rain

RAIN CITY RESOURCES INC.

MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED DECEMBER 31, 2024

The Management Discussion and Analysis ("MD&A"), prepared March 3, 2025 should be read in conjunction with the should be read in conjunction with the condensed interim financial statements and notes thereto for the period ended December 31, 2024 of Rain City Resources Inc. ("RAIN") which were prepared in accordance with International Financial Reporting Standards ("IFRS").

This management discussion and analysis may contain forward-looking statements in respect of various matters including upcoming events. The results or events predicted in these forward-looking statements may differ materially from the actual results or events. The Company disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

DESCRIPTION OF BUSINESS AND OVERVIEW

Rain City Resources Inc. (the "Company" or "RAIN") was incorporated on June 23, 2015, under the laws of British Columbia. The address of the Company's corporate office and its principal place of business is Suite 142-757 West Hastings Street, Vancouver, British Columbia, Canada.

The Company's principal business activities include commercial development of its proprietary Advanced Chemical and Cavitation Extraction technology, "ACCELi", a direct lithium extraction technology. With the recent acquisition of an interest in an integrated lithium technology and project development company, Avonlea Lithium Corporation, RAIN is committed to working to solve the environmental, social, and economic issues associated with extracting lithium from brine. The ACCELi process recovers lithium from brine through a process known as cavitation, creating chemical reactions that target lithium ions, bringing them out of solution into a high purity, powdered product. This proprietary process has been successfully and commercially deployed by Avonlea in the water purification sector, treating over 20m barrels of fluid over a four-year period. Products generated through the ACCELi process include magnesium hydroxide, calcium carbonate and lithium phosphate, which can be easily converted to lithium carbonate. All products are highly marketable and treated brine is cycled back into the reservoir.

RAIN also remains committed to the exploration of its existing mineral property assets. The Company has fulfilled all cash and share issuance commitments associated with the Bro Property and expects to review an exploration program when economically viable. The Company's shares are listed on the Canadian Securities Exchange under the symbol "RAIN.CN".

The Company is no longer pursuing the exploration and development of the impaired Northern Champion Project and entered into a termination agreement with respect to the option on this property during the quarter ended December 31, 2024.

The Company is also party to a Joint-Venture Agreement with Lithium Argentina Investments ("Lithium Argentina"), a private company based in Argentina with lithium-focused exploration licenses in Argentina. Rain will be a 50% owner of the Joint Venture Company. In accordance with the terms of the Agreement, Lithium Argentina will provide access to its exploration licenses representing a portfolio totaling 150,000 hectares. The Company will provide mining exploration and development expertise and the use of its proprietary "ACCELi" direct lithium extraction technology. The Company initially agrees to fund

DESCRIPTION OF BUSINESS AND OVERVIEW (continued)

exploration and development expenditure with the intention of moving towards the building of a modular “ACCELi” pilot plant for lithium carbonate production.

On October 7, 2024, the Company closed the second tranche of a non-brokered private placement for gross proceeds of $105,825 and issuing 1,411,000 common shares at a price of $0.075 per share. The Company issued an additional 37,500 common shares and 37,500 two-year broker warrants exercisable at $0.15 per share as a finder’s fee. All shares issued are subject to a four month hold period expiring February 8, 2025.

On October 7, 2024, the Company granted 1,400,000 options to directors, officers and consultants of the Company. Each option entitles the holder to purchase one common share of the Company at an exercise price of $0.08 for a period of 3 years from the date of the grant. The options vest 25% on grant date and 25% every six months thereafter until October 7, 2027.

On October 7, 2024, the Company declared a sign-on bonus of $225,000 to a director and CEO of the Company. The director and CEO of the Company has used these proceeds to participate in the Company’s financing by purchasing 3,000,000 shares at $0.075 per share.

On October 15, 2024, pursuant to the amended terms of an option agreement to acquire up to 100% ownership in Avonlea Lithium Corporation (“Avonlea”), originally dated June 12, 2024 (as amended by an initial addendum dated August 11, a second dated August 30, 20224 and a third dated September 30, 2024), the Company issued 3,000,000 shares of the Company thus satisfying in full Payment 1 and immediately earning 7.5% of Avonlea. The shares issued will be subject to a four-month hold period expiring February 17, 2025.

On October 18, 2024, the Company terminated the Northern Champion Property option agreement originally entered into on October 25, 2016 with Rich River Exploration Ltd. As consideration for the notice of termination, the Company transferred 200,000 common shares of Mineral Road Discovery Inc., issued 200,000 common shares of the Company’s common stock, and paid an outstanding payable of $7,000. Shares issued to Rich River Exploration Ltd. are subject to a four-month hold period expiring February 19, 2025.

On October 18, 2024, the Company closed the final tranche of a non-brokered private placement for gross proceeds of $361,842 and issued 4,824,566 common shares at a price of $0.075 per share. The Company issued an additional 37,500 common shares and 37,500 two-year broker warrants exercisable at $0.15 per share as a finder’s fee. All shares issued are subject to a four month hold period expiring February 19, 2024. Certain directors and officers participated in this private placement.

On October 23, 2024, the Company entered into a Memorandum of Understanding with the Advanced Mining Technology Centre of the University of Chile (“AMTC”). The objective of this partnership is to position the ACCELi technology of the Company to advance environmentally responsible extraction of lithium in Chile.

DESCRIPTION OF BUSINESS AND OVERVIEW (continued)

On November 25, 2024, the Company incorporated a new subsidiary in Argentina, Rain City Resources Argentina S.A. This decision was made to facilitate operations in the region pursuant to its agreement with Lithium Argentina. Presently the subsidiary has no operations.

On November 6, 2024, Mr. Christopher Reynolds resigned from the Company's Board of Directors.

On December 15, 2024 Ms. Jacqueline Danforth was appointed the Company's Corporate Secretary.

On January 6, 2025, Mr. Bryce Clark resigned as the Company's Chief Financial Officer, enabling the Company to transition financial accounting support services to a Calgary-based firm in closer proximity to

key management team members. On January 10, 2025, the Company appointed Ms. Jacqueline Danforth as the Company's Chief Financial Officer.

On January 29, 2025, the Company announced that, pursuant to its option agreement to acquire a 100% interest in Avonlea, it had commissioned the containerized pilot plant designed to utilize Avonlea's proprietary technology known as "ACCELi" which has been developed for use in the direct lithium extraction ("DLE") industry. The pilot plant is designed for a pre-commercial trial with a flow-rate capacity of 150 barrels-per-day. Following a successful wet test completed in Calgary, the plant is fully prepared for shipping in three 40-foot containers and will require a three-day set-up with a five-person crew.

