024.

These financial statements were approved and authorized for issue in accordance with a resolution from the Board of Directors on February 26, 2025.

b) Basis of Measurement

These financial statements have been prepared on a historical cost basis, except for certain financial instruments, classified as financial instruments at fair value through profit or loss which are stated at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

c) Basis of Consolidation

These financial statements include the accounts of the Company and its wholly owned subsidiary, ACME Lithium US Inc. ("ACME US"). The financial statements of the Company's subsidiary has been consolidated from the date that control commenced. Control is achieved when the Company has the power to govern the financial operating policies of an entity to obtain the benefits from its activities. All intercompany balances and transactions and income and expenses have been eliminated upon consolidation.

d) Presentation and Functional Currency

These financial statements are presented in Canadian dollars, which is the functional currency of the parent Company. The functional currency of ACME US is the US dollar ("USD").

Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At each financial position reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at the date of the statement of financial position. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Revenues and expenses are translated at the exchange rates prevailing on the dates of the transactions. Exchange gains and losses arising on translation are included in profit or loss.

For the purpose of presenting financial statements, the assets and liabilities of ACME US are translated into Canadian dollars at the spot rate at the date of the statement of financial position. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during the period, in which case exchange rates at the dates of the transactions are used. Exchange differences are recognized in other comprehensive income and reported as a currency translation adjustment in equity.

3. MATERIAL ACCOUNTING POLICY INFORMATION

Critical accounting judgments, estimates and assumptions – The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and 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. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Critical Judgments

Going concern of operations **–** Management has made the determination that the Company will continue as a going concern for the following year.

Title to exploration assets **–** Although the Company has taken steps to verify title to its exploration properties, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfer and title may be affected by undetected defects.

Flow-through shares – the Company determines the flow-through share premium by allocating the total funds received between common share and flow-through premium liability by first assessing the fair value of the common shares issued, based on market price at issuance, with any excess considered being allocated to warrants (if any) and the flow-through premium.

Estimates

Finders' warrants – Finders warrants are valued using the Black-Scholes Option Pricing Model with assumptions such as volatility, risk free rate, and expected dividend. These assumptions are made based on the conditions prevalent on the date of issuance.

Impairment of exploration and evaluation assets – The application of the Company's accounting policy for exploration and evaluation expenditure requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available.

Deferred income taxes – The determination of deferred income tax assets or liabilities requires subjective assumptions regarding future income tax rates and the likelihood of utilizing tax carry forwards. Changes in these assumptions could materially affect the recorded amounts, and therefore do not necessarily provide certainty as to their recorded values.

Useful lives of property and equipment – Management exercises professional judgement when determining the useful life and residual values of property and equipment. Management estimates these inputs based on industry standards and previous experience assessing similar capital assets.

Leases – The application of IFRS 16 Leases requires the Company to make judgments and estimates that affect the measurement of right-of-use assets and liabilities. In determining the lease term, all facts and circumstances that create an economic incentive to exercise renewal options (or not exercise termination options) are considered. Assessing whether a contract includes a lease also requires judgment. Estimates are required to determine the incremental borrowing rate to measure liabilities where the interest rate in the lease is not readily available.

Collectability of accounts receivable – The Company assess the collectability of its accounts receivable, and measure expected credit losses on an amount equal to the losses expected 12 months from the reporting date by estimating changes in circumstances and credit risk.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Cash and cash equivalents – The Company considers deposits with banks or highly liquid short-term interest-bearing securities that are readily convertible to known amounts of cash and those that have maturities of three months or less when acquired to be cash equivalents. The Company places its cash and cash equivalents with major financial institutions in Canada.

Property and equipment – On initial recognition, property and equipment are valued at cost, being the purchase price and directly attributable cost of acquisition or construction required to bring the asset to the location and condition necessary to be capable of operating in the manner intended by the Company.

Property and equipment are subsequently measured at cost less accumulated depreciation, less any accumulated impairment losses.

The Company utilizes the straight-line basis method of amortization. The amortization rates applicable to each category of property and equipment are as follows:

Machinery and equipment	straight-line basis	6 years
Furniture and fixtures	straight-line basis	7 years
Vehicle	straight-line basis	5 years
Computer	straight-line basis	5 years

Where an item of equipment comprises significant components with different useful lives, the components are accounted for as separate items of equipment. The depreciation method, useful life and residual values are assessed annually. An item of equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising from disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss in the consolidated statements of loss and comprehensive loss.

Impairment of non-financial assets – At each statement of financial position date, in accordance with IAS 36 "Impairment of Assets", the Company assesses whether there is any indication that any of those assets have suffered an impairment loss. If any indication exists, the Company estimates the asset's recoverable amount.

An impairment loss is recognized when the carrying amount of an asset, or its cash generating unit ("CGU"), exceeds its recoverable amount. Impairment losses are recognized in profit and loss for the reporting period. Impairment losses recognized in respect of cash generating units are allocated first to reduce the carrying amount of any goodwill allocated to those units, and then to reduce the carrying amount of other assets in the unit on a pro-rata basis.

An impairment loss for an individual asset or CGU shall be reversed if there has been a change in estimates used to determine the recoverable amount since the last impairment loss was recognized and is only reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

The recoverable amount is the greater of an assets or CGU fair value less costs to sell, and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. For an asset that does not generate largely independent cash inflows, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Exploration and evaluation assets – Once the legal right to explore a property has been acquired, all expenditures related to acquisition, exploration, and evaluation of the properties ("E&E assets") (including option payments and annual fees to maintain the property in good standing) are capitalized and deferred by property until the project to which they relate is sold, abandoned, impaired, or placed into production. Costs not directly attributable to exploration and evaluation activities are expensed in the period in which they occur. Upon commencement of commercial production, the related accumulated costs are amortized against projected income using the units of production method over estimated recoverable reserves.

