One World Lithium Inc.

Consolidated Financial Statements
Expressed in Canadian Dollars, unless otherwise noted

For the Years Ended December 31, 2023 and 2022

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Fernandez Young LLP
Chartered Professional Accountants

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of One World Lithium Inc.

Opinion

We have audited the consolidated financial statements of One World Lithium Inc. and its subsidiary (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2023 and 2022, and the consolidated statements of loss and comprehensive loss, changes in shareholders' deficit and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the accompanying 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 of the current period. These matters were addressed in the context of our audit of the 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 other key audit matters to communicate in our auditor's report.

Other Information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis for the year ended December 31, 2023.

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

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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.

We obtained the Management's Discussion and Analysis for the year ended December 31, 2023 prior to the date of this auditor's report. 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 in this auditor's report. 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 these consolidated financial statements in accordance with IFRS, 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 consolidated financial reporting process.

Auditor's 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 auditor's 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 auditor's report to the related disclosures in the 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 auditor's 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 Company 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.

The engagement partner on the audit resulting in this independent auditor's report is Eugene Shalamov.

Fernandez Young LLP

Fernandez Young LLP
Chartered Professional Accountants
Vancouver, Canada
April 30, 2024

One World Lithium Inc.
Consolidated Statements of Financial Position
As of December 31, 2023 and December 31, 2022
Expressed in Canadian Dollars

As at	Notes		December 31, 2023		December 31, 2022
ASSETS					
Current					
Cash		$	7,446	$	232,402
Receivables and advances			38,871		22,719
Share subscriptions receivable	7(i)		-		75,000
Prepaid expenses and deposits	4		4,773		10,428
TOTAL ASSETS		**$**	**51,090**	**$**	**340,549**
LIABILITIES					
Current liabilities					
Accounts payables and accrued liabilities	5		1,151,247		595,663
Due to related parties	9		311,976		45,686
Loans and borrowings	6		21,508		60,133
Share subscriptions payable	7(ii)		60,254		-
			1,544,985		**701,482**
Loans and borrowings			60,000		-
TOTAL LIABILITIES		**$**	**1,604,985**	**$**	**701,482**
SHAREHOLDERS' DEFICIT					
Share capital	7	$	23,694,382	$	23,594,542
Contributed surplus			428,088		428,088
Share-based payments and warrants reserve	8		833,297		1,029,048
Accumulated deficit			(26,509,662)		(25,412,611)
TOTAL SHAREHOLDERS' DEFICIT		**$**	**(1,553,895)**	**$**	**(360,933)**
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIT		**$**	**51,090**	**$**	**340,549**

Events after reporting period (Notes 13)
Approved on behalf of the Board of Directors on April 30, 2024

"Douglas Fulcher"
Director

"Kevin Milledge"
Director

One World Lithium Inc.

Consolidated Statements of Loss and Comprehensive Loss
For the years ended December 31, 2023 and 2022
Expressed in Canadian Dollars except number of shares

	Notes		December 31, 2023		December 31, 2022
Expenses					
Exploration and evaluation		$	-	$	2,746
General and administration	9		414,880		454,592
Professional and consulting fees	9		862,714		843,025
Share-based payments	7,9		287,089		168,300
Total expenses		$	(1,564,683)	$	(1,468,663)
Operating loss		**$**	**(1,564,683)**	**$**	**(1,468,663)**
Other income (expenses)					
Net financing cost			(41,772)		(21,309)
Foreign exchange loss/gain			(1,514)		(3,160)
Gain from debt extinguishment			-		5,014
Gain from debt write-off			6,968		224,053
Other expenses			(20,000)		(25,000)
Net loss and comprehensive loss		**$**	**(1,621,001)**	**$**	**(1,289,065)**
Basic and diluted loss per common share		$	(0.01)	$	(0.01)
Weighted average number of common shares outstanding – basic and diluted			194,866,032		180,018,814

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

One World Lithium Inc.
Consolidated Statements of Changes in Shareholders' Deficit
For the Years Ended December 31, 2023 and 2022
Expressed in Canadian Dollars