On February 12, 2025, an agreement was entered into between Avonlea and Kendra II ("Kendra"), a produced brine logistics company based in Susquehanna County, Pennsylvania (the "Agreement"). The Agreement provides Avonlea the opportunity to demonstrate its proprietary DLE technology in the field following a series of successful bench tests at their base in Calgary. The plant will be located at Kendra's Springville brine transfer site and represents a pre-commercial trial of the ACCELi lithium extraction technology. It is expected that the plant will be in operation in Pennsylvania by late March/early April 2025 and that it will be processing brine drawn from the Marcellus Shale formation. It is envisaged that Avonlea will run the pilot test for 21 days running approximately 20,000 liters of brine per day based on a 12-hour day. As part of the Agreement, Kendra has a first right of refusal to serve as the exclusive service provider for all lithium projects using the ACCELi technology within Pennsylvania for a term of three (3) years.

On February 24, 2025 the Company announced a non-brokered private placement financing of up to 6,666,667 shares of the Company at a price of $0.075 per share for aggregate gross proceeds of up to $500,000. The Company may pay a finder's fee of up to 7% in cash or common stock equivalent. All shares issued will be subject to a four-month hold period. The proceeds of the financing will be used to fund anticipated operational expenses at our pilot plant in Pennsylvania, as well as general working capital purposes. Additionally, proceeds will be allocated to third-party analysis and reporting to be commissioned by the Company stemming from the Pilot along with advancing Rain's ongoing project discussions in Chile and Argentina.

MATERIAL ACCOUNTING POLICY INFORMATION

The Company adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) from March 1, 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements. The amendments require the disclosure of "material", rather than "significant", accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand the financial statements.

Statement of Compliance to International Financial Reporting Standards

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Financial Reporting Standards ("IASB").

These financial statements were authorized for issue in accordance with a resolution from the Board of Directors on March 3, 2025.

Basis of presentation

The financial statements have been prepared on an accrual basis except for cash flow information and are based on historical costs modified where applicable. The financial statements are presented in Canadian dollars unless otherwise noted. The policies set out below were consistently applied to all years presented unless otherwise noted.

Significant Judgements

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgements applying to the Company's financial statements include:

- The assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty.

Accounting standards issued but not yet effective

Accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

Cash equivalents

Cash equivalents in the statements of financial position is comprised of short-term deposits with an original maturity of three months or less, which are readily convertible into a known amount of cash.

MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Exploration and evaluation assets

All costs related to the acquisition, exploration and development of mineral properties are capitalized. 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 annually assesses carrying values of non-producing properties and properties for which events and circumstances may indicate possible impairment. Impairment of a property is generally considered to have occurred if the property has been abandoned, there are unfavourable changes in the property economics, there are restrictions on development, or when there has been an undue delay in development.

The recoverability of mineral properties and exploration and development costs is dependent on the existence of economically recoverable reserves, the ability to obtain the necessary financing to complete the development of the reserves, and the profitability of future operations. The Company has not yet determined whether or not any of its future mineral properties contain economically recoverable reserves. Amounts capitalized to mineral properties as exploration and development costs do not necessarily reflect present or future values.

When options are granted on mineral properties or properties are sold, proceeds are credited to the cost of the property. If no future capital expenditure is required and proceeds exceed costs, the excess proceeds are reported as a gain.

Share-based payment

Share-based payments to employees and others providing similar services are measured at the estimated fair value of the instruments issued on the grant date and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of the 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 amount recognized as an expense is adjusted to reflect the number of awards expected to vest. The offset to the recorded cost is to equity settled share-based payments reserve.

Consideration received on the exercise of stock options is recorded as share capital and the related equity settled share-based payments reserve is transferred to share capital. Charges for options that are forfeited before vesting are reversed from equity settled share-based payment reserve.

The fair value of warrants issued to agents in connection with private placements ("Agent Warrants") is recognized on the date of issue as a share issue cost. The Company uses the Black Scholes option pricing model to estimate the fair value of Agent Warrants issued.

MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Flow-through shares

The resource expenditure deductions for income tax purposes related to exploration and development activities funded by flow-through share arrangements are renounced to investors in accordance with Canadian tax legislation. On issuance, the premium recorded on the flow-through share, being the difference in price over a common share with no tax attributes, is recognized as a liability. As expenditures are incurred, the liability associated with the renounced tax deductions is recognized through profit and loss with a pro-rata portion of the deferred premium.

To the extent that the Company has deferred tax assets in the form of tax loss carry-forwards and other unused tax credits as at the reporting date, the Company may use them to reduce its deferred tax liability relating to tax benefits transferred through flow-through shares.

Decommissioning, restoration and similar liabilities

An obligation to incur restoration, rehabilitation and environmental costs arises when the environmental disturbance is caused by the exploration or development of a mineral property interest. Such costs arising from the decommissioning of the plant and other site preparation work discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, along with a corresponding liability as soon as the obligation to incur such costs arises. The timing of the actual rehabilitation expenditure is dependent on a number of factors such as the life and nature of the asset, the operating license conditions and, when applicable, the environment in which the mine operates.

Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the units-of-production or the straight-line method.

Decommissioning costs are also adjusted for changes in estimates. Those adjustments are accounted for as a change in the corresponding capitalized cost, except where a reduction in costs is greater than the unamortized capitalized cost of the related assets, in which case the capitalized cost is reduced to nil and the remaining adjustment is recognized in profit or loss.

The operations of the Company have been, and may in the future be, affected from time to time in varying degrees by changes in environmental regulations, including those for site restoration costs. Both the likelihood of new regulations and their overall effect upon the Company is not predictable. The Company has no material restoration, rehabilitation and environmental obligations as the disturbance to date is immaterial.

MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

Share issuance costs

Professional, consulting, regulatory and other costs directly attributable to financing transactions are recorded as deferred financing costs until the financing transactions are completed if the completion of the transaction is considered likely; otherwise, they are expensed as incurred. Share issue costs are charged to share capital when the related shares are issued. Deferred financing costs related to financing transactions that are not completed are expensed.

Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share purchase options are recognized as a deduction from equity, net of any tax effects.

The proceeds from the issuance of units are allocated between common shares and warrants based on the residual value method. Under this method, the proceeds are allocated first to the capital stock based on the fair value of the common shares at the time the units are priced and any residual value is allocated to the warrants reserve. Consideration received for the exercise of warrants is recorded in capital stock and the related residual value is transferred from warrant reserve to capital stock.