Management assesses carrying values of properties for which events and circumstances may indicate possible impairment on an annual basis. Impairment of a property is generally considered to have occurred if (1) the period for which the entity has the right to explore the area has expired or is not expected to be renewed; (2) substantive expenditures on further exploration is neither budgeted nor planned; (3) exploration has not led to discovery of commercially viable quantities; or (4) the carrying amount is unlikely to be recovered in full from successful development or sale. When a project is deemed to no longer have commercially viable prospects to the Company, exploration, and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditure costs, more than estimated recoveries, are written down to profit or loss.

Any option payments received by the Company from third parties, or any proceeds received by the Company from the sale of royalties on its properties from third parties are credited to the capitalized cost of the E&E assets. If payments received exceed the capitalized cost of the E&E assets, the excess is recognized as income in the period received.

Restoration and environmental obligations – The Company recognizes liabilities for statutory, contractual, constructive, or legal obligations associated with the retirement of long-term assets, when those obligations result from the acquisition, construction, development, or normal operation of the assets. The net present value of future restoration cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to the related asset along with a corresponding increase in the restoration provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The costs to prevent and control environmental impacts at specific properties are capitalized in accordance with the Company's accounting policy for exploration and evaluation assets.

As at December 31, 2024 and September 30, 2024, the Company did not have any decommissioning liabilities.

Share capital – The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates the value to the more easily measurable component based on fair value and then the residual value, if any, to the less measurable component. Professional, consulting, regulatory and other costs directly attributable to financing transactions are recorded as deferred share issuance costs until the financing transactions are completed, if the completion of the transaction is considered likely; otherwise, they are expensed as incurred. Share issuance costs are charged to share capital when the related shares are issued. Deferred share issuance costs related to financing transactions that are not completed are charged to expenses.

Finders' warrants – Warrants issued to agents and brokers in connection with a financing are recorded at fair value using the Black-Scholes Option Pricing Model and charged to share issue costs associated with the offering with an offsetting credit to reserves in shareholders' equity.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Flow-through shares – Resource expenditure deductions for income tax purposes related to exploration activities funded by flow-through share arrangements are renounced to investors under Canadian income tax legislation. On issuance, the Company separates the flow-through share into i) a flow-through share premium, equal to the difference between the current market price of the Company's common shares and the issue price of the flow-through share and ii) share capital. Upon eligible exploration expenditures being incurred, the Company recognizes a deferred tax liability for tax reduction renounced to the shareholders. The premium is recognized as other income and the related deferred tax is recognized as a tax provision.

Proceeds received from the issuance of flow-through shares must be expended on Canadian resource property exploration within a period of two years. Failure to expend such funds after the end of the first year as required under the Canadian income tax legislation will result in a Part XII.6 tax to the Company on flow-through proceeds renounced under the "Look-back" Rule. When applicable, this tax is accrued as flowthrough share tax expense until paid.

Income taxes – Income tax expense comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity. Current tax expense is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

The Company provides for income taxes using the liability method of tax allocation. Under this method, deferred income tax assets and liabilities are determined based on temporary differences between the accounting and tax bases of existing assets and liabilities and are measured using enacted or substantially enacted tax rates expected to apply when these differences reverse. Deferred income tax assets are recognized to the extent that management has determined it is probable to be realized.

Share-based payments – The Company records all share-based payments at their fair value. Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued if it is determined the fair value of the goods or services cannot be reliably measured and are recorded at the date the goods or services are received. The corresponding amount is charged to reserves. The Company uses the Black-Scholes option pricing model to estimate the fair value of share-based payments.

The share-based payments costs are charged to operations over the stock option vesting period. Agents' options and warrants issued in connection with common share placements are recorded at their fair value on the date of issue as share issuance costs. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of stock options expected to vest. On the exercise of stock options and agents' options and warrants, share capital is credited for consideration received and for fair value amounts previously credited to reserves.

Loss per share – The Company uses the treasury stock method in computing loss per share. Under this method, basic loss per share is computed by dividing loss available to common shareholders by the weighted average number of common shares outstanding during the period. Diluted loss per share is calculated by adjusting the weighted average number of common shares outstanding using the treasury stock method, to reflect the potential dilution of securities that could result from the exercise of in-the- money stock options and warrants. Diluted loss per share excludes all dilutive potential equity instruments if their effect is anti-dilutive.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial instruments – The Company determines the classification of its financial instruments at initial recognition. The classification and measurement of financial assets after initial recognition at fair value depends on the business model for managing the financial asset and the contractual terms of the cash flows. Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding, are generally measured at amortized cost at each subsequent reporting period. All other financial assets are measured at their fair values at each subsequent reporting period, with any changes recorded through profit or loss or through other comprehensive income (which designation is made as an irrevocable election at the time of recognition).

After initial recognition at fair value, financial instruments are classified and measured at either:

i. Amortized cost;
ii. FVTPL, if the Company has made an irrevocable election at the time of recognition, or when required (for items such as instruments held for trading or derivatives); or
iii. FVTOCI, when the change in fair value is attributable to changes in the Company's credit risk.

The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified. Transaction costs that are directly attributable to the acquisition or issuance of a financial asset or financial liability classified as subsequently measured at amortized cost are included in the fair value of the instrument on initial recognition. Transaction costs for financial assets and financial liabilities classified at fair value through profit or loss are expensed in profit or loss.

The Company's cash and cash equivalents are carried at FVPTL and its amounts receivable, accounts payable and accrued liabilities, due to related parties and lease liability are recorded at amortized cost.

<u>Impairment</u>

The Company assesses all information available, including on a forward-looking basis the expected credit losses associated with any financial assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If, at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition based on all information available, and reasonable and supportable forward-looking information.