	Notes	Share capital	Contributed surplus	Share-based payments and warrants reserve	Accumulated Deficit	Total shareholders' equity
Balance as of December 31, 2021		**$ 22,865,481**	**$ 66,955**	**$ 1,895,581**	**$ (24,797,246)**	**$ 30,771**
Shares issued in private placement, net of share issuance costs	7(a)	729,061	-	-	-	729,061
Share based payments		-	-	168,300	-	168,300
Warrants expired		-	361,133	(361,133)	-	-
Transfer of share based payments expired		-	-	(673,700)	673,700	-
Net loss and comprehensive loss		-	-	-	(1,289,065)	(1,289,065)
Balance as at December 31, 2022		**$ 23,594,542**	**$ 428,088**	**$ 1,029,048**	**$ (25,412,611)**	**$ (360,933)**
Balance as at December 31, 2022		**$ 23,594,542**	**$ 428,088**	**$ 1,029,048**	**$ (25,412,611)**	**$ (360,933)**
Shares issued in private placement, net of share issuance costs		99,840	-	24,960	-	124,800
Share-based payments	7(a)	-	-	287,089	-	287,089
Warrants modified	6(b)	-	-	9,250	-	9,250
Warrants issued on loan payable	7(b(i))	-	-	6,900	-	6,900
Transfer of share-based payments expired	7(a(iv))	-	-	(523,950)	523,950	-
Net loss and comprehensive loss		-	-	-	(1,621,001)	(1,621,001)
Balance as of December 31, 2023		**$ 23,694,382**	**$ 428,088**	**$ 833,297**	**$ (26,509,662)**	**$ (1,553,895)**

One World Lithium Inc.
Consolidated Statements of Cash Flows
For the Years Ended December 31, 2023 and 2022
Expressed in Canadian Dollars

For the year ended:		December 31, 2023		December 31, 2022
Cash (used in) provided by:				
OPERATING ACTIVITIES				
Net loss	**$**	**(1,621,001)**	**$**	**(1,289,065)**
Non-cash items:				
Share-based payments		287,089		168,300
Other expenses		20,000		25,000
Net financing cost		41,772		21,309
Changes in non-cash working capital items				
Receivables and advances		(16,152)		112,677
Prepaid expenses and deposits		5,655		85,198
Accounts payable and accrued liabilities		530,537		29,981
Due to related parties		266,290		-
Net cash used in operating activities	**$**	**(485,810)**	**$**	**(1,072,507)**
FINANCING ACTIVITIES				
Repayment of loans and borrowings	$	(14,200)	$	-
Proceeds from loans, net of transaction costs		15,000		-
Advance for private placement		60,254		
Proceeds from private placement, net of share issuance costs		199,800		619,801
Net cash provided by financing activities	**$**	**260,854**	**$**	**619,801**
Net decrease in cash in the year	$	(224,956)	$	(452,706)
Cash – beginning of the year	**$**	**232,402**	**$**	**685,108**
Cash – ending of the year	**$**	**7,446**	**$**	**232,402**

Supplemental cash flow information

For the year ended:	Notes		December 31, 2023		December 31, 2022
Share purchase warrants issued in lieu of financing cost	5	$	6,900	$	-

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

NOTE 1 – NATURE OF OPERATIONS AND GOING CONCERN

One World Lithium Inc., together with its subsidiary (collectively referred to as the "Company") was incorporated under the laws of the province of British Columbia on November 9, 1982. The Company is focused on the acquisition, exploration and development of lithium resource properties and a new lithium separation extraction technology. The Company is in an early stage of development of lithium separation technology. The Company's head office and records offices are located at Suite 615, 800 West Pender Street, Vancouver, British Columbia, V6C 2V6. On January 19, 2018, the Company changed its name to One World Lithium Inc. to align with its primary exploration and evaluation asset and the trading symbol on the CSE was changed to OWLI. On March 7, 2019, the Company also began trading on the OTCQB Venture Market under the trading symbol OWRDF.