Income taxes

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and includes any adjustments to tax payable or receivable in respect of previous years.

Deferred income taxes are recorded using the liability method whereby deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the statement of financial position date. Deferred tax is not recognized for temporary differences which arise on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

MATERIAL ACCOUNTING POLICY INFORMATION (continued)

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Financial instruments

Financial Assets

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The following table shows the classification of financial instruments under IFRS 9:

Financial assets/liabilities	Classification
Cash	FVTPL
Accounts payable	Amortized cost

Measurement

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of net (loss) income. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of net (loss) income in the period in which they arise

MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and/or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. Gains and losses on derecognition are recognized in profit or loss.

Foreign currency transactions

The functional currency of the Company is the Canadian dollar. The financial statements are presented in Canadian dollars which is the Company's presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transaction or valuation where items are re measured. Foreign exchange gains or losses resulting from the settlement of such transactions and from translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss.

INVESTMENTS

Avonlea Lithium Corporation

Pursuant to an option agreement dated June 12, 2024, the Company has been given the right to acquire up to a 100% interest in Avonlea Lithium Corporation ("Avonlea"). Avonlea is a Canadian company based in Calgary, Alberta, that has developed a new, proprietary and innovative approach to direct lithium extraction called "Advanced Chemical & Cavitation Extraction of Lithium" ("ACCELi").

INVESTMENTS (continued)

The earn-in payment terms of this agreement ("Option 1") are as follows:

- The Company is to invest USD$800,000 to earn a 7.5% interest in Avonlea ("Payment 1") on or before 60 days from the date of the earn-in agreement.
- On or before the earlier of (i) the 12-month anniversary of Payment 1 and (ii) the date 60 days after a successful field pilot test program, the Company will invest an additional USD$1,200,000 to earn an additional 11.25% interest in Avonlea ("Payment 2").
- On or before the 12-month anniversary of Payment 2, the Company will invest an additional USD$6,000,000 to earn an additional 24.5% interest in Avonlea ("Payment 3").
- On or before the 12-month anniversary of Payment 3, the Company will invest an additional USD$2,000,000 to earn an additional 8.25% interest in Avonlea for an aggregate 51.5% interest (Payment 4").
- Each interest earned from the above payments shall be transferred to the Company within 30 days of each respective payment.

Additional rights have been granted to the Company to purchase the remaining 48.5% interest in Avonlea after completing Option 1.

On August 11, 2024, the Company amended the terms on the option agreement of the Avonlea Lithium Corporation dated June 12, 2024, extending Payment 1 from 60 days to 80 days from the Effective Date.

On August 23, 2024, the Company issued a partial payment of USD$600,000 to Avonlea Lithium Corporation as per the terms of the earn-in option agreement dated June 12, 2024.

On August 30, 2024, the Company amended the terms of the option agreement of the Avonlea Lithium Corporation dated June 12, 2024, extending Payment 1 from 80 days to 110 days from the Effective Date.

On September 30, 2024, the Company amended the terms on the option agreement of the Avonlea Lithium Corporation dated June 12, 2024 (as amended by an initial addendum dated August 11 and a second dated August 30, 2024), altering the earn-in payment terms of Payment 1. The Company is to invest USD $600,000 along with the issuance of 3,000,000 shares of the Company to earn a 7.5% interest on or before 120 days from the Effective Date.

On October 15, 2024, pursuant to the amended terms, the Company issued 3,000,000 shares of the Company thus satisfying in full Payment 1 and immediately earning 7.5% of Avonlea. The shares issued will be subject to a four-month hold period expiring February 17, 2025.

Avonlea Lithium Corporation

The Company is committed to certain cash payments and pilot facility expenditures in connection with its' acquired 7.5% equity interest in Avonlea. As part of the terms of the agreement, the Company will participate in the funding of a containerized pilot plant for field testing. The Company has agreed to contribute the first US$200,000 to fund any operational expense associated with shipping and mobilization of the pilot plant upon location of a mutually agreeable test site.

Lithium Argentina Investment

On September 5, 2024, the Company entered into a Joint-Venture Agreement with Lithium Argentina Investments ("Lithium Argentina"), a private company based in Argentina with lithium-focused exploration licenses in Argentina. Rain will be a 50% owner of the Joint Venture Company.

EXPLORATION AND EVALUATION ASSETS

	Northern Champion Project	Bro Property	Total
	$	$	$
Acquisition costs			
Balance, December 31, 2023	-	-	-
Acquisition	-	600,000	600,000
Balance, December 31, 2024	-	600,000	600,000
Exploration and evaluation costs			
Balance, December 31, 2023 and 2024	-	-	-
Total acquisition costs and exploration costs			
December 31, 2023	-	-	-
December 31, 2024	-	600,000	600,000

Northern Champion Project

Pursuant to an option agreement (the "Agreement") dated October 25, 2016, the Company was granted an option to acquire a 100% undivided interest in the Northern Champion Project (the "Property") located near Champion Creek, south-west of Tulameen, Princeton area of British Columbia.

In accordance with the Agreement, the Company has the option to acquire a 100% undivided interest in the Property by issuing a total of 700,000 common shares of the Company to the Optionors making cash payments totalling $130,000, and incurring a total of $650,000 in exploration expenditures as follows:

EXPLORATION AND EVALUATION ASSETS (continued)

	Number of Common Shares	Cash	Exploration Expenditures
		$	$
Upon execution of the Agreement (paid and incurred)	-	5,000	75,000**
Upon listing of the Company's common shares on a Canadian Stock Exchange on April 25, 2019 (issued, paid and incurred)	100,000	5,000	-
On or before the first anniversary of the listing on April 25, 2019 (issued and paid)	100,000	10,000	75,000
On or before the second anniversary of the listing on April 25, 2019 (issued and paid)	100,000	20,000	100,000
On or before the third anniversary of the listing on April 25, 2019	200,000*	40,000	200,000
On or before the fourth anniversary of the listing on April 25, 2019	200,000	50,000	200,000
Total	700,000	130,000	650,000

** the $75,000 is for the first year from the execution date.
*100,000 shares issued on May 24, 2022; 100,000 shares remain outstanding

The Optionors will retain a 3% Net Smelter Returns royalty on the Property. The Company has the right to purchase the first 1% of the royalty for $750,000 and the remaining 2% for $1,000,000 at any time prior to the commencement of commercial production. The NSR royalty is payable to 1300214 BC Ltd as to 100% and the royalty can be bought out at a rate of CAD$2,000,000 per 1% at any time.

On January 26, 2021, the Company had paid the $10,000 in cash and issued 100,000 common shares that were due on or before the first anniversary of the listing on April 25, 2019.

