MEGAWATT LITHIUM AND BATTERY METALS CORP.

Consolidated Financial Statements

For the years ended September 30, 2024 and 2023

(Expressed in Canadian dollars)

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INDEPENDENT AUDITORS' REPORT

To the Shareholders and Directors of MegaWatt Lithium and Battery Metals Corp.

Opinion

We have audited the consolidated financial statements of MegaWatt Lithium and Battery Metals Corp. and its subsidiaries (together, the "Company") which comprise:

- the consolidated statements of financial position as at September 30, 2024 and September 30, 2023;
- the consolidated statements of loss and comprehensive loss for the years then ended;
- the consolidated statements of cash flows for the years then ended
- the consolidated statements of changes in equity for the years then ended; and
- the notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at September 30, 2024 and 2023 and its consolidated financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the consolidated financial statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the accompanying consolidated financial statements, which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended September 30, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter described in the Material Uncertainty Related to Going Concern section, We have determined that there are no key audit matters to communicate in our report.

Other Information

Management is responsible for the other information. The other information comprises the Company's Management Discussion and Analysis to be filed with the relevant Canadian securities commissions.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are, therefore, the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Joseph Bonvillain.

Manning Elliott LLP

Vancouver, British Columbia
January 28, 2025
CHARTERED PROFESSIONAL ACCOUNTANTS

MEGAWATT LITHIUM AND BATTERY METALS CORP.
Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

	Note	**September 30, 2024**	September 30, 2023
		$	$
ASSETS			
Current			
Cash		**46,431**	36,715
Taxes recoverable		**20,942**	130,633
Prepaid expenses		**27,299**	39,606
		94,672	206,954
Exploration and evaluation assets	6	**4,185,757**	1,430,519
Total assets		**4,280,429**	1,637,473
LIABILITIES			
Current			
Accounts payable and accrued liabilities	10	**1,040,731**	419,895
Note payable	7	**83,881**	-
Flow-through premium liability	8	**-**	57,166
Total liabilities		**1,124,612**	477,061
EQUITY			
Share capital	5	**31,162,940**	27,198,915
Reserves		**1,781,778**	1,766,137
Deficit		**(29,788,901)**	(27,804,640)
Total equity		**3,155,817**	1,160,412
Total liabilities and equity		**4,280,429**	1,637,473

Nature of operations and going concern (Note 1)
Subsequent events (Note 14)

Approved and authorized for issue on behalf of the Board of Directors:

/s/ "Anthony Zelen"	*/s/ "Kelvin Lee"*
Director	Director

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

MEGAWATT LITHIUM AND BATTERY METALS CORP.
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars, except per share amounts and number of shares)

		Years ended September 30,	
	Note	**2024**	2023
		$	$
Operating expenses			
General and administrative expense		**3,465**	27,310
Management and consulting	10	**495,300**	291,158
Marketing and shareholder communication		**330,324**	6,741
Professional fees		**231,602**	183,783
Regulatory and filing fees		**42,783**	58,105
Share-based compensation	9(d),10	**15,641**	-
Total operating expenses		**1,119,115**	567,097
Other income (expenses)			
Gain on settlement of debt	9(b)	**9,000**	-
Impairment of exploration and evaluation assets	6	**(923,178)**	(592,759)
Interest expense	7	**(8,881)**	-
Interest income		**747**	-
Amortization of flow-through premium liability	8	**57,166**	86,392
Net loss before taxes		**(1,984,261)**	(1,073,464)
Income tax expense		**-**	(16,517)
Net loss and comprehensive loss		**(1,984,261)**	(1,089,981)
Net loss attributable to:			
Shareholders of the Company		**(1,984,261)**	(1,085,740)
Non-controlling interest		**-**	(4,241)
Net loss per share:			
Basic and diluted		**(0.09)**	(0.12)
Weighted average number of common shares:			
Basic and diluted		**22,128,390**	8,880,650

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

MEGAWATT LITHIUM AND BATTERY METALS CORP.
Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)

	Years ended September 30, **2024**	2023
	$	$
Operating activities:		
Net loss for the year	**(1,984,261)**	(1,089,981)
Adjustments for:		
Share-based compensation	**15,641**	-
Gain on settlement of debt	**(9,000)**	-
Impairment of exploration and evaluation assets	**923,178**	592,759
Interest expense	**8,881**	-
Amortization of flow-through premium liability	**(57,166)**	(86,392)
Income tax expense	**-**	16,517
Changes in non-cash working capital items:		
Mineral option payment receivable	**-**	175,000
Taxes recoverable	**109,691**	(42,446)
Prepaid expenses	**12,307**	(11,343)
Accounts payable and accrued liabilities	**34,664**	(154,700)
Cash used in operating activities	**(946,065)**	(600,586)
Investing activities:		
Cash acquired from the Labrador acquisition	**38,554**	-
Transaction costs related to the Labrador acquisition	**(14,824)**	-
Exploration and evaluation expenditures:		
Australia Silver Mines	**(1,766)**	(7,261)
Tyr Silver Project	**(16,310)**	(20,205)
Cobalt Hill	**-**	(2,730)
James Bay Lithium Project	**(630)**	(443,503)
New Age Co Properties	**(77,768)**	(26,790)
Exploration and evaluation assets option proceeds	**-**	375,000
Cash used in investing activities	**(72,744)**	(125,489)
Financing activities:		
Proceeds from note payable	**75,000**	-
Proceeds from issuance of shares	**1,005,000**	-
Share issuance costs	**(51,475)**	-
Cash provided by financing activities	**1,028,525**	-
Net change in cash	**9,716**	(726,075)
Cash, beginning of year	**36,715**	762,790
Cash, end of year	**46,431**	36,715
Supplemental cash flow information:		
Cash interest received	**747**	-
Exploration and evaluation expenditures included in accounts payable and accrued liabilities	**620,641**	-
Shares issued for settlement of accounts payable and accrued liabilities	**81,000**	-
Shares issued for the acquisition of Labrador	**2,929,500**	-
Shares issued for acquisition of exploration and evaluation assets	**-**	95,000
Cash tax refund received	**-**	(1,583)
Cash interest paid	**-**	-
Cash income tax paid	**-**	-