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") on a going concern basis, which contemplates the realization of assets and discharge of liabilities at their carrying values in the ordinary course of operations for the foreseeable future rather than through the process of forced liquidation.

During the year ended December 31, 2023, the Company had a net loss of $1,621,001 and cash used in operating activities of $485,810. As at December 31, 2023, the Company has an accumulated deficit of $26,509,662 and a working capital deficit of $1,493,895. As a result, the Company may not have sufficient capital to fund its current planned operations for the foreseeable future.

These consolidated financial statements do not include any adjustments to the classification and amounts of assets and liabilities that may be required should the Company be unable to continue as a going concern. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. The Company's continuing operations as intended are dependent upon its ability to identify, evaluate and negotiate the acquisition of, participation in or interest in new properties, assets or business opportunities, as well as the successful results from exploration activities, development of its lithium separation technology and its ability to attain profitable operations and generate funds therefrom, and raise equity capital or obtain the necessary financing sufficient to meet current and future obligations. These conditions indicate the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern. Although the Company has been successful at raising funds in the past through the issuance of securities, it is uncertain whether it will be successful in doing so in the future.

NOTE 2 - BASIS OF PREPARATION AND PRESENTATION, STATEMENT OF COMPLIANCE

These consolidated financial statements, including comparatives, have been prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB").

These consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments that have been measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The significant accounting policies, as disclosed, have been applied consistently to all periods presented in these consolidated financial statements.

These consolidated financial statements include the accounts of the Company and Lithium Investments Ltd., its wholly-owned subsidiary, incorporated in British Columbia, Canada. The Canadian Dollar is a functional currency of the Company and its subsidiary.

These consolidated financial statements were approved and authorized for issuance by the Board of Directors on April 30, 2024.

Critical accounting judgments and estimates

The preparation of consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and revenue and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

Critical judgments exercised in the application of accounting policies and estimates having the most significant effects on the amounts recognized in these consolidated financial statements include:

Impairment of mineral properties – Expenditures on mineral properties are expensed. The Company makes estimates and applies judgment about future events and circumstances in determining whether the carrying amount of a mineral property exceeds its recoverable amount. The recoverability of amounts shown as exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, the Company's ability to obtain financing to develop the properties, and the ultimate realization of profits through future production or sale of the properties. Management looks for impairment indicators and then reviews the carrying values of its mineral properties on an annual basis, or when an impairment indicator exists, to determine whether an impairment should be recognized. In making its assessment, management considers, among other things, exploration results to date and future exploration plans for a particular property. In addition, capitalized costs related to relinquished property rights are written off in the period of relinquishment. Capitalized costs in respect of the Company's mineral properties may not be recoverable and there is a risk that these costs may be written down in future periods.

While management believes that these estimates, critical judgment and assumptions are reasonable, actual results could differ and could impact future results of operation and cash flows.

NOTE 3 – MATERIAL ACCOUNTING POLICIES

New standards, interpretations and amendments

(i) IAS 1, Disclosure of Accounting Policies
Amendments to IAS 1, Presentation of Financial Statements (effective January 1, 2023) require entities to disclose their material accounting policy information rather than significant accounting policy information. The adoption of this amendment did not have a significant impact on the Company's financial statements.

(ii) IAS 8, Definition of Accounting Estimates
Amendments to IAS 8 replace the definition of a change in accounting estimate. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The adoption of this amendment did not have a significant impact on the Company's financial statements.

(iii) IAS 12, Deferred Tax Related to Assets and Liabilities Arising From a Single Transaction
Amendments to IAS 12 require entities to recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. The adoption of this amendment did not have a significant impact on the Company's financial statements.

Cash
Cash consists of demand deposits that are subject to an insignificant risk of change in value.