On May 21, 2021, the Company had issued 100,000 common shares that were due on or before the second anniversary of the listing on April 25, 2019.

On May 26, 2021, the Company had paid the $20,000 in cash that was due on or before the second anniversary of the listing on April 25, 2019.

On September 21, 2021, the Company received a letter indicating the work commitments were extended until Jan 25, 2022.

As at September 30, 2021, the Company had incurred some exploration expenditures that were due on or before the second anniversary of the listing on April 25, 2019, but not the entire $100,000.

EXPLORATION AND EVALUATION ASSETS (continued)

On May 18, 2022, the company received a further extension to the option agreement, dated October 25, 2016, until September 30, 2022.

On May 24, 2022, the Company issued 100,000 of the 200,000 common shares that were due on or before the second anniversary of the listing on April 25, 2019. As at December 31, 2022, in accordance with the option agreement, the Company has an outstanding amount of 100,000 common shares due and payable to the optionors.

On September 30, 2022, the Northern Champion Project was considered impaired and $228,680 in acquisition and exploration costs were written off. The Company is no longer pursuing the exploration and development of the impaired Northern Champion Project property.

On October 18, 2024, the Company terminated the Northern Champion Property option agreement. As consideration for the notice of termination, the Company agreed to consideration as follows: (i) transfer of 200,000 common shares of Mineral Road Discovery Inc. to Rich River, (ii) issuance of 200,000 common shares of the Company's common stock, and payment of an outstanding payable in the amount of $7,000. Shares issued to Rich River Exploration Ltd. in respect of the termination of the option are subject to a four-month hold period expiring February 19, 2025.

Bro Property

Pursuant to an agreement dated April 21, 2021, the Company acquired an option to purchase a 100% interest in four mineral claims located in Yukon, collectively known as the Bro Property for an aggregate consideration of CAD $3,000,000. The Optionors will retain a 3% Net Smelter Returns royalty on the Property.

Payments in cash or stock to comprise a total of CAD$2,500,000 as to the following:

- $500,000 payable within 30 days of signing (paid)
- $1,000,000 payable on the second anniversary of the purchase agreement (paid)
- $1,000,000 payable on the third anniversary of the purchase agreement (paid)

Payments in cash to comprise a total of CAD$500,000 as to the following:

- $500,000 payable within 30 days of signing (paid)

On April 26, 2021, the Company paid $500,000 in cash that was due within 30 days of the signing of the agreement.

During the year ended September 30, 2021, the Company received $19,310 in respect of the BC Mining tax credit.

On May 24, 2022, the Company issued 10,000,000 common shares that were due on or before the first anniversary of the property purchase and sale agreement on April 21, 2021.

EXPLORATION AND EVALUATION ASSETS (continued)

On September 30, 2022, the Bro Property was considered impaired and $980,690 in acquisition and exploration costs were written off.

On February 5, 2024, the vendor of the Bro Property assigned their associated rights, title, interest and debt to 1459988 BC Ltd., a company controlled by Emma Fairhurst who exerts significant control through share ownership. The Company is indebted to 1459988 BC Ltd. for the amount of $1,000,000 payable in shares of the Company as at April 21, 2023 and $1,000,000 payable in shares of the Company as at April 21, 2024, as per the Bro Property agreement dated April 21, 2021 and Extension Agreement dated September 13, 2022.

On February 5, 2024, the Company issued 10,000,000 common shares that were due on or before the second anniversary as per the property purchase and sale agreement dated April 21, 2021 to 1459988 BC Ltd., a company controlled by Emma Fairhurst who exerts significant control through share ownership. The common shares were issued with a fair value of $1,000,000.

On April 24, 2024, the Company issued the final anniversary payment under the Bro Property Purchase Agreement issuing 10,000,000 common shares at a price of $0.10 per shares to 1459988 BC Ltd. a company controlled by Emma Fairhurst who exerts significant control through share ownership for a fair value of $1,000,000.

Pursuant to the Bro Property Purchase Agreement dated April 21, 2021 and the Extension Agreement dated September 13, 2022, all commitments have been completed as of April 24, 2024.

LOAN PAYABLE

On January 25, 2023, the Company entered into a loan agreement to borrow $8,000 from Crest Resources Inc. The principal amount of the loan is unsecure, bears no interest, and has no set terms for repayment.

On November 27, 2023, the Company entered into a loan agreement to borrow $10,000 from Crest Resources Inc. This loan is due on or before May 27, 2024, at an interest rate of 7% per annum.

On April 24, 2024, the Company settled its loan indebtedness with Crest Resources Inc. by paying $4,000 and issuing 284,820 shares at a price of $0.05 per common share for a total loan balance owing of $14,241 (2023 - $8,000) which includes interest.

MARKETABLE SECURITIES

The Company holds common shares and warrants in various public companies. The common shares are classified as FVTPL and are recorded at fair value using the quoted market price as at December 31, 2024 and are therefore classified as Level 1 within the fair value hierarchy. Continuity for the periods ended December 31, 2024 and 2023 is as follows:

MARKETABLE SECURITIES (continued)

	Balance September 30, 2024	Additions	Proceeds of Disposition	Realized gain (loss) on disposals	Balance December 31, 2024	Unrealized gain (loss) on changes in fair value	FMV Balance December 31, 2024
Common shares -Level 1	$	$	$	$	$	$	$
Mineral Road Discovery Inc. (formerly Crest Resources Inc)	23,356	-	-	(14,000)[(a)]	9,356	(668)	8,688
Golcap Resources Corp	331,500	-	-	-	331,500	(178,500)	153,000
Total	354,856	-	-	-	354,856	(179,168)	161,688

	Balance September 30, 2023	Additions	Proceeds of Disposition	Realized gain (loss) on disposals	Balance December 31, 2023	Unrealized gain (loss) on changes in fair value	FMV Balance December 31, 2023
Common shares – Level 1	$	$	$	$	$	$	$
Mineral Road Discovery Inc. (formerly Crest Resources Inc)	25,025	-	-	-	25,025	(13,347)	11,678
Generation Uranium Inc (formerly Generation Gold Corp)	49,000	-	-	-	49,000	31,500	80,500
Origen Resources Inc	2,500	-	-	-	2,500	(250)	2,250
Total	76,525	-	-	-	76,525	17,903	94,428

(a) On October 18, 2024, the Company terminated the Northern Champion Property option agreement originally entered into on October 25, 2016 with Rich River Exploration Ltd. ("Rich River"). As consideration for the notice of termination, the Company agreed to consideration as follows: (i) transfer of 200,000 common shares of Mineral Road Discovery Inc. to Rich River,(ii) issuance of 200,000 common shares of the Company's common stock, and payment of an outstanding payable in the amount of $7,000.