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

MEGAWATT LITHIUM AND BATTERY METALS CORP.
Consolidated Statements of Changes in Equity
(Expressed in Canadian dollars, except number of shares)

	Common shares	Share capital	Reserves	Deficit	Non-controlling interest	Total equity
	#	$	$	$	$	$
Balance, September 30, 2022	8,758,732	27,103,915	1,766,137	(26,523,997)	(190,662)	2,155,393
Purchase of TargetCo shares	500,000	95,000	-	(194,903)	194,903	95,000
Net loss and comprehensive loss	-	-	-	(1,085,740)	(4,241)	(1,089,981)
Balance, September 30, 2023	9,258,732	27,198,915	1,766,137	(27,804,640)	-	1,160,412
Shares issued for settlement of accounts payable and accrued liabilities	900,000	81,000	-	-	-	81,000
Net proceeds from shares issued in private placements	10,050,000	953,525	-	-	-	953,525
Labrador Share Exchange Agreement (Note 5(b))	16,275,001	2,929,500	-	-	-	2,929,500
Share-based compensation	-	-	15,641	-	-	15,641
Net loss and comprehensive loss	-	-	-	(1,984,261)	-	(1,984,261)
Balance, September 30, 2024	**36,483,733**	**31,162,940**	**1,781,778**	**(29,788,901)**	**-**	**3,155,817**

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

1. NATURE OF OPERATIONS AND GOING CONCERN

MegaWatt Lithium and Battery Metals Corp. (“the Company”) was incorporated on December 11, 2017 under the laws of British Columbia. On July 20, 2019, the Company completed its initial public offering and listed on the Canadian Securities Exchange (“CSE”) under the symbol “MEGA”. On April 20, 2022, the Company’s common shares commenced trading on the OTCQB under the symbol "WALRF". The head office and principal address of the Company is located at Suite 1500 - 1055 West Georgia Street, Vancouver BC, V6E 4N7. The Company’s principal business activities include the acquisition and exploration of exploration and evaluation assets.

As at September 30, 2024, the Company had not determined whether the Company’s exploration and evaluation assets contain ore reserves that are economically recoverable. The recoverability of amounts shown for exploration and evaluation assets 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 the future profitable production from the property or realizing proceeds from its disposition.

These consolidated financial statements for the years ended September 30, 2024 and 2023 (“financial statements”) have been prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for at least the next twelve months. As at September 30, 2024, the Company had a working capital deficit of $1,029,940 (September 30, 2023 - $270,107), an accumulated deficit of $29,788,901 (September 30, 2023 - $27,804,640) and has not generated revenue to date. These factors indicate the existence of a material uncertainty that may cast significant doubt upon the Company’s ability to continue as a going concern. As a result, the Company may be unable 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 upon its ability to raise adequate funding through equity or debt financing to discharge its liabilities as they come due. There is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company, though the Company has been successful in the past in obtaining financing. During the year ended September 30, 2024 the Company raised net proceeds of $953,525 through two private placements (Note 9(b)).

Should the Company be unable to continue as a going concern, asset and liability realization values may be substantially different from their carrying values. These financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. Such adjustments could be material.

2. BASIS OF PRESENTATION

a) Statement of compliance

These financial statements were approved by the Board of Directors and authorized for issue on January 28, 2025.

These financial statements have been prepared in accordance with IFRS Accounting Standards(“IFRS”) as issued by the International Accounting Standards Board.

b) Basis of measurement

These financial statements have been prepared using the historical cost basis, except for certain financial assets and liabilities which are measured at fair value, as specified by IFRS Accounting Standards for each type of asset, liability, income, and expense as set out in the accounting policies below. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

c) Functional and presentation currency

These financial statements have been prepared in Canadian dollars, which is the Company’s and its subsidiaries’ functional and presentation currency. References to “$” or “CAD” are to Canadian dollars.

2. BASIS OF PRESENTATION (continued)

d) Basis of consolidation

These financial statements include the accounts of the Company and its subsidiaries. All intercompany transactions and balances are eliminated on consolidation. Control exists where the parent entity has power over the investee and is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries are included in these financial statements from the date control commences until the date control ceases.