Assets carried at amortized cost. If there is objective evidence that an impairment loss on assets carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

The carrying amount of the asset is then reduced by the amount of the impairment. The amount of the loss is recognized in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases, and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to the extent that the carrying value of the asset does not exceed what the amortized cost would have been had the impairment not been recognized. Any subsequent reversal of an impairment loss is recognized in profit or loss.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial instruments (continued)

Derecognition of financial assets

The Company derecognizes financial assets only when the contractual rights to cash flow from the financial assets expire, or when it transfers the financial assets and substantially all the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the statements of loss and comprehensive loss.

Financial liability

The Company classifies a liability as current when they do not have an unconditional right to defer settlement for at least 12 months after the reporting date. Otherwise, it is classified as non-current if the Company has the right to defer settlement for at least 12 months after the reporting date.

Further, when a liability includes counterparty conversion option that involves a transfer of the Company's own equity instruments, the conversion option is recognized as either equity or a liability separately from the host liability under IAS 32 Financial Instruments: Presentation.

Related party transactions – Parties are 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. Related parties may be individuals or corporate entities. A transaction is a related party transaction when there is a transfer of resources or obligations between related parties.

Leases – At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset over a period in exchange for consideration. The Company assesses whether the contract involves the use of an identified asset, whether it has the right to obtain substantially all the economic benefits from the use of the asset during the term of the contract and it has the right to direct the use of the asset.

The right-of-use asset is subsequently depreciated from the commencement date to the earlier of the end of the lease term, or the end of the useful life of the asset. The right-of-use asset may be reduced due to impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

A lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date discounted by the interest rate implicit in the lease or if that rate cannot be readily determined the incremental borrowing rate. The lease liability is subsequently measured at amortized cost using the effective interest method. Lease payments included in the measurement of the lease liability comprise fixed payments, variable lease payments, and amounts expected to be payable at the end of the lease term.

The Company has recognized the right-of-use assets and lease liability for long-term leases that have a lease term of 5 years (Note 6). The lease payments associated with these leases are charged against the lease liability and right-of-use assets is amortized on straight line basis over the period of lease term.

(Expressed in Canadian dollars)

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Adoption of new accounting pronouncement

Amendments to IAS 1 and IFRS Practice Statement 2

In February 2021, the IASB issued Amendments to IAS 1 and IFRS Practice Statement 2 to provide guidance to help entities apply materiality judgment to accounting policy disclosure. The amendments require disclosure of material accounting policy information rather than disclosing significant accounting policies and provide guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments to IAS 1 are effective for annual reporting periods beginning on or after January 1, 2023. The Company adopted these amendments, which have resulted in the disclosure of only material accounting policy information, but did not impact the measurement, recognition of presentation of any items in the Company's consolidated financial statements.

New accounting standards and interpretations issued but not yet adopted

Amendments to IAS 1, Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current

In January 2020 and October 2022, the IASB issued amendments to clarify the requirements for classifying liabilities current or non-current. The amendments specify that the conditions that exist at the end of a reporting period are those that will be used to determine if a right to defer settlement of a liability exists. The amendments also clarify the situations that are considered a settlement of a liability. The amendments are effective January 1, 2024, with early adoption permitted, and the amendments are to be applied retrospectively. The Company is assessing the impact of the amendments to its financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements. This standard aims to improve the consistency and clarity of financial statement presentation and disclosures by providing updated guidance on the structure and content of financial statements. Key changes include enhanced requirements for the presentation of financial performance, financial position, and cash flows, as well as additional disclosures to improve transparency and comparability. IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027. The Company is assessing the impact that the adoption of IFRS 18 will have on its financial statements.

4. AMOUNTS RECEIVABLE

The amounts receivable for the period ended December 31, 2024, and September 30, 2024, consist of the following:

	December 31, 2024	September 30, 2024
GST receivable	**$6,895**	$ 6,897
Rent receivable	**6,438**	6,438
Account receivable	**56,794**	58,125
	$70,127	$ 71,460

On April 1, 2023, the Company started renting out a portion of its office space to an arm's length party on a month-to-month basis, for a monthly fee of $2,625 (inclusive of GST) that resulted in a receivable of $6,438 as at December 31, 2024 (September 30, 2024 - $6,438)

Other receivable amounts of $58,125 (September 30, 2024 – $58,125) relates to the sale of a drill included in property equipment (Note 7).

(Expressed in Canadian dollars)

5. PREPAID EXPENSES AND DEPOSITS

The Company's prepaid expenses and deposits for the period ended December 31, 2024 and September 30, 2024, are composed of the following:

		December 31, 2024		September 30, 2024
Current Prepaid and Deposits:				
Advertising and promotions	**$**	**14,396**	$	15,286
Legal		**612**		612
General office and admin expenses		**-**		3,376
Management and director fees		**6,650**		-
Transfer agent and filing fees		**12,106**		5,935
	$	**33,764**	$	25,209

		December 31, 2024		September 30, 2024
Non-Current Prepaid and Deposits:				
Other	**$**	**19,620**	$	7,070
Reclamation Bond*		**86,799**		83,135
	$	**106,419**	$	90,205

*Reclamation bond was paid for the Company's Nevada properties. The bond can be refunded upon the faithful performance of the conditions and stipulations as set forth in the bond, the plan of operations and the regulations of the State of Nevada.

6. RIGHT-OF-USE ASSET AND LEASE LIABILITY

The Company has entered into a lease agreement for its office space for a 5-year term, expiring on November 30, 2027.

The lease liability is initially measured at the present value of the lease payments to be made over the lease term, using the effective interest method for the present value determination. As the implicit rate in the lease is 18%, the Company applied the same to calculate the present value of its lease payments.