OVERALL PERFORMANCE AND RESULTS OF OPERATIONS

Selected Annual Information
($000's except loss per share)

	September 30, 2024	September 30, 2023	September 30, 2022
Revenue	$ 0	$ 0	$ 0
Net Loss	$ (665)	$ (206)	$ (1,816)
Basic and Diluted Loss Per Share	$ (0.02)	$ (0.01)	$ (0.09)
Total Assets	$ 386	$ 107	$ 231
Long-Term Debt	$ 0	$ 0	$ 0
Dividends	$ 0	$ 0	$ 0

The year ended September 30, 2024

For the year ended September 30, 2024 the Company reported a net loss of $665,700 compared to a net loss of $206,367 in the prior year. Contributors to the net loss include:

- The issuance of stock-based compensation of $195,776 (2023 - $Nil) was issued as follows - $48,944 to David Shaw, director and chairperson of the Company, $48,944 to Benjamin Hill, director and CEO of the Company, $36,708 to Ian Hutcheon, director of the Company, $19,578 to Christopher Reynolds, former director and former CEO of the Company, $12,236 to Jason Cubitt, Head of Corporate Development of the Company, $29,367 to Emma Fairhurst an individual that exerts significant control through share ownership, and
- Transfer agent and regulatory filing fees pertaining to the Company's public listing on the Canadian Stock Exchange of $29,128 (2023 - $4,933).

Expenses for the year ended September 30, 2024 include:

- Accounting fees paid of $86,235 (2023 - $70,183) were made up of $54,687 paid to Bryce A. Clark & Associates Ltd., a company controlled by Bryce A. Clark, the Chief Financial Officer of the Company for CFO and accounting services, and audit related fees of $31,548,
- $7,513 (2023 - $Nil) in advertising and promotional costs,
- Bank charges of $2,605 (2023 - $4,036),
- $2,716 (2023 - $Nil) in conference fees,
- $144,259 (2023 - $Nil) in consulting fees were paid as follows - $79,000 (2023 - $Nil) to 1459992 BC Ltd., a company controlled by Emma Fairhurst, an individual that exerts significant control through share ownership, $3,000 (2023 - $Nil) to Belle Morgan Ltd., a company controlled by Arielle Morgan, the former corporate secretary of the Company, and $62,259 to out-sourced consultants,
- Legal fees of $27,934 (2023 - $Nil),

OVERALL PERFORMANCE AND RESULTS OF OPERATIONS (continued)

- $288,751 (2023 - $Nil) in management fees were paid as follows - $225,000 (2023 - $Nil) to David Shaw, Chairman of the Board of the Company, $31,251 (2023 - $Nil) paid to Benjamin Hill, Chief Executive Officer of the Company, $15,000 (2023 - $Nil) paid to 0744350 BC Ltd., a company controlled by Jason Cubitt, Head of Corporate Development of the Company and $17,500 (2023 - $Nil) paid to 1216266 BC Ltd., a company controlled by Christopher Reynolds, former director and Chief Executive Officer of the Company, and
- Travel costs of $5,347 (2023 - $Nil).

Other items for the year ended September 30, 2024 include:
- Interest income of $1,708 (2023 - $Nil) derived from goods and services tax receivable,
- $32,854 (2023 – ($180,415)) in realized gain (loss) on sales of marketable securities, and
- $90,002 (2023 – $63,200) in unrealized gain on marketable securities.

Summary of Quarterly Results

($000’s except earnings per share)

Period Ended	December 31, 2024	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023
	$	$	$	$	$
Revenue	-	-	-	-	-
Net income (loss)	(721)	(665)	(456)	(11)	(26)
Basic and diluted Income (Loss) per share	(0.01)	(0.02)	(0.01)	(0.00)	(0.00)

Period Ended	September 30 2023	June 30, 2023	March 31, 2023	December 31, 2022	September 30, 2022
	$	$	$	$	$
Revenue	-	-	-	-	-
Net income (loss)	(47)	(37)	(106)	(16)	(1,255)
Basic and diluted Income (Loss) per share	(0.00)	(0.00)	(0.01)	(0.00)	(0.13)

The three months ended December 31, 2024

For the three months ended December 31, 2024 the Company reported a net loss of $720,924 compared to a net loss of $25,565 in the prior three months ended December 31, 2023. Contributors to the net loss include:

- The issuance of stock-based compensation of $128,423 (2023 - $Nil) was issued as follows - $21,564 to David Shaw, director and chairperson of the Company, $21,564 to Benjamin Hill, director and CEO of the Company, $16,173 to Ian Hutcheon, director of the Company, $6,727 to Bernadette D’Silva, director of the Company, $6,727 to Murray Tevlin, director of the Company $6,282 to Christopher Reynolds, former director and former CEO of the Company, $5,391 to Jason Cubitt, Head of Corporate Development of the Company, $6,469 to Emma Fairhurst an individual that exerts significant control

Summary of Quarterly Results (continued)

through share ownership, $3,363, respectively, to each of Ronald Lincz, Doug Brett and Sebastian Quinones, Each being a member of the Company's advisory board, and
- Transfer agent and regulatory filing fees pertaining to the Company's public listing on the Canadian Stock Exchange of $2,753 (2023 - $13,778).

Expenses for the three months ended December 31, 2024 include:
- Accounting fees paid of $20,179 (2023 - $27,030) were made up of $14,692 paid to Bryce A. Clark & Associates Ltd., a company controlled by Bryce A. Clark, the former Chief Financial Officer of the Company for CFO and accounting services and $6,500 in accruals for accounting services from The Accounting Connection, a company controlled by the current CFO, Jacqueline Danforth, offset by a reduction of previously accrued audit related fees of $(1,013),
- $Nil (2023 - $1,574) in advertising and promotional costs,
- $47,926 (2023 - $Nil) in consulting fees were paid as follows - $10,000 (2023 - $Nil) to 1459992 BC Ltd., a company controlled by Emma Fairhurst, an individual that exerts significant control through share ownership, $24,426 (2023 - $Nil) to Sebastian Quinones, a member of our Advisory Board, and $13,500 (2023 - $Nil) to out-sourced consultants,
- Legal fees of $4,222 (2023 - $Nil),
- General and administrative costs of $703 (2023 - $1,086)
- $291,251 (2023 - $Nil) in management fees were paid as follows - $256,251 (2023 - $Nil) to Benjamin Hill, Chief Executive Officer of the Company, of which $225,000 was a signing bonus, $20,000 (2023 - $Nil) paid to 0744350 BC Ltd., a company controlled by Jason Cubitt, Head of Corporate Development of the Company and $15,000 (2023 - $Nil) paid to The Accounting Connection for the services of Ms. Jacqueline Danforth as Corporate Secretary, and

Other items for the three months ended December 31, 2024 include:
- $17,000 (2023 - $Nil) as a loss on termination of a mineral option agreement
- $14,000 (2023 – $Nil) in realized gain (loss) on sales of marketable securities, and
- $179,168 in unrealized losses on marketable securities as compared to an unrealized gain of $17,903 in 2023.