A summary of the Company's subsidiaries included in these financial statements as at September 30, 2024 are as follows:

Name of subsidiary	Country of incorporation	Holding	Functional currency	Principal activity
1256714 B.C. Ltd. ("TargetCo")	Canada	100%	CAD	Holding company
1260945 B.C. Ltd. ("New Age Co")	Canada	100%	CAD	Holding company
Labrador Mineral Resources Inc. ("Labrador")	Canada	100%	CAD	Mineral exploration

3. MATERIAL ACCOUNTING POLICIES

a) Cash

Cash is deposits held on call with banks.

b) 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 unfavorable changes in the property economics, there are restrictions on development, or when there has been an undue delay in development, which exceeds three years. In the event that estimated discounted cash flows expected from its use or eventual disposition is determined by management to be insufficient to recover the carrying value of the property, the carrying value is written down to the estimated recoverable amount.

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 in profit or loss.

c) Share-based payments

The Company has adopted a stock option plan which allows grants of options to purchase common shares by the Company's directors, officers, employees, and consultants. The Company accounts for the stock options at their fair value in accordance with IFRS 2 Share-based payment and recognizes the cost as compensation expense over the vesting period, with the offset recorded in reserves. The amount recognized as share-based compensation expense is adjusted to reflect the number of awards for which the related service conditions are expected to be met such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service conditions at the vesting date.

The fair value of options granted to directors and employees is measured using the Black-Scholes option pricing model on the date of issuance. Share-based compensation to non-employees is measured at the fair value of the goods or services received, or at the fair value of the equity instruments issued if it is determined that the fair value of the goods or services received cannot be reliably measured and are recorded at the date the goods or services are received.

3. MATERIAL ACCOUNTING POLICIES (continued)

Consideration received on the exercise of stock options is recorded as share capital, and the amount previously recognized in reserves is transferred to share capital. For fully vested options that expire unexercised, the initial fair value recorded remains in reserves. The fair value of forfeited unvested options is recovered through profit or loss.

d) 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.

e) Foreign currency

Transactions and balances in currencies other than the Canadian dollar, the currency of the primary economic environment in which the Company operates are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at exchange prevailing on the Consolidated Statement of Financial Position date are recognized in profit or loss.

f) 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.

g) 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 end of the year, 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.

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 year end and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

h) Financial instruments

Financial instruments are accounted for in accordance with IFRS 9 *Financial Instruments*. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

3. MATERIAL ACCOUNTING POLICIES (continued)

Classification of financial instruments

The Company determines the classification of its financial instruments which are all measured at fair value on initial recognition. Upon initial recognition, a financial asset is classified as measured at: amortized cost, fair value through profit or loss ("FVTPL"), or fair value through other comprehensive income ("FVTOCI"). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial liability is classified as measured at amortized cost or FVTPL.

The Company's financial assets comprise of cash which is classified as and measured at amortized cost.

The Company's financial liabilities comprise of accounts payable and accrued liabilities and note payable which are classified as and measured at amortized cost.

i) Share issuance costs

Professional, consulting, regulatory and other costs directly attributable to financing transactions are recorded as share issue costs.

j) Equity instruments

Equity instruments are contracts that give a residual interest in the net assets of the Company. Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, stock options, and share purchase warrants are classified as equity instruments.

k) Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. In addition, parties are considered to be related if they are subject to common control or common significant influence, related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

l) New accounting standards and interpretations

The Company adopted the following amendments to accounting standards, which are effective for annual periods beginning on or after January 1, 2023:

Disclosure of accounting policies - IAS 1 and IFRS Practice Statement 2

The amendments to IAS 1 *Presentation of financial statements* and IFRS Practice Statement 2 *Making materiality judgements* provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments have had an impact on the Company's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Company's financial statements.

Classification of liabilities as current or non-current - amendments to IAS 1

The amendments to IAS 1 specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

3. MATERIAL ACCOUNTING POLICIES (continued)

In addition, an entity is required to disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months. The amendments have not had an impact on the classification of the Company's liabilities.

Definition of accounting estimates - amendments to IAS 8

The amendments to IAS 8 *Accounting policies, changes in accounting estimates and errors* clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates. The amendments had no impact on the Company's financial statements.

Deferred tax related to assets and liabilities arising from a single transaction - amendments to IAS 12

The amendments to IAS 12 *Income Taxes* narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities. The amendments had no impact on the Company's financial statements.

The Company has not early adopted any other new accounting standard, interpretation or amendment that has been issued but is not yet effective.

4. SIGNIFICANT JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements under IFRS Accounting Standards requires management to make judgements in applying its accounting policies and estimates that affect the reported amounts of assets and liabilities at the period end date and reported amounts of expenses during the reporting period. Such judgements and estimates are, by their nature, uncertain. Actual outcomes could differ from these estimates.