Many leases include one or more options to renew. The Company assumes renewals in the determination of the lease term if the renewals are deemed to be reasonably assured at lease commencement date. The Company's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

(Expressed in Canadian dollars)

6. RIGHT-OF-USE ASSET AND LEASE LIABILITY (continued)

The continuity of the right-of-use asset ("ROU asset") and lease liability for the period ended, December 31, 2024 and September 30, 2023, is as follows:

Right-of-use asset:		
Value of right-of-use asset as of September 30, 2023	$	**156,086**
Depreciation		(37,460)
Value of right-of-use asset as of September 30, 2024		**118,626**
Depreciation		(9,366)
Value of right-of-use asset as of December 31, 2024	**$**	**109,260**
Lease liability:		
Lease liability recognized as of September 30, 2023	$	**165,494**
Lease payments		(55,410)
Lease interests		27,580
Lease liability recognized as of September 30, 2024		**137,664**
Lease payments		(13,979)
Lease interests		6,079
Lease liability recognized as of December 31, 2024	**$**	**129,764**
Current portion	$	36,198
Long-term portion		93,566
	$	**129,764**

Following table reflects the undiscounted lease obligations payable during the four years subsequent to the year ended September 30, 2024:

	2025	**2026**	**2027**	**2028**	**Total**
Office lease	$ 56,420	$ 57,430	$ 58,441	$ 9,768	$ 182,059

As of December 31, 2024, the Company had a right-of-use asset of $109,260 (September 30, 2024 – $118,626) and a lease liability of $129,764 (September 30, 2024 – $137,664) recorded on the statement of financial position. In connection with the lease, the Company has an outstanding rent deposit of $15,530 (September 30, 2024 – $7,070), which is included in prepaids (Note 5).

(Expressed in Canadian dollars)

7. PROPERTY AND EQUIPMENT

	Machinery and equipment $	Furniture and fixtures $	Computers $	Vehicle $	Total $
Cost:					
Balance, September 30, 2023	482,963	31,331	4,264	58,410	576,968
Impairment	(482,963)	-	-	(58,410)	(541,373)
Balance, December 31, 2024, and September 30, 2024	**-**	**31,331**	**4,264**	**-**	**35,595**
Accumulated depreciation:					
Balance, September 30, 2023	62,201	6,075	853	20,610	89,739
Depreciation	32,002	4,476	853	-	37,331
Disposal*	(94,203)	-	-	(20,610)	(114,813)
Balance, September 30, 2024	-	10,551	1,706	-	12,257
Depreciation	-	1,119	213	-	1,332
Balance, December 31, 2024	-	11,670	1,919	-	13,589
Net book value:					
September 30, 2024	-	20,780	2,558	-	23,338
December 31, 2024	**-**	**19,661**	**2,345**	**-**	**22,006**

*During the period ended September 30, 2024, the Company disposed of certain equipment used at the Shatford Lake Property. The exploration efforts at Shatford Lake are no longer being pursued by the Company. The Company recognized a loss on sale of equipment amounting to $82,972 in the statement of loss and comprehensive loss.

During the year ended September 30, 2024, the Company sold its truck for an amount equal to its book value on the date of sale, due to the discontinuance of the exploration efforts in its Shatford Lake Property, Manitoba, Canada.

(Expressed in Canadian dollars)

8. EXPLORATION AND EVALUATION ASSETS

The Company's exploration and evaluation expenditures for the period ended December 31, 2024, are as follows:

	Clayton Valley, Nevada $	Fish Lake Valley, Nevada $	Euclid Lake Property, Manitoba $	Shatford Lake Property $	Birse Lake, Manitoba $	Total $
Acquisition costs						
Balance, September 30, 2024	1,995,725	313,066	36,000	84,000	20,000	2,448,791
Foreign currency translation	131,580	20,641	-	-	-	152,221
Balance, December 31, 2024	**2,127,305**	**333,707**	**36,000**	**84,000**	**20,000**	**2,601,012**
Exploration and evaluation costs						
Balance, September 30, 2024	5,639,230	378,787	398,513	3,554,495	74,280	10,045,305
Recovery on mineral property	-	(94,451)	(24,324)	(85,135)	(40,541)	(244,451)
Adjusted Balance, September 30, 2023	5,639,230	284,336	374,189	3,469,360	33,739	9,800,854
Geological surveys	13,221	1,313	-	-	-	14,533
Foreign currency translation	377,602	19,322	-	-	-	396,923
Balance, December 31, 2024	**6,030,052**	**304,970**	**374,189**	**3,469,360**	**33,739**	**10,212,310**
Total, December 31, 2024	**8,157,357**	**638,677**	**410,189**	**3,553,360**	**53,739**	**12,813,322**

(Expressed in Canadian dollars)

8. EXPLORATION AND EVALUATION ASSETS (continued)

The Company's exploration and evaluation expenditures for the year ended September 30, 2024, are as follows:

	Clayton Valley, Nevada $	Fish Lake Valley, Nevada $	Euclid Lake Property, Manitoba $	Shatford Lake Property, Manitoba $	Birse Lake, Manitoba $	Total $
Acquisition costs						
Balance, September 30, 2023	1,857,328	242,978	36,000	84,000	20,000	$ 2,240,306
Additions – cash	82,182	71,038	-	-	-	153,220
Additions - common shares	60,250	-	-	-	-	60,250
Foreign currency translation	(4,035)	(950)	-	-	-	(4,985)
Balance, September 30, 2024	**1,995,725**	**313,066**	**36,000**	**84,000**	**20,000**	**2,448,791**
Exploration and evaluation costs						
Balance, September 30, 2023	5,299,781	388,946	392,888	3,489,640	74,280	9,645,535
Sale of GOR Royalty	-	(27,040)	-	-	-	(27,040)
Adjusted Balance, September 30, 2023	5,299,781	361,906	392,888	3,489,640	74,280	9,618,495
Consulting	71,079	-	5,625	-	-	76,704
Drilling	-	-	-	46,604	-	46,604
Geological surveys	279,431	5,854	-	10,735	-	2,96,020
Testing and assaying	-	11,775	-	16	-	11,791
Travel	-		-	7,500	-	7,500
Foreign currency translation	(11,061)	(748)	-	-	-	(11,809)
Balance, September 30, 2024	**5,639,230**	**378,787**	**398,513**	**3,554,495**	**74,280**	**10,045,305**
Recovery on mineral property	-	(94,451)	(24,324)	(85,135)	(40,541)	(244,451)
Total, September 30, 2024	**7,634,955**	**597,402**	**410,189**	**3,553,360**	**53,739**	**12,249,645**