LIQUIDITY AND CAPITAL RESOURCES

The Company's financial statements have been prepared on a going concern basis, which contemplates that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. The Company's ability to continue as a going concern is dependent on the ability of the Company to raise equity financing and attainment of profitable operations. Management has been successful in raising equity financing in the past. However, there is no assurance that it will be able to do so in the future.

Factors that could impact on the Company's liquidity are monitored regularly and include market changes and economic downturns that affect the market price of the Company's trading securities for the purpose of raising financing. The current state of equity markets presents a challenge to raise financing and Management believes that this condition will continue over the next twelve months.

LIQUIDITY AND CAPITAL RESOURCES (continued)

The Company's cash at December 31, 2024 was $56,323 compared to $23,879 at September 30, 2024. The Company had working capital of $96,684 at September 30, 2024 compared toa working capital deficit of $60,725 at December 31, 2024. Based on the above financial condition at December 31, 2024, Management believes that the Company does not have the financial resources to meet its financial obligations as they become payable in the current fiscal period.

During the three months ended December 31, 2024, the Company reported a total net loss of $720,924 (2023 - $25,565) due primarily to management and consulting costs and share-based compensation, as well as unrealized losses on marketing securities. During the three months ended December 31, 2024 Company used net cash of $385,648 (December 31, 2023 - $47,320) on operating activities, cash used of $Nil (September 30, 2023 - $(Nil)) in investing activities, and cash provided of $418,092 (2023 - $46,985) from the Company's financing activities.

On October 7, 2024, the Company closed the second tranche of a non-brokered private placement for gross proceeds of $105,825 and issuing 1,411,000 common shares at a price of $0.075 per share. The Company issued an additional 37,500 common shares and 37,500 two-year broker warrants exercisable at $0.15 per share as a finder's fee. All shares issued are subject to a four month hold period expiring February 8, 2025.

On October 18, 2024, the Company closed the final tranche of a non-brokered private placement for gross proceeds of $361,842 and issued 4,824,566 common shares at a price of $0.075 per share. The Company issued an additional 37,500 common shares and 37,500 two-year broker warrants exercisable at $0.15 per share as a finder's fee. All shares issued are subject to a four month hold period expiring February 19, 2024. Certain directors and officers participated in this private placement.

On February 24, 2025 the Company announced a non-brokered private placement financing of up to 6,666,667 shares of the Company at a price of $0.075 per share for aggregate gross proceeds of up to $500,000. The Company may pay a finder's fee of up to 7% in cash or common stock equivalent. All shares issued will be subject to a four month hold period. The proceeds of the financing will be used to fund anticipated operational expenses at our pilot plant in Pennsylvania, as well as general working capital purposes. Additionally, proceeds will be allocated to third-party analysis and reporting to be commissioned by the Company stemming from the Pilot along with advancing Rain's ongoing project discussions in Chile and Argentina.

As at the Report Date, the Company has $21,340.42 in cash.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet arrangements.

SHARE CAPITAL

Escrow Shares

The Company has no shares held in escrow at December 31, 2024.

SHARE CAPITAL (continued)

Issued

The company has 76,429,041 (September 30, 2024 – 66,955,975) common shares issued and outstanding as of December 31, 2024 and 76,429,041 issued and outstanding as at the report date.

For the three months ended December 31, 2024, the company had the following share capital transactions:

(i) On October 7, 2024, the Company closed the second tranche of a non-brokered private placement for total proceeds of $105,825 and issuing 1,411,000 common shares at a price of $0.075 per share. The Company issued 41,250 common shares and 41,250 two-year broker warrants exercisable at $0.15 per share as a finder's fee. All shares issued are subject to a four month hold period expiring February 8, 2025. Certain directors and officers participated in this private placement.

(ii) On October 7, 2024, the Company issued 3,000,000 shares of the Company's common stock pursuant to the amended terms on the option agreement with Avonlea Lithium Corporation dated June 12, 2024 (as amended by an initial addendum dated August 11, a second dated August 30, 2024 and a third dated September 30, 2024). All shares issued are subject to a four month hold period expiring February 8, 2025.

(iii) On October 18, 2024, the Company closed the final tranche of a non-brokered private placement for total proceeds of $361,842 and issuing 4,824,566 common shares at a price of $0.075 per share. All shares issued are subject to a four month hold period expiring February 19, 2025. Certain directors and officers participated in this private placement.

(iv) On October 18, 2024, the Company issued 200,000 common shares of the Company's common stock to Rich River Exploration Ltd. with respect to the termination of the Northern Champion Property option agreement. The shares are subject to a four-month hold period expiring February 19, 2025.

For the three months ended December 31, 2024 the Company had no share capital transactions.

Warrants:

(i) On May 6, 2022, the Company consolidated all its issued and outstanding warrants on a three (3) for one (1) basis pursuant to the policies of the Canadian Securities Exchange. The consolidation resulted in the number of warrants to purchase 15,050,000 shares reserved for issuance, equal to 5,016,667 shares on a post Consolidation basis.

(ii) On August 22, 2024, the Company closed the first tranche of its non-brokered private placement and issued 41,250 two-year broker warrants exercisable at $0.15 per share as a finder's fee from the first tranche.

(iii) On October 7, 2024, the Company closed the second tranche of its non-brokered private placement and issued 37,500 two-year broker warrants exercisable at $0.15 per share as a finder's fee from the second tranche.