The impact of such judgements and estimates are pervasive throughout these financial statements and may require accounting adjustments based on future occurrences. These judgements and estimates are continuously evaluated and are based on management's experience and knowledge of the relevant facts and circumstances. Revisions to accounting estimates are recognized in the period in which the estimate is revised and are accounted for prospectively.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Going concern

The assessment of whether the going concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but not limited to, 12 months from the end of the reporting period. Material uncertainties exist related to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

The indicators of impairment of exploration and evaluation assets

Assets or cash-generating units are evaluated at each reporting date to determine whether there are any indications of impairment. The Company considers both internal and external sources of information when making the assessment of whether there are indications of impairment for the Company's exploration and evaluation assets. Significant judgment is required when determining whether facts and circumstances suggest that the carrying amount of exploration and evaluation assets may exceed its recoverable amount. The retention of regulatory permits and licenses, the Company's ability to obtain financing for exploration and development activities and its future plans on the resource properties, current and future metal prices, and market sentiment are all factors considered by the Company.

Valuation of share-based compensation

The Company uses the Black-Scholes option pricing model for valuation of share-based compensation. Option pricing models require the input of subjective assumptions. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves.

4. SIGNIFICANT JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY (continued)

Recovery of deferred tax assets

The Company estimates the expected manner and timing of the realization or settlement of the carrying value of its assets and liabilities and applies the tax rates that are enacted or substantively enacted on the estimated dates of realization or settlement.

The determination of the Company's and its subsidiaries' functional currency

The determination of the functional currency for the Company and each of its subsidiaries was based on management's judgment of the underlying transactions, events and conditions relevant to each entity.

Asset acquisition versus business combination

The determination if the accounting acquiree meets the definition of a business under IFRS 3 Business Combinations requires significant judgment of the inputs, processes and outputs that together constitute a business that may exist in the acquiree at the acquisition date.

Purchase price allocations

Estimates are made in determining the fair value of assets and liabilities, including the valuation of separately identifiable intangible assets acquired as part of an acquisition. Consideration paid for an asset acquisition is allocated to the individual identifiable assets acquired and liabilities assumed based on their relative fair values.

5. ACQUISITIONS

a) TargetCo

On July 13, 2023, the Company closed the acquisition of the remaining 20% of TargetCo pursuant to a share purchase agreement effective July 4, 2023. Pursuant to the terms of the agreement, the Company acquired the remaining 20% of the issued and outstanding securities of TargetCo in consideration for the issuance of 500,000 common shares of the Company at a fair value of $0.19 per share for aggregate fair value totaling $95,000.

b) Labrador

On April 1, 2024, the Company announced the acquisition of a 100% ownership of Labrador Mineral Resources Inc.("Labrador") pursuant to a share exchange agreement (the "Share Exchange Agreement") among the Company, Labrador and the shareholders of Labrador (the "Labrador Shareholders"). The acquisition was closed on May 7, 2024.

Labrador is a private company existing under the laws of British Columbia whose principal business is the exploration and development of the Benedict mountains uranium property (the "Benedict Mountains Property") (Note 6(a)).

Pursuant to the terms and conditions of the Share Exchange Agreement and in consideration for all of the issued and outstanding shares in the capital of Labrador (the "Labrador Shares"), the Company issued an aggregate of 16,275,001 common shares at a fair value of $0.18 per share, for a total fair value of $2,929,500, to the Labrador Shareholders (Note 9(b)).

Labrador had purchased a 100% interest, subject to a 1.5% net smelter return royalty ("NSR"), in the Benedict Mountains Property pursuant to a property purchase agreement dated effective February 8, 2024, between Labrador and the former registered and beneficial owner of the Benedicts Mountain Property (the "Property Purchase Agreement"). Pursuant to the Share Exchange Agreement, the Company has assumed all of the obligations of Labrador under the Property Purchase Agreement, including a cash payment of $25,000 to be settled on or before February 8, 2025.

The acquisition of Labrador has been accounted for by the Company as an asset acquisition. The acquisition did not qualify as a business combination under IFRS 3 *Business Combinations*, as the significant inputs, processes, and outputs, that together constitute a business, did not exist in Labrador at the time of acquisition. Accordingly, no goodwill was recorded with respect to the acquisition.

(Expressed in Canadian dollars, except where noted)

5. ACQUISITIONS (continued)

A summary of the fair values of assets acquired, liabilities assumed and the purchase price as at the May 7, 2024 acquisition date is as follows:

	$
Consideration	
Fair value of shares issued to the Labrador Shareholders (16,275,001 at $0.18)	2,929,500
Payable due before February 8, 2025	25,000
Transaction costs	14,824
	2,969,324
Fair values of acquired assets and liabilities	
Cash	38,554
Exploration and evaluation assets	2,961,301
Accounts payable and accrued liabilities	(30,531)
	2,969,324

(Expressed in Canadian dollars, except where noted)

6. EXPLORATION AND EVALUATION ASSETS

A summary of the Company's exploration and evaluation assets is as follows:

	Benedict Mountains	Australian Silver Mines	Tyr Silver Project	Century South Silver-Zinc	Cobalt Hill	James Bay Lithium Project	New Age	Total
		$	$	$	$	$	$	$
Acquisition cost								
Balance, September 30, 2022	-	-	-	-	615,000	903,431	-	1,518,431
Additions	-	-	47,500	47,500	-	-	-	95,000
Impairment	-	-	(47,500)	(47,500)	-	-	-	(95,000)
Option and sale proceeds	-	-	-	-	-	(375,000)	-	(375,000)
Balance, September 30, 2023	-	-	-	-	615,000	528,431	-	1,143,431
Additions	2,961,301	-	-	-	-	-	-	2,961,301
Impairment	-	-	-	-	(615,000)	-	-	(615,000)
Balance, September 30, 2024	**2,961,301**	**-**	**-**	**-**	**-**	**528,431**	**-**	**3,489,732**
Exploration and evaluation expenditures								
Balance, September 30, 2022	-	-	-	-	284,358	-	-	284,358
Additions	-	7,261	20,205	-	2,730	443,503	26,790	500,489
Impairment	-	(7,261)	(20,205)	-	-	(443,503)	(26,790)	(497,759)
Balance, September 30, 2023	-	-	-	-	287,088	-	-	287,088
Additions	-	2,588	18,502	-	-	617,050	78,975	717,115
Impairment	-	(2,588)	(18,502)	-	(287,088)	-	-	(308,178)
Balance, September 30, 2024	**-**	**-**	**-**	**-**	**-**	**617,050**	**78,975**	**696,025**
Balance, September 30, 2023	-	-	-	-	902,088	528,431	-	1,430,519
Balance, September 30, 2024	**2,961,301**	**-**	**-**	**-**	**-**	**1,145,481**	**78,975**	**4,185,757**

a) Benedict Mountains

On May 7, 2024, pursuant to the terms of the Share Exchange Agreement, the Company acquired 100% of Labrador which owns a 100% interest (subject to a 1.5% NSR) in the Benedict Mountains property pursuant to the Property Purchase Agreement (Note 5(b)). The Benedict Mountains property consists of two mineral licenses covering an area of approximately 350 hectares in the Central Mineral Belt on the east coast of Labrador, Canada, approximately 200 kilometers northeast of Goose Bay.

Pursuant to the Share Exchange Agreement, the Company has assumed all of the obligations of Labrador under the Property Purchase Agreement as follows:

- Pay an additional $25,000 to the Vendor on or before February 8, 2025 (included in accounts payable and accrued liabilities as at September 30, 2024);
- Issue to the Vendor 1,500,000 common shares in the capital of the Company on the closing date May 7, 2024 upon the closing of the acquisition of Labrador, Note 9(b)).

6. EXPLORATION AND EVALUATION ASSETS (continued)

b) Tyr Silver Project and Century South Silver-Zinc Project

On October 15, 2020, pursuant to the terms of the definitive agreement dated August 13, 2020, the Company closed the acquisition for 60% of TargetCo which owns a 100% interest (subject to a 2% NSR) in two prospective silver-zinc projects in Australia, being the Tyr Silver Project and the Century South Silver-Zinc Project. On April 5, 2022, pursuant to the terms of the Definitive Agreement dated March 25, 2022, the Company closed the acquisition of an additional 20% of TargetCo. On July 13, 2023, the Company acquired the remaining 20% of the issued and outstanding securities of TargetCo (Note 5(a)).

During the year ended September 30, 2024, the Tyr Silver Project was fully impaired due to the Company's decision to focus on core projects instead. As a result, the Company recorded an amount of $18,502 (2023 - $67,705) as an impairment of exploration and evaluation assets.

During the year ended September 30, 2023, the Century South Silver-Zinc Project was fully impaired due to the Company's decision to focus on core projects instead. As a result, the Company recorded an amount of $47,500 on September 30, 2023, as an impairment of exploration and evaluation assets.

c) Cobalt Hill

Pursuant to an option agreement dated February 5, 2018, amended on April 25, 2019 and July 3, 2020, the Company was granted an option to acquire a 100% undivided interest in certain Cobalt Hill mineral claims (“Cobalt Hill”) located in the Trail Creek Mining Division in British Columbia.

The Company fulfilled the terms of the option agreement and acquired a 100% undivided interest in Cobalt Hill by making cumulative cash payments totaling $355,000 and issuing a cumulative total of 110,000 common shares of the Company. The optionor retained 1.5% NSR on Cobalt Hill.

During the year ended September 30, 2024, the Cobalt Hill Project was fully impaired due to the Company's decision to focus on core projects instead. As a result, the Company recorded an amount of $902,088 as an impairment of exploration and evaluation assets.

d) James Bay Lithium Project

In January 2021, the Company completed the acquisition of a 100% interest in and to the Route 381 Lithium, comprised of 40 mineral claims located in James Bay Territory in Quebec. In consideration for the acquisition, the Company paid the vendors an aggregate of $60,000 in cash and issued 400,000 common shares of the Company with a fair value of $1,720,000. In addition, the Company is subject to grant vendors a 2% NSR.

In December 2021, the Company acquired, by way of staking, 229 mineral exploration claims prospective for lithium in the James Bay region of Quebec, Canada (“Mitsumis”).

During the year ended September 30, 2023, the James Bay Lithium Project was fully impaired as the Company determined that the recoverable amount of the property was $nil as a result of its assessment that the fair value of all the proceeds expected from the option agreement (Note 6(f)) were also $nil upon Cygnus Gold Limited failing make the required option payments as they became due. As a result, the Company recorded $443,503 on September 30, 2023 as an impairment of exploration and evaluation assets. Following the termination of the Property Option Agreement (Note 6(f)), the Company resumed exploration activities and incurred exploration costs of $617,050 during the year ended September 30, 2024 (2023 - $443,503).

e) New Age Co Properties

On April 14, 2021, the Company announced that it had completed the acquisition of all issued and outstanding securities of New Age Co.