(Expressed in Canadian dollars)

8. EXPLORATION AND EVALUATION ASSETS (continued)

Clayton Valley, Nevada

On May 12, 2021, the Company entered into an assignment agreement with an arm's length party to acquire a 100% interest in 64 placer mining claims, comprising the CC, CCP and SX placer lithium claims (the "Project Claims"), located in Clayton Valley, Esmeralda County, Nevada. Under the terms of the agreement, the Company needs to undertake the following to exercise its option: pay cash payments of USD $278,500 (USD $228,500 paid ($308,452)), issue 5,250,000 common shares (3,250,000 aggregate issued), and incur a total of USD $2,750,000 in exploration and development expenditures (USD $2,750,000 incurred (USD $4,221,936)). The property is subject to a 3% gross overriding royalty (the "royalty"). The Company has the right to buy back one-half of the royalty for USD $1,500,000 for a period of 3 years following the commencement of commercial production.

The following are the terms of the agreement:

	Cash Payments	Common Shares	Exploration expenditures
	$ (in USD)	#	$ (in USD)
On the Approval Date March 2, 2021 (paid and issued)	78,500	750,000	-
On or before March 2, 2022 (paid, issued and incurred)	50,000	750,000	250,000
On or before March 2, 2023 (paid, issued and incurred)	50,000	750,000	500,000
On or before March 2, 2024 (paid, issued and incurred)	50,000	1,000,000	1,000,000
On or before March 2, 2025 (incurred)	50,000	2,000,000	1,000,000
Total	**278,500**	**5,250,000**	**2,750,000**

In connection with the option agreement entered with the arm's length party, the Company is required pay an advance royalty payment of USD $200,000 on the 5th anniversary of the effective date of the agreement (March 2, 2026), and continuing each annual anniversary date thereafter, until the property is in production. The cash advances will be credited against future royalty payments due.

FLV Property (Fish Lake Valley, Nevada)

On November 9, 2020, the Company entered into a mineral property purchase and sale agreement (the "FLV agreement") with an arm's length party, whereby the Company acquired 81 lode mining claims located in Esmeralda County, Nevada, USA. Under the terms of the FLV agreement, the right, title, and interest in the FLV claims was purchased by paying consideration of $50,000 (paid) and by issuing 100,000 common shares (issued with a fair value of $3,000).

On October 9, 2021, the Company staked 63 new claims (FLV-2) by paying $34,982 (USD $28,047).

On March 15, 2023, the Company staked 63 new claims (FLV-3) by paying $38,820 (USD $28,713).

On February 6, 2023, the Company entered into a Letter of Intent (the "LOI Agreement") with an arm's length party whereby the Purchaser could acquire up to 100% of the FLV mining claims. The Company received $27,040 (USD $20,000) as part of the LOI Agreement. On March 20, 2023, the Company received a termination notice from the arm's length party with regards to the LOI Agreement.

8. EXPLORATION AND EVALUATION ASSETS (continued)

FLV Property (Fish Lake Valley, Nevada) (continued)

On March 9, 2023, the Company granted a gross overriding royalty of 0.5% on all products mined, produced or otherwise recovered from the FLV property to a third party in accordance with a Master Teaming Agreement entered into during the prior year.

On January 12, 2024, the Company entered into a property option agreement (the "Option Agreement") with an arm's length third party (the "Optionee"), whereby, the Company granted the sole and exclusive option to the Optionee to acquire all of the rights, title and interest in and to the FLV Property.

Under the Option Agreement, the Optionee was required to meet certain cash, share and expenditure requirements over a two-to-three-year period. As at September 30, 2024, the Company has received an aggregate of $94,451 (USD $70,000) towards the Option Agreement, which was recorded as a recovery on the mineral property (2023 – $27,040). on December 13, 2024, the Option Agreement was terminated by the Optionee.

As at December 31, 2024, the FLV claim group has a carrying value of $638,677 (September 30, 2024 – $597,402) which includes $304,970 (September 30, 2024 – $284,336) in exploration expenditures.

Shatford, Cat-Euclid Lake, and Birse Lake Properties

On September 9, 2021, the Company entered into a staking agreement to acquire mineral rights in Euclid and Shatford Lake areas of Southeast Manitoba. The Euclid group has six claim blocks and Shatford group has 21 claim blocks. These claims are royalty-free and not subject to any agreement. For the year ended September 30, 2022, initial staking, claim fees and geological surveys were incurred for two properties in Manitoba – the Euclid Lake and Shatford Lake properties.

During the year ended September 30, 2022, the Company entered a term sheet with an arm's length party for the purchase of royalties in the Cat-Euclid and Shatford Lake property. The Company received $833,526 (USD $650,000) in cash for the purchase of a 2% gross overriding revenue royalty. The proceeds from this transaction were recorded as a reduction to the exploration and evaluation assets. As the proceeds exceeded the capitalized cost of the exploration and evaluation assets of $149,174 as of April 5, 2022, the excess proceeds of $684,352 was recognized as a gain on sale of royalty in the statement of loss and comprehensive loss.