SHARE CAPITAL (continued)

Warrants:

	Number of warrants		Exercise price	Expiry date
Balance, September 30, 2023	5,016,667	$	0.23	May 6, 2027
Issuance	41,250		0.15	Aug 24, 2026
Expired	-		-	
Balance, September 30, 2024	5,057,917	$	0.22	
Issuance	37,500		0.15	October 8, 2026
Expired	-		-	
Balance, December 31, 2024	5,095,417	$	0.22	

The fair value of the finder warrants issued on October 7, 2024 and August 22, 2024 was $2,675 and $3,488, respectively, and was estimated using the Black-Scholes Option Pricing Model with the following assumptions:

Granted Date	August 22, 2024	October 7, 2024
Share price	$ 0.15	$ 0.15
Risk free interest rate	3.71%	3.28%
Expected life	2 years	2 years
Dividend rate	0%	0%
Expected volatility	279%	246%

The fair value per agent's warrant issued on October 7, 2024 is $0.07. The fair value per agent's warrant issued on August 22, 2024 is $0.08.

There were no warrants issued during the three months ended December 31, 2023.

Stock Options:

The Company has a Stock Option Plan (the "Plan") for directors, officers, employees and consultants of the Company. Options are exercisable for periods of up to ten years, as determined by the Board of Directors of the Company, to purchase common shares of the Company at a price not less than the discounted market price on the date of the grant. The maximum number of shares which may be issuable under the Plan cannot exceed 10% of the total number of issued and outstanding common shares on a non-diluted basis.

SHARE CAPITAL (continued)

Stock Options:

On June 13, 2024, the Company granted 4,000,000 options to directors, officers and consultants of the Company. Each option entitles the holder to purchase one common share of the Company at an exercise price of $0.075 for a period of 3 years from the date of the grant. The options vest 25% on grant date and 25% every six months thereafter until June 13, 2027.

On October 7, 2024, the Company granted 1,400,000 options to directors, officers and consultants of the Company. Each option entitles the holder to purchase one common share of the Company at an exercise price of $0.08 for a period of 3 years from the date of the grant. The options vest 25% on grant date and 25% every six months thereafter until October 7, 2027.

The options were fair valued at $0.08 on October 7, 2024 and $0.09 on June 13, 2024, and using the Black-Scholes option pricing model with the following assumptions:

Grant Date	June 13, 2024	October 7, 2024
Share price	$ 0.09	$ 0.08
Risk free interest rate	3.71%	3.21%
Expected life	3 years	3 years
Dividend rate	0%	0%
Expected volatility	271%	274%

During the three months ended December 31, 2024, the Company recognized $128,423 (2023 - $Nil) in share-based payments related to these stock options. A total of

A summary of the Company's stock options at December 31, 2024 and the changes for the period then ended is presented below:

	Number of Share Options	Weighted Average Exercise Price ($)
Balance, September 30, 2023	-	-
Granted	4,000,000	0.075
Unvested	(3,000,000)	0.075
Balance, September 30, 2024 vested	1,000,000	0.075
Granted	1,400,000	0.080
Vested	1,000,000	
Unvested	(1,050,000)	0.080
Forfeit	(250,000)	0.075
Balance, December 31, 2024 vested	2,100,000	0.076

SHARE CAPITAL (continued)

The weighted average remaining contractual life of stock options outstanding at December 31, 2024 was 2.57 years.

TRANSACTIONS WITH RELATED PARTIES

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. 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.

On November 28, 2022, the Company entered into a loan agreement with a company controlled by an individual that exerts significant control through share ownership, to borrow $19,897. This loan is due on or before May 28, 2024, at an interest rate of 5% per annum. As at December 31, 2024, an amount of $Nil (2023 - $10,982) included in loans payable was due to a company controlled by an individual that exerts significant influence through share ownership.

On February 27, 2023, the Company entered into a loan agreement with a company controlled by an individual that exerts significant control through share ownership, to borrow $5,000. This loan is due on or before August 4, 2024 at an interest rate of 5% per annum. As at December 31, 2024, an amount of $Nil (2023 - $5,210) included in loans payable was due to a company controlled by an individual that exerts significant influence through share ownership.

On November 3, 2023, the Company entered into a loan agreement with a company controlled by an individual that exerts significant control through share ownership, to borrow $29,925. This loan was due on or before May 3, 2024 at an interest rate of 7% per annum. As at December 31, 2024, an amount of $Nil (2023 - $30,263) included in loans payable was due to a company controlled by an individual that exerts significant influence through share ownership.

On November 27, 2023, the Company entered into a loan agreement with a company controlled by an individual that exerts significant control through share ownership, to borrow $6,300. This loan was due on or before May 27, 2024 at an interest rate of 7% per annum. As at December 31, 2024, an amount of $Nil (2023 - $6,342) included in loans payable was due to a company controlled by an individual that exerts significant influence through share ownership.

During the three months ended December 31, 2024, the Company incurred $10,500 (2023 - $Nil) in administrative services rendered by a company controlled by an individual that exerts significant control through share ownership. During the three months ended December 31, 2024, the Company reimbursed costs incurred on behalf of the Company of $2,254 to a company controlled by an individual that exerts significant control through share ownership. At each of December 31, 2024 and 2023 there were no amounts due and payable to the company controlled by an individual that exerts significant control through share ownership.

During the three months ended December 31, 2024, the Company incurred share-based compensation of $6,469 to an individual that exerts significant control through share ownership.

TRANSACTIONS WITH RELATED PARTIES (continued)

During the three months ended December 31, 2024 a company controlled by an individual that exerts significant control through share ownership purchased 420,000 common shares as part of the Company's private placement at $0.075 per share for total proceeds of $31,500.

Key management includes directors and key officers of the Company, including the President, Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO").

During the three months ended December 31, 2024, the Company paid a signing bonus of $225,000 (2023 - $Nil) to a director and CEO of the Company. Concurrently the CEO and director subscribed for 3,000,000 shares of the Company's common stock at $0.075 per share as part of the Company's private placement.

During the three months ended December 31, 2024 the Company paid or accrued management fees of $31,251, incurred share-based compensation of $21,565 (2023 - $Nil) and accrued $7,000 in reimbursable expenses to the CEO and a director of the Company. As at December 31, 2024, an amount of $27,834 (2023 - $Nil) included in accounts payable was due to a director and CEO of the Company. The amounts due are unsecured, bear no interest and are due on demand.

During the three months ended December 31, 2024, the Company incurred share-based compensation of $21,565 (2023 - $Nil) to the Chairman of the Board of Directors and accrued $3,550 of reimbursable expenses which amount is included in accounts payable at December 31, 2024 (2023 - $Nil) and are unsecured, bear no interest and are due on demand.

During the three months ended December 31, 2024, a company controlled by the CFO accrued $6,500 for accounting services and $15,750 for management fees which amounts are included in accounts payable at December 31, 2024 (2023 - $Nil) and are unsecured, bear no interest and are due on demand.

During the three months ended December 31, 2024, the Company incurred share-based compensation of $16,173 (2023 - $Nil) to a director of the Company.