Financial instrument classification and measurement
Financial assets are classified according to their contractual cash flow characteristics and the business models under which they are held. On initial recognition, a financial asset is classified as: amortized cost, fair value through profit or loss (FVPL) or fair value through other comprehensive income (FVOCI).
A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as FVPL:

- it is held with the objective of collecting contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to measure the investment at FVOCI whereby changes in the investment's fair value (realized and unrealized) will be recognized permanently in OCI with no reclassification to profit or loss. The election is made on an investment-by-investment basis. All financial assets not classified as amortized cost or FVOCI are classified as and measured at FVPL. This includes all derivative assets. On initial recognition, a financial asset that otherwise meets the requirements to be measured at amortized cost or FVOCI may be irrevocably designated as FVPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial instruments are measured on initial recognition at fair value, plus, in the case of financial instruments other than those classified as FVPL, directly attributable transaction costs. Measurement of financial assets in subsequent periods depends on whether the financial asset has been classified as amortized cost, FVPL or FVOCI. Measurement of financial liabilities subsequent to initial recognition depends on whether they are classified as amortized cost or FVPL. Financial assets and financial liabilities classified as amortized cost are measured subsequent to initial recognition using the effective interest method.

Loss allowances for 'expected credit losses' are recognized on financial assets measured at amortized cost, contract assets and investments in debt instruments measured at FVOCI, but not to equity investments. A loss event is not required to have occurred before a credit loss is recognized.

The Company has classified and measured its financial instruments as described below:

- Cash and receivables are classified as and measured at amortized cost.
- Accounts payable and accrued liabilities, loans and borrowings, shares subscriptions payables are classified as and measured at amortized cost. Borrowings and other financial liabilities are classified as current or non-current based on their maturity date. The liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

Income taxes

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Deferred income tax assets also result from unused loss carry-forwards, resource related pools and other deductions. 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.

When applicable, 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.

Share capital and share-based payments

Share capital represents the amount received in exchange for the issuance of shares. Shares issued for consideration other than cash are recorded at their fair value according to the quoted market price on the day the shares are issued. Proceeds from the exercise of share options and warrants are recorded as share capital in the amount for which the option or warrant enabled the holder to purchase a share in the Company along with the fair value of the option or warrant, if any, at the time of its grant.

The Company uses the residual method in determining the fair value of warrants issued to subscribers, which provides for the allocation of the consideration received to the fair value to the shares issued and allocating any residual amount to the warrants issued. Upon expiry of the warrants, the amount allocated to the warrants is transferred to contributed surplus.

Costs directly identifiable with the raising of share capital financing are charged against share capital. Share issuance costs incurred in advance of share subscriptions are recorded as equity. Share issuance costs related to uncompleted share subscriptions are charged to operations.

Expressed in Canadian Dollars except otherwise noted

The Company grants stock options to acquire common shares of the Company to directors, officers, employees and consultants. The Board of Directors grants such options for periods of up to ten years, with vesting periods determined at its discretion and at prices not less than the closing market price on the grant date.

The fair value of the options is measured at either the grant date or date goods or services are received, using the Black-Scholes option pricing model, and is recognized over the period during which the options are earned. A forfeiture rate is estimated on the grant date and is adjusted to reflect the actual number at options that vest. For directors and employees, the fair value of the options is measured at the date of grant. 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 offset to the recorded cost is to share-based payments reserve. Consideration received on the exercise of stock options is recorded as share capital and the related share-based payments reserve is transferred to share capital. Upon expiry, the recorded value is transferred to accumulated deficit.

Loss per share
Loss per share is calculated using the weighted average number of common shares outstanding during the period. The dilutive effect on earnings per share is calculated presuming the exercise of outstanding options, warrants and similar instruments. It assumes that the proceeds of such exercise would be used to re-purchase common shares for years presented at the average market price during the period. However, the calculation of diluted loss per share excludes the effects of exercise of options and warrants as they would be anti-dilutive.

Shares subject to escrow restrictions are excluded from the weighted average number of common shares unless their release is subject only to the passage of time.