<u>Rare Earth Elements (“REE”) (Northern Territory) - Arctic Fox and Isbjorn</u>

Located in Australia’s Northern Territory, both properties are in the exploration stage. Arctic Fox is contiguous with the Nolans Bore REE project and the Isbjorn asset is contiguous to the Charley Creek REE project.

6. EXPLORATION AND EVALUATION ASSETS (continued)

Nickel-cobalt-scandium-HPA (New South Wales) - Chinook, Kodiak & Caribou

The three nickel-cobalt-scandium-HPA properties - Chinook, Kodiak and Caribou are located in Australia's central New South Wales, which is considered by management to be a highly prospective region of exploration. During the year ended September 30, 2023, the New Age Co Properties were fully impaired due to the Company's decision upon noting indicators of impairment. During the year ended September 30, 2024, the Company capitalized $78,975 (2023 - $26,790) of exploration and evaluation expenditures on the property.

f) Option on the James Bay Lithium Project

Effective September 27, 2022, the Company entered into an option agreement (the "Property Option Agreement") with Cygnus Gold Limited ("Cygnus"), whereby the Company granted Cygnus the option to acquire up to an 80% interest in the Company's Route 381 Lithium and Mitsumis properties located in Quebec, Canada (the "James Bay Lithium Project"). Option consideration from Cygnus is recorded as a reduction of the properties' capitalized exploration and evaluation assets reflecting a recovery of past costs incurred.

Under the terms of the Property Option Agreement, Cygnus has the option to acquire an initial 51% interest in the James Bay Lithium Project (the "First Option"). Following the exercise of the First Option, Cygnus has the option to acquire an additional 29% interest in the Projects (the "Second Option").

In order to exercise the First Option, Cygnus must commit to the following over three years:

- Payment of $175,000 due on September 30, 2022 (which includes $125,000 as an expense reimbursement to the Company) (the payment was received on October 12, 2022);
- Reimbursement of the Company's exploration expenditures of up to $375,000 from its 2022 exploration program by December 31, 2022 (the reimbursement was received on December 20, 2022);
- Fund $2,000,000 in exploration expenditures less expense reimbursements on the James Bay Lithium Project by the third anniversary date of the Property Option Agreement as follows:
  - $500,000 to be incurred prior to September 27, 2023 which was satisfied through the payments in 2022 above;
  - $500,000 to be incurred prior to September 27, 2024; and
  - $1,000,000 to be incurred prior to September 27, 2025.

Cygnus will then have the option to exercise the Second Option by:

- Payment of $50,000 to the Company within 30 days of the satisfaction of the First Option;
- Filing a National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("NI 43-101") or *the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves* (the "JORC Code") compliant mineral resource estimate which defines a lithium oxide resource on the projects of at least five million tonnes with an average grade of not less than 0.8% lithium oxide in any resource category as defined in NI 43-101 or the JORC Code, by the date which is no later than five years from the exercise of the First Option; and
- Cash consideration to the Company of $1,000,000 within three days of filing the above report.

On August 1, 2024, Cygnus terminated the Property Option Agreement with the Company. As a result, the remaining commitments under the First and Second Options were abandoned.

7. NOTE PAYABLE

On December 21, 2023, the Company entered into a promissory note agreement with Aion Capital Inc. ("the Lender"). Pursuant to this agreement, the Company promises to pay the Lender a principal sum of $75,000 with an annual interest rate of 15%. The principal sum and all outstanding interest that may accrue will be payable to the Lender on demand.

During the year ended September 30, 2024, the Company incurred interest expense of $8,881 (2023 - $nil).

(Expressed in Canadian dollars, except where noted)

8. FLOW-THROUGH PREMIUM LIABILITY

Flow-through units are issued at a premium, calculated as the difference between the price of a flow-through unit and the price of a unit at issuance date, as tax deductions generated by the eligible expenditures are passed through to the shareholders of the flow-through shares once the eligible expenditures are incurred and renounced.

Funds raised through the issuance of flow-through units are required to be expended on qualifying Canadian mineral exploration expenditures, as defined pursuant to Canadian income tax legislation. The flow-through gross proceeds less the qualified expenditures made to date represent the funds received from flow-through share issuances that have not been spent and are held by the Company for such expenditures.

On November 23, 2021, the Company issued 450,997 flow-through units at a purchase price of $1.95 per flow-through unit for gross proceeds of $879,445. The flow-through units were issued at a premium of $0.15 per unit. As a result, a flow-through premium liability of $67,650 was recorded.

On September 22, 2022, the Company issued 840,000 flow-through units at a purchase price of $0.75 per flow-through unit for gross proceeds of $630,000. The flow-through units were issued at a premium of $0.10 per unit. As a result, a flow-through premium liability of $84,000 was recorded.