On September 6, 2022, the Company staked 10 claims located east of Shatford lake. These claims are royalty-free and not subject to any agreement.

As at December 31, 2024, the Cat Euclid, Shatford and Birse Lake projects have a carrying value of $4,017,288 (September 30, 2024 – $4,017,288).

On January 29, 2024, the Company entered into a property option agreement ("Shatford Option Agreement") with an arm's length third party pursuant to which the Company will grant the third party the option to earn up to 90% undivided interest in its Manitoba lithium pegmatite project areas, located in southeastern Manitoba, Canada. Under the terms of the agreement, the third party needs to undertake the following to exercise this option: pay remaining cash payments of $650,000 and incur a total of $1,800,000 in exploration and development expenditures over a two-year period in accordance with the following schedule:

(Expressed in Canadian dollars)

8. EXPLORATION AND EVALUATION ASSETS (continued)

Shatford, Cat-Euclid Lake, and Birse Lake Properties (continued)

Date of Completion	Cash Payments	Min. Exploration and Development Expenditures	Earn in
	$	$	%
Initial payment (received)	20,000	-	-
Upon execution (received)	130,000	-	-
First year (January 29, 2025)	150,000	600,000	51
Second year (January 29, 2026)	500,000	1,200,000	90
Total	**800,000**	**1,800,000**	**90**

Bailey Lake Property

On December 5, 2022, the Company entered into a purchase agreement to acquire 100% interest in the 5 mineral claims in north central region of Saskatchewan, Canada. The Company paid a consideration of (i) $9,476 on December 7, 2022, and (ii) the grant of a 1% net smelter return royalty of the gross value of all products derived and shipped from the property.

On December 6, 2022, the Company entered into an option agreement with an arm's length party to acquire 100% interest in the 13 mineral claims in Bailey Lake, located in the northeastern region of Saskatchewan, Canada. To exercise this option, the Company must pay to the third party an aggregate of $450,000 ($100,000 paid), issue and deliver an aggregate of 450,000 common shares (100,000 issued with a fair value of $41,000) and incur an aggregate of $1,554,000 of expenditures on the property in accordance with the following schedule.

	Cash Payments	Common Shares	Exploration expenditures
	$	#	$
On or before December 7, 2022 (paid and issued)	100,000	100,000	-
On or before December 5, 2023	150,000	150,000	388,500
On or before date December 5, 2024	200,000	200,000	518,000
On or before December 5, 2025	-	-	647,500
Total	**450,000**	**450,000**	**1,554,000**

The property is subject to a 2% net smelter return royalty of the gross value of all products derived and shipped from the property. The Company has the right to buy back one-half of the royalty (1%) for $2,000,000 for a period of 24 months following the commencement of commercial production.

During the year ended September 30, 2023, the Company decided not to pursue the renewal of their agreement on the claims in Bailey Lake Property in order to focus on other properties. As a result, the Company recognized an impairment loss and wrote off the full balance of $590,705 during the year ended September 30, 2023.

During the year ended September 30, 2024, the Company recognized $41,414 as an expense recovery from a refund received for the Mars deficiency deposit relating to this property.

(Expressed in Canadian dollars)

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

For the period ended December 31, 2024 and September 30, 2024, the Company's accounts payable consist of the following:

	December 31, 2024		September 30, 2024
Exploration and evaluation	**$175,025**	$	187,510
Accounting fees	**39,488**		35,500
Corporate development	**-**		21,000
Transfer agent and filing fees	**43,632**		1,431
Other expense	**38,021**		4,811
	$296,166	$	250,252

10. SHARE CAPITAL

Authorized
The Company has authorized share capital of an unlimited number of common shares and preferred shares without par value. Common and/or preferred shares are entitled to receive dividends when they are declared by the Board of Directors.

Issued and Outstanding Common Shares
As of December 31, 2024, the Company has a total issued and outstanding common shares: 75,972,727 (September 30, 2024 – 75,972,727).

Private Placement Financing and Share Issuances

During the year ended September 30, 2024, the Company had the following capital transactions:

On May 8, 2024, 250,000 common shares with a fair value of $0.046 were issued as per the mineral property acquisition agreement of Clayton Valley, Nevada (Note 8).

On March 5, 2024, 750,000 common shares with a fair value of $0.065 were issued as per the mineral property acquisition agreement of Clayton Valley, Nevada (Note 8).

On February 29, 2024, the Company closed a non-brokered private placement for aggregate gross proceeds of $700,000 through the issuance of 14,000,000 units (the "Units") at $0.05 per unit. Each Unit comprised of one common share and one share purchase warrant. Each whole share purchase warrant is exercisable into one common share at a price of $0.10 per share for three years following the date of issuance. The Company paid a total of $37,450 in cash finders' fees and issued a total of 749,000 finders' warrants valued at $33,606.

Each whole finders' warrant is exercisable into one common share at price of $0.10 per share for three years following the date of granting.

On October 31, 2023, the Company closed a non-brokered private placement for aggregate gross proceeds of up to $277,749 through the issuance of 1,851,660 units ("Units") at $0.15 per unit. Each Unit comprised of one common share and one-half of one share purchase warrant. Each whole share purchase warrant exercisable into one common share at a price of $0.30 per share for two years following the date of issuance. A residual value of $64,809 was assigned to the share purchase warrant. The Company paid a total of $9,100 in cash finders' fee and issued a total of 60,666 finder's warrants valued at $3,075. Each whole finders' warrant is exercisable into one common share at a price of $0.15 per share for two years following date of grant.