During the three months ended December 31, 2024, the Company incurred share-based compensation of $6,727 (2023 - $Nil) to a director of the Company.

During the three months ended December 31, 2024, the Company incurred share-based compensation of $6,727(2023 - $Nil) to a director of the Company.

During the three months ended December 31, 2024, the Company paid or accrued $5,400 (2023 - $11,277) in accounting fees to a company controlled by the former CFO. As at December 31, 2024, an amount of $68,914 (2023 - $101,697) included in accounts payable was due to a company controlled by the CFO of the Company. The amounts due are unsecured, bear no interest and are due on demand.

TRANSACTIONS WITH RELATED PARTIES (continued)

During the three months ended December 31, 2024, the Company paid or accrued management fees of $15,750 (2023 - $Nil) and incurred $5,391 (2023 - $Nil) in share-based compensation to the Head of

Corporate Development of the Company. As at December 31, 2024, an amount of $21,000 (2023 - $Nil) included in accounts payable was due to the Head of Corporate Development. The amounts due are unsecured, bear no interest and are due on demand. During the three months ended December 31, 2024, the Head of Corporate Development subscribed for 200,000 shares of the Company's common stock at $0.075 per share as part of the Company's private placement for proceeds of $15,000.

As at December 31, 2024, an amount of $32,000 (2023 - 32,000) included in accounts payable was due to a former director and former CEO of the Company. The amounts due are unsecured, bear no interest and are due on demand.

COMMITMENTS

The Company is committed to certain cash payments and pilot facility expenditures in connection with its' acquired 7.5% equity interest in Avonlea. As part of the terms of the agreement, the Company will participate in the funding of a containerized pilot plant for field testing. The Company has agreed to contribute the first US$200,000 to fund any operational expense associated with shipping and mobilization of the pilot plant upon location of a mutually agreeable test site.

MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the sourcing and exploration of its resource property. The Company does not have any externally imposed capital requirements to which it is subject.

The Company considers the aggregate of its share capital, contributed surplus and deficit as capital. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares or dispose of assets or adjust the amount of cash.

FINANCIAL INSTRUMENTS AND FINANCIAL RISK

International Financial Reporting Standards 7, *Financial Instruments: Disclosures*, establishes a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

FINANCIAL INSTRUMENTS AND FINANCIAL RISK (continued)

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair Value of Financial Instruments

The Company's financial assets include cash and marketable securities are classified as Level 1. The carrying value of these instruments approximates their fair values due to the relatively short years of maturity of these instruments.

Assets measured at fair value on a recurring basis were presented on the Company's statement of financial position as at December 31, 2024 are as follows:

	Fair Value Measurements Using			
	Quoted Prices in Active Markets For Identical Instruments (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
	$	$	$	$
Cash	56,323	–	–	56,323
Marketable securities	161,688	–	-	161,688

Financial risk management objectives and policies

The Company's financial instruments include cash, marketable securities, accounts payable, loans payable, and due to related party. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

(i) *Currency risk*

The Company's expenses are denominated in Canadian dollars. The Company's corporate office is based in Canada and current exposure to exchange rate fluctuations is minimal.

The Company's recent shift in focus to finance and expand its interest in an integrated lithium technology and project development company has introduced foreign currency denominated monetary liabilities as the project (Note 4) requires certain ongoing expenditures in United States Dollars. The Company does not manage currency risk through hedging or other currency management tools. The Company's net exposure to foreign currency risk at December 31, 2024 (2023 - $Nil) is currently estimated to be approximately 10% or $20,000 with respect to a contingent liability consisting of a future commitment to fund US $200,000 in expenses related to a pilot facility with respect to its Avonlea ACCELi project.

FINANCIAL INSTRUMENTS AND FINANCIAL RISK (continued)

Financial risk management objectives and policies

(ii) *Interest rate risk*

The Company is exposed to interest rate risk on the variable rate of interest earned on bank deposits. The fair value interest rate risk on bank deposits is insignificant as the deposits are short-term.

The Company has not entered into any derivative instruments to manage interest rate fluctuations.

(iii) *Credit risk*

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. To minimize the credit risk the Company places these instruments with a high quality financial institution.

(iv) *Liquidity risk*

In the management of the liquidity risk of the Company, the Company maintains a balance between continuity of funding and flexibility through the use of borrowings. Management closely monitors the liquidity position and expects to have adequate sources of funding to finance the Company's projects and operations.

PROPOSED TRANSACTIONS

N/A

SIGNIFICANT CHANGES FROM PREVIOUS DISCLOSURE

N/A

BOARD OF DIRECTORS AND OFFICERS

Chief Executive Officer and Director	: Benjamin Hill
Chairperson and Director	: Dr. David Shaw
Director	: Dr. Ian Hutcheon
Director	: Bernadette D'Silva
Director	: Murray Telvin
Chief Financial Officer & Corporate Secretary	: Jacqueline Danforth

BOARD OF DIRECTORS AND OFFICERS (continued)

On November 6, 2024, Christopher Reynolds, the former Chief Executive Officer and a member of the Board of Directors, resigned from his position with the Company.

On December 15, 2024 Ms. Jacqueline Danforth was appointed Corporate Secretary.

On January 6, 2025, Mr, Bryce Clark, resigned as Chief Financial Officer of the Company.

On January 10, 2025, Ms. Jacqueline Danforth was appointed Chief Financial Officer of the Company.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying unaudited interim financial statements of the Company and all the information in this Management's Discussion and Analysis are the responsibility of management and have been approved by the Board of Directors.

The unaudited interim financial statements have been prepared by management in accordance with International Financial Reporting Standards. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. Financial statements are not precise since they include certain amounts based on estimates and judgments. Management has determined such amounts on a reasonable basis in order to ensure that the financial statements are presented fairly, in all material respects. Management has prepared the financial information presented fairly, in all material respects. Management has prepared the financial information presented elsewhere in the Management's Discussion and Analysis and has ensured that it is consistent with that in the financial statements.

The Company maintains systems of internal accounting and administrative controls in order to provide, on a reasonable basis, assurance that the financial information is relevant, reliable and accurate and that the Company's assets are appropriately accounted for and adequately safeguarded.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements. That Board carries out this responsibility principally through its Audit Committee.

The Audit Committee is appointed by the Board and two of its members are independent directors. The Audit Committee meets at least once a year with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy itself that each party is properly discharging its responsibilities, and to review the financial statements and the external auditors' report. The Audit Committee reports its finding to the Board for consideration when approving the financial statements for issuance to the shareholders, the engagement or reappointment of the external auditors.