NOTE 4 – PREPAID EXPENSES AND DEPOSITS

		December 31, 2023		December 31, 2022
Prepaid consulting fees	$	-	$	2,630
Prepaid advertising and promotion		1,250		1,250
Other prepaid expenses		3,523		6,548
Total prepaid expenses and deposits	**$**	**4,773**	**$**	**10,428**

NOTE 5 – ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

		December 31, 2023		December 31, 2022
Trade payables and accrued liabilities	$	854,842	$	324,082
Part XII.6 tax payable		296,405		271,581
Total accounts payable and accrued liabilities	**$**	**1,151,247**	**$**	**595,663**

NOTE 6 – LOANS AND BORROWINGS

The loans and borrowings on December 31, 2023 and December 31, 2022 and the movements for the years then ended, respectively, are as follows:

		December 31, 2023		December 31, 2022
Opening balance	**$**	**60,133**	**$**	**34,122**
Proceeds (i)		15,000		-
Financing cost (i) (Note 7(b(i))		(6,900)		-
Termination fee assumed		-		25,000
Gain from debt extinguishment				(5,014)
Non-forgivable portion of debt		20,000		
Interest		1,597		1,011
Accretion		5,878		5,014
Repayments		(14,200)		-
Ending balance	**$**	**81,508**	**$**	**60,133**

Expressed in Canadian Dollars except otherwise noted

		December 31, 2023		December 31, 2022
Unsecured term loan with $15,000 principal and accrued interest at a fixed rate of 8% due on or before April 30, 2024. (i) (Note 7(b(i))	$	8,340	$	-
Unsecured federal government term loan with principal due on December 31, 2026 with monthly interest payments beginning in January 2024 and ending in December 2026 at a fixed rate of 5%. The portion of the loan may be forgiven with early repayment by January 2024 (ii).		60,000		34,122
Unsecured promissory note principal with interest accrued at an annual fixed rate of 6.00% and repayable on July 31, 2024 (iii).		13,168		26,011
Total loans and borrowings	$	81,508	$	34,122
Less: current portion of loans and borrowings	$	21,508	$	34,122
Non-current loans and borrowings	**$**	**60,000**	**$**	**-**

(i) On October 20, 2023, the Company closed an unsecured term loan in the amount of $15,000 with bonus warrants. The Term Loan matures on January 31, 2024, and has an interest rate of 8% per annum. The bonus warrants consist of 300,000 share purchase warrants which will entitle the holder thereof to purchase 300,000 common shares of the Company at a price of $0.05 for a period of 24 months from the close of the Term Loan. On February 28, 2024, the Company issued 300,000 share purchase warrants and agreed to issued additional 300,000 share purchase warrants as a consideration to extend the term loan's maturity date from January 31, 2024 to April 30, 2024.
(ii) The Company did not repay the loan by January 2024, therefore the Company recognized an additional liability of $20,000 as the terms of loan forgiveness were not met. The corresponding expense was recognized as other expense in the consolidated statement of loss and comprehensive loss.
(iii) On December 31, 2023, the Company entered into an amending agreement to extend the maturity date from January 31, 2024 to July 31, 2024.

Repayments due on loans and borrowings, including interest, for the next five years and thereafter are as follows:

Year		
2024	$	21,508
2025		-
2026		60,000
2027		-
2028		-
Thereafter		-
	$	**81,508**

NOTE 7 – SHARE CAPITAL

a) Common shares

Authorized: unlimited common shares without par value

	Number of Shares		Amount
Balance, December 31, 2021	**179,539,431**	**$**	**22,865,481**
Common shares upon private placement, net of issuance costs (i)	14,581,220		729,061
Balance, December 31, 2022	**194,120,651**	**$**	**23,594,542**
Common shares upon private placement, net of issuance costs (ii)	2,496,000		99,840
Balance, December 31, 2023	**196,616,651**	**$**	**23,694,382**

Expressed in Canadian Dollars except otherwise noted

(i) On December 20, 2022, the Company closed its non-brokered private placement. The Company received a total of $729,061 in cash proceeds through the issuance of 14,581,220 units at a price of $0.05 per Unit. Of the $729,061 total proceeds, $34,260 was received in the prior year and was previously reported as a share subscription payable as at December 31, 2021. Furthermore, $75,000 of the proceeds were uncollected as at December 31, 2022 and are presented as a share subscription receivable as at December 31, 2022, which was collected during the three months ended March 31, 2023.