The Company intended to spend these proceeds on eligible exploration expenditures by the termination date, December 31, 2023. Due to natural disasters in Quebec, the Company was not able to carry out the exploration expenditures as planned. With the approval of the subscribers, the Company extended the termination date to August 18, 2024. During the year ended September 30, 2024, and before the termination date, the Company incurred and renounced eligible expenditures of $568,996.

A summary of the Company's flow-through funding, expenditure requirements and corresponding impact on the flow-through premium liability is as follows:

	Flow-through funding and expenditure requirements	Flow-through premium liability
	$	$
Balance, September 30, 2022	1,428,905	143,558
Flow-through expenditures incurred, renounced, and amortization of flow-through premium liability	(859,909)	(86,392)
Balance, September 30, 2023	568,996	57,166
Flow-through expenditures incurred, renounced, and amortization of flow-through premium liability	(568,996)	(57,166)
Balance, September 30, 2024	**-**	**-**

During the year ended September 30, 2024 the Company recognized $57,166 (2023 -$86,392) as amortization of flow-through premium liability under other income in profit or loss.

9. SHARE CAPITAL

a) Authorized

The Company is authorized to issue an unlimited number of common shares without par value.

b) Issued

As at September 30, 2024, the Company had 36,483,733 shares issued and outstanding (September 30, 2023 - 9,258,732).

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

- On January 17, 2024, the Company issued 900,000 common shares with a fair value of $81,000 for settlement of accounts payable and accrued liabilities in the amount of $90,000. As a result of the debt settlement, the Company recorded a gain on debt settlement of $9,000 on the statement of loss and comprehensive loss.

(Expressed in Canadian dollars, except where noted)

9. SHARE CAPITAL (continued)

- On March 7, 2024, the Company issued 4,290,000 common shares pursuant to a private placement at $0.10 per common share (the "LIFE Offering") for gross proceeds of $429,000. Share issuance costs on the LIFE Offering consisted of cash commissions paid to finders of $6,177, brokers fees of $3,600 and legal fees of $12,518.
- On March 7, 2024, the Company issued 4,460,000 common shares pursuant to a private placement and closed its first tranche of a $0.10 share financing (the "Concurrent PP"), for gross proceeds of $446,000. Share issuance costs on the first tranche of the Concurrent PP consisted of cash commissions paid to finders of $6,422, brokers fees of $2,100 and legal fees of $13,014.
- On March 15, 2024, the Company issued 1,300,000 common shares and closed its second tranche of the Concurrent PP for gross proceeds of $130,000. Share issuance cost on the second tranche of the Concurrent PP consisted of cash commissions paid to finders of $3,850 and legal fees of $3,794.
- On May 7, 2024, the Company issued 16,275,001 common shares pursuant to the Share Exchange Agreement to acquire Labrador at $0.18 per common share for a total fair value of $2,929,500 (Note 5(b)).

During the year ended September 30, 2023, the Company had the following share capital transactions:

- On May 9, 2023, the Company consolidated its outstanding common shares on a ten-for-one basis. The presentation of the number of shares, warrants, stock options and loss per share in these financial statements have been retrospectively adjusted for this share consolidation.
- On July 13, 2023, the Company issued 500,000 common shares at $0.19 per share for aggregate fair value of $95,000 for the remaining 20% of TargetCo (Note 5(a)).

c) Warrants

A summary of the Company's warrant activity is as follows:

	Number of warrants	**Weighted average exercise price**
	#	$
Balance, September 30, 2023 and September 30, 2022	888,463	1.81
Expired	(888,463)	1.81
Balance, September 30, 2024	**-**	**-**

d) Stock options

The Company has a stock option plan for directors, employees, and consultants. The aggregate number of common shares issuable pursuant to stock options granted under the plan is 10% of the issued and outstanding common shares. The board of directors has the exclusive power over the granting of stock options, the exercise price and their vesting and cancellation provisions.

On January 22, 2024, the Company granted 200,000 stock options to an officer of the Company. These stock options have an exercise price of $0.11 expiring on January 22, 2026. The stock options vested immediately on the grant date. As a result, the Company recorded share-based compensation of $15,641 for the year ended September 30, 2024 (2023 - $nil) related to the vesting of stock options, all of which were issued to related parties.

A summary of the Company's stock option activity is as follows:

	Number of stock options outstanding and exercisable	**Weighted average exercise price**
	#	$
Balance, September 30, 2023 and September 30, 2022	420,000	3.38
Granted	200,000	0.11
Expired	(185,000)	3.97
Balance, September 30, 2024	**435,000**	**1.62**

(Expressed in Canadian dollars, except where noted)

9. SHARE CAPITAL (continued)

A summary of the Company's outstanding stock options as at September 30, 2024 is as follows:

Date of expiry	Weighted average exercise price	Number of stock options outstanding and exercisable	Weighted average remaining life
	$	#	Years
November 26, 2024 [1] (Note 14)	2.00	150,000	0.16
August 13, 2025	3.05	25,000	0.87
October 21, 2025	9.00	15,000	1.06
January 22, 2026	0.11	200,000	1.31
January 28, 2026	2.85	20,000	1.33
February 16, 2026	4.65	25,000	1.38
	1.62	**435,000**	**0.88**

(1) Subsequent to September 30, 2024, 150,000 stock options expired unexercised.