(Expressed in Canadian dollars)

11. STOCK OPTIONS

The Company has a stock option plan for directors, officers, employees, and consultants. The aggregate number of shares issuable pursuant to options granted under the plan is limited to 10% of the Company's issued and outstanding common shares at the time the options are granted. The number of shares reserved for issuance to any individual director, officer or consultant shall not exceed 5% of the issued and outstanding common shares. The number of incentive stock options granted to any one consultant, or a person employed to provide investor relations activities in any 12-month period must not exceed 2% of the total issued shares of the Company. The exercise price of each option is determined by the Board.

During the period ended December 31, 2024 and September 30, 2024, the Company did not issue any stock options.

As of December 31, 2024 and September 30, 2024, the Company has 3,550,000 incentive stock options outstanding. A summary of the movements of the stock options is presented below:

Period ended	**December 31, 2024**		September 30, 2024	
	Number of options	**Weighted average exercise price**	Number of options	Weighted average exercise price
Outstanding, beginning	**3,550,000**	**$ 1.10**	3,550,000	$ 1.10
Outstanding, end	**3,550,000**	**1.10**	3,550,000	1.10
Exercisable	**3,550,000**	**$ 1.10**	3,550,000	$ 1.10

The following table summarizes information regarding stock options outstanding as of December 31, 2024:

Date issued	**Number of options outstanding**	**Exercise price**	**Expiration date**
July 9, 2021	1,325,000	$ 0.80	July 9, 2026
April 14, 2022	2,000,000	1.28	April 14, 2027
April 28, 2022	225,000	1.30	April 28, 2025
Total options outstanding	**3,550,000**	**$ 1.10**	
Total options exercisable	**3,550,000**		

The weighted average remaining life of the options is 1.88 years (2024 – 2.13 years).

12. WARRANTS

A summary of changes in the Company's share purchase warrants outstanding for the period ended December 31, 2024 and 2023 is as follows:

	December 31, 2024		September 30, 2024	
	Number of warrants	**Weighted average exercise price**	Number of warrants	Weighted average exercise price
Outstanding, beginning	**21,135,183**	**$ 0.30**	8,256,847	$ 1.04
Granted	**-**	**-**	15,735,496	0.11
Exercised	**-**	**-**	-	-
Expired	**-**	**-**	(2,857,160)	1.40
Outstanding, end of year	**21,135,183**	**$ 0.30**	21,135,183	$ 0.30

(Expressed in Canadian dollars)

12. WARRANTS (continued)

Finders' warrants

On February 29, 2024, the Company granted 749,000 warrants to finders with an exercise price of $0.10 per share for three years following date of grant. The estimated fair value of the warrants was $33,606, recorded during the year ended September 30, 2024, in connection with the issuance of these warrants. The warrants were fairly valued using Black-Scholes Option Pricing Model with the following assumptions: average risk-free rate – 2.69%; expected life – 3 years; expected volatility – 104.97%; forfeiture rate – Nil and expected dividends – Nil.

On October 31, 2023, the Company granted 60,666 warrants to finders with an exercise price of $0.15 per share for two years following date of grant. The estimated fair value of the warrants was $3,075, recorded during the year ended September 30, 2024, in connection with the issuance of these warrants. The warrants were fairly valued using Black-Scholes Option Pricing Model with the following assumptions: average risk-free rate – 3.31%; expected life – 2 years; expected volatility – 93.54%; forfeiture rate – Nil and expected dividends – Nil.

The following table summarizes information regarding the warrants outstanding as of December 31, 2024:

Date issued	Number of warrants	Exercise price	Expiry date
June 21, 2021	2,635,883	0.60	June 21, 2025*
July 2, 2021	1,050,575	0.60	July 2, 2025*
May 13, 2022	1,597,488	1.40	May 13, 2025
May 19, 2022	115,741	1.40	May 19, 2025
October 31, 2023	925,830	0.30	October 31, 2025
October 31, 2023	60,666	0.15	October 31, 2025
February 29, 2024	14,749,000	0.10	February 28, 2027
	21,135,183		

*On June 9, 2023, the expiry date of the share purchase warrants issued by the Company on June 21, 2021, and July 2, 2021, were extended for two years to June 21, 2025 and July 2, 2025, respectively.

During the year ended September 30, 2024, a total of 2,857,160 warrants with exercise price between $1.08 to $1.80 expired unexercised.

The weighted average exercise price of warrants as of December 31, 2024, is $0.30, and the weighted average remaining life of the warrants is 1.66 years (September 30, 2024 – $0.30 and 1.91 years, respectively).

13. RELATED PARTY TRANSACTIONS

The Company has identified its directors and certain senior officers as its key personnel and the compensation costs for key personnel and companies related to them were recorded at their exchange amounts as agreed upon by transacting parties.

As at December 31, 2024, the Company has $20,000 (September 30, 2024 – $12,225) due to the CEO and Director.

As at December 31, 2024, the Company has $6,650 (September 30, 2024 – $Nil) due from the CFO, Director. The same has been included in Prepaid (note 5)

(Expressed in Canadian dollars)

13. RELATED PARTY TRANSACTIONS (continued)

During the period ended December 31, 2024 and December 31, 2023, the Company entered the following transactions with related parties:

	December 31, 2024	December 31, 2023
Management fees	**$65,500**	$ 76,500
Directors' fees	**5,000**	11,667
Accounting fees	**8,492**	16,041
Total	**$78,992**	$ 104,208

(a) Management fees were paid or accrued to the following:

	December 31, 2024	December 31, 2023
Company controlled by the CEO	**$ 45,000**	$ 54,000
Company controlled by the CFO	**20,500**	22,500
Total	**$65,500**	$ 76,500

(b) Accounting fees of $8,492 were paid to a company controlled by the Company's CFO and Corporate Secretary (2024 – $16,041).

(c) Director fees were paid or accrued to the following:

	December 31, 2024	December 31, 2023
Director	**$ 2,500**	$ 4,167
Company controlled by a Director	**2,500**	7,500
Total	**$5,000**	$ 11,667

14. CAPITAL MANAGEMENT

The Company's capital currently consists of common shares of $16,999,145. The Company's objective when managing capital is to safeguard the entity's ability to continue as a going concern, meet financial obligations, have sufficient capital to achieve and maintain profitable operations and to provide returns for shareholders and benefits for other stakeholders. As at December 31, 2024, the Company had a working capital deficit of $139,144 (September 30, 2024 – working capital $55,251). Management expects to raise additional capital from the capital markets or from private placements of securities.

15. SEGMENT INFORMATION

The Company operates in one business segment, the exploration of mineral properties. The Company conducts its operations in Canada and the USA. Geographic information is as follows:

December 31, 2024	**Canada ($)**	**USA ($)**	**Total ($)**
Total assets	**4,406,642**	**8,857,587**	**13,264,229**
Loss for the period	**150,567**	**1,663**	**152,230**

September 30, 2024	Canada ($)	USA ($)	Total ($)
Total assets	4,531,535	8,302,379	12,883,914
Loss (income) for the year	876,913	9,196	886,109

16. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company is exposed through its operations to the following financial risks:

- Market Risk
- Credit Risk
- Liquidity Risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies, and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

General Objectives, Policies, and Processes

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies and, while retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's finance function.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. Further details regarding these policies are set out below.

Fair value of financial instruments

Financial instruments measured at fair value are classified into one of 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 that are accessible at the measurement date for identical, unrestricted assets or liabilities.

• Level 2 – Quoted prices in markets that are not active, or inputs that are not observable, either directly or indirectly, for substantially the full term of the asset or liability.

• Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

The Company's cash and cash equivalents are recorded as a level 1 financial asset. The fair value of the Company's financial instruments carried at amortized cost approximates their carrying value due to their short term to maturity. The fair value of cash is based on level 1 inputs of the fair value hierarchy.

Risk Management

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices are comprised of four types of risk: foreign currency risk, interest rate risk, commodity price risk and equity price risk.

16. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Foreign Currency Risk

Foreign currency risk is the risk that a variation in exchange rates between the Canadian dollar and United States dollar or other foreign currencies will affect the Company's operations and financial results. The Company is exposed to currency risk to the extent that monetary assets and liabilities held by the Company are not denominated in Canadian dollars. The Company has not entered any foreign currency contracts to mitigate this risk.

The Company is exposed to currency risk through the following monetary assets and liabilities denominated in foreign currencies:

		December 31, 2024	September 30, 2024
Cash and cash equivalents	USD$	31,402	40,276
Prepaid expense and deposit	USD$	3,483	18,633
Reclamation bond	USD$	63,144	63,144
Accounts payable and accrued liabilities	USD$	120,625	117,779

Based on the above net exposures and if all other variables remain constant, a 10% change in the value of the foreign currency against the Canadian dollar would result in an increase or decrease of $31,462 (September 30, 2024 – $24,000) in loss and comprehensive loss.

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments which are potentially subject to credit risk for the Company consist of cash and cash equivalents. Most of the Company's cash and cash equivalents are maintained with a federally regulated financial institution with reputable credit and may be redeemed upon demand. The Company considers this risk to be minimal as of December 31, 2024.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The key to success in managing liquidity is the degree of certainty in the cash flow projections. If future cash flows are uncertain, the liquidity risk increases.

The Company's objective is to ensure that it has sufficient cash on demand to meet expected operational expenses. To achieve this objective, the Company will prepare annual capital expenditure budgets which will be regularly monitored and updated as necessary. The Company monitors its risk of shortage of funds by monitoring the maturity dates of existing trade and other accounts payable.

17. SUPPLEMENTAL CASH FLOW INFORMATION

The Company incurred the following non-cash financing and operating transactions during the period ended December 31, 2024 and 2023.

	December 31, 2024	December 31, 2023
Shares issued for exploration and evaluations assets	$ -	$ -
Fair value of finders' warrants	-	2,611

(Expressed in Canadian dollars)

18. BREAKDOWN OF OPERATING EXPENSES

	Notes	Three Months ended	
		December 31, 2024	December 31, 2023
Business development			
Conference and seminars		**$ -**	$ 1,915
Corporate development		**890**	6,506
Investor relations		**5,000**	8,155
Website and marketing		**-**	7,350
Total		**$ 5,890**	$ 23,926
General and administrative			
Depreciation	4	**$ 10,697**	$ 22,405
Insurance	6, 7	**2,420**	3,163
Interest expense		**6,079**	7,354
Property investigation	6	**1,657**	25,218
Regulatory and filing fees		**11,417**	18,544
Rent		**10,501**	13,043
Selling, office and general	6	**17,718**	22,235
Travel		**-**	9,707
Total		**$ 60,489**	$ 121,669
Professional fees			
Accounting and audit fees	13	**$ 18,254**	$ 29,791
Director fees	13	**5,000**	11,667
Legal fees		**109**	8,919
Management fees	13	**65,500**	76,500
Total		**$ 88,863**	$ 126,877

19. COMMITMENTS

The Company has certain commitments related to key management compensation for $20,500 (September 30, 2024 – $24,166) per month with no specific expiry of terms (Note 13).

The Company has certain commitments in connection with its mineral properties (Note 8).

The Company is bound by management agreement with the CEO according to which, in the event of termination of the agreement, the Company will be liable for the remaining balance of fees and a lump sum equal to seven months on his standing management fees including GST, totaling $110,250 (2024 – $110,250).

On December 1, 2022, the Company entered into a 5-year lease agreement for its office premises with annual fees of $54,567 beginning in December 2022, with a 1.8% increase each year during the 5-year term (Note 6).