A summary of the Company's weighted average inputs used in the Black-Scholes option pricing model to calculate the fair value of the stock options issued during the year ended September 30, 2024 is as follows:

Share price	$0.11
Exercise price	$0.11
Expected life	2.00 years
Risk-free interest rate	4.25%
Expected volatility	145.41%
Expected annual dividend yield	0.00%

The risk-free interest rate of periods within the expected life of the stock options is based on the Canadian government bond rate. The annualized volatility assumptions are based on the historical results of benchmark companies.

10. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION

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.

Key management includes directors and key officers of the Company, including the Chief Executive Officer and Chief Financial Officer.

A summary of the Company's related party transactions and key management compensation for the years ended September 30, 2024 and 2023 is as follows:

	2024	2023
	$	$
Management and consulting	**249,000**	132,000
Share-based compensation	**15,641**	-
	264,641	132,000

As at September 30, 2024, the Company had $90,785 (September 30, 2023 - $57,950) due to key management personnel and management entities and is included in accounts payable and accrued liabilities on the Consolidated Statements of Financial Position. The amount payable are unsecured, non-interest bearing and due on demand.

(Expressed in Canadian dollars, except where noted)

11. CAPITAL RISK MANAGEMENT

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, reserves, 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. There have not been changes to the Company's capital management policy during the year ended September 30, 2024.

12. INCOME TAXES

The Company has not recognized any deferred income tax assets. The Company recognizes deferred income tax assets based on the extent to which it is probable that sufficient taxable income will be realized during the carry forward periods to utilize all deferred tax assets.

The following table reconciles the amount of income tax recoverable on application of the statutory Canadian federal and provincial income tax rates:

	2024	2023
	$	$
Net loss before taxes for the year	**(1,984,261)**	(1,073,464)
Income tax recovery at statutory rate	**(535,000)**	(290,000)
Non-deductible expenditures and non-taxable revenues	**(11,000)**	(23,000)
Change in statutory, foreign tax, foreign exchange rates and other	**-**	3,000
Part XII.6 tax	**-**	16,517
Share issuance costs and others	**(42,000)**	-
Change in unrecognized deferred tax assets	**588,000**	310,000
Income tax expense	**-**	16,517

The significant components of the Company's deferred tax assets and liabilities are follows:

	2024	2023
	$	$
Deferred income tax assets (liabilities):		
Share issuance costs	23,000	21,000
Non-capital losses available for future periods	1,633,000	1,319,000
Intangible assets	15,000	11,000
Mineral resource properties	468,000	354,000
Flow-through shares	-	(154,000)
Deferred tax assets	2,139,000	1,551,000
Unrecognized deferred income tax assets	(2,139,000)	(1,551,000)
Deferred income tax assets, net	**-**	-

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statement of financial position are as follows:

	2024	**Expiry date range**	2023	Expiry date range
	$		$	
Temporary differences:				
Share issuance costs	**87,000**	**2045 to 2048**	79,000	2043 to 2046
Non-capital losses available for future periods	**6,049,000**	**2038 to 2044**	4,886,000	2037 to 2043
Intangible assets	**54,000**	**No expiry date**	41,000	No expiry date
Mineral resource properties	**1,786,000**	**No expiry date**	1,362,000	No expiry date
Flow-through shares	**-**	**No expiry date**	(569,000)	No expiry date
Total	**7,976,000**		5,799,000	

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments consist of cash, accounts payable and accrued liabilities and note payable are classified and measured at amortized cost. The carrying value of these financial instruments approximate their respective fair values due to their short-term nature.

The financial instruments expose the Company to certain financial risks. The risk exposures and the impact on the Company's financial instruments are summarized below.

a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the Company by failing to discharge an obligation. The Company is exposed to credit risk through its cash and the Company reduces its credit risk on cash by placing these instruments with financial institutions of high credit worthiness. As at September 30, 2024, the Company is not exposed to significant credit risk.

b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company is exposed through its accounts payable and note payable. As at September 30, 2024, the Company has a working capital deficit of $1,029,940 (September 30, 2024 - $270,107) and the Company will need to raise additional funding in order to continue to fund its exploration and evaluation activities. To mitigate this risk, the Company has a planning and budgeting process in place to determine the funds required to support its ongoing operations and capital expenditures. The Company endeavors to ensure that sufficient funds are raised from equity offerings to meet its operating requirements, after taking into account existing cash. Management has concluded that liquidity risk is high.

c) Market risk

Market or foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of the changes in the foreign exchange rates. As at September 30, 2024, the Company is not exposed to significant foreign currency risk. A 5% change in the foreign exchange rate with the Australian Dollar would result in an impact of approximately $392 (2023 - $2,477) to the Company's net loss.

d) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at September 30, 2024, the Company has assessed the interest rate risk as minimal.

14. SUBSEQUENT EVENTS

On January 24, 2025, the Company entered into a promissory note agreement with 1142377 BC Ltd. (the "Promisee"). Pursuant to this agreement, the Company promises to pay the Promisee a principal sum of $55,000 with an annual interest rate of 15%. The principal sum and all outstanding interest that may accrue will be payable to the Promisee on demand.

During November 2024, 150,000 stock options expired unexercised.