Each Unit consists of one common share of the Company and one non-transferable common share purchase warrant. The Company incurred $nil of share issuance costs in connection with the private placement.

A total of 14,581,220 warrants (each a "Warrant") were issued in connection with the private placement. Each Warrant will entitle the holder to purchase one Common Share at a price of $0.08 for a period of 36 months from the closing of the offering. As the fair value of the Company's common shares on closing was greater than the consideration received on the units subscribed, no residual amount existed, and the warrants were valued at $Nil. All securities are subject to a four month and one day hold from the closing date.

(ii) On September 14, 2023, the Company closed the first tranche of its non-brokered private placement (the "Offering"). The Company received a total of $124,800 in cash proceeds through the issuance of 2,496,000 Units at a price of $0.05 per Unit. Each Unit consists of one common share of the Company and one non-transferable common share purchase warrant (each a "Warrant"). The Company incurred $nil of share issuance costs in connection with the private placement.

A total of 2,496,000 Warrants were issued in connection with the private placement. Each Warrant will entitle the holder to purchase one common share at a price of $0.08 for a period of 36 months from the closing of the Offering. The fair value of the Company's common shares on closing was $99,840 with a residual fair value of $24,960 allocated to the Warrants.

During the year ended December 31, 2023, the Company collected an additional $60,254 in cash proceeds in connection with the open 2nd tranche of its Offering. No Units have been issued in connection with these specific cash proceeds and the total cash collected has been presented as a share payable obligation as at December 31, 2023.

b) Warrants

The Company's warrants outstanding as at December 31, 2023 are as follows:

	Number of Warrants		Weighted Average Exercise Price
Balance, December 31, 2021	**91,427,784**	**$**	**0.11**
Issued	14,581,220		0.08
Expired	(8,938,890)		0.13
Balance, December 31, 2022	**97,070,114**	**$**	**0.10**
Issued (ii)	2,796,000		0.08
Expired	(6,720,500)		0.10
Balance, December 31, 2023	**93,145,614**		**0.10**

(i) The Company issued 300,000 share purchase warrants on October 19, 2023 in connection with a loan financing (Note 6). The grant date fair value of the warrants was $6,900 estimated using the Black-Scholes option-pricing model with the following weighted average assumptions:

Expressed in Canadian Dollars except otherwise noted

	December 31, 2023
Grant date share price	$0.04
Exercise price	$0.07
Risk free rate	4.88%
Expected life (years)	2.00
Expected volatility	137%
Expected dividends	0%
Forfeiture rate	0%
Fair-value per warrant	$0.02

The fair value of the warrants has been recognized as a transaction cost in connection with the loan payable.

(ii) The Company amended various warrants previously issued during the year ended December 31, 2023. On February 28, 2023, 500,000 warrants, which were previously granted on February 28, 2021, were extended for an additional one year with an amended expiry date of February 28, 2024. On August 24, 2023, 125,000 warrants, which were previously granted on August 24, 2020, and previously amended on August 24, 2022, were extended for an additional one year with an amended expiry date of August 24, 2024.

The grant date fair value of the amended warrants was estimated using the Black-Scholes option-pricing model with the following weighted average assumptions:

	Amended Warrants	Original Warrants
Grant date share price	$0.03 - $0.06	$0.08 - $0.09
Exercise price	$0.08 - $0.15	$0.08 - $0.15
Risk free rate	4.21% - 4.76%	4.21% - 4.76%
Expected life (years)	1.00	0.00
Expected volatility	120% - 134%	0%
Expected dividends	0%	0%
Forfeiture rate	0%	0%

The total cost of the warrant amendments is $9,250 which has been recorded as net financing expense during the year ended December 31, 2023.

Warrants outstanding as of December 31, 2023 were as follows:

Expiry Date	Exercise Price	Outstanding Warrants
February 28, 2024	$0.15	500,000
March 1, 2024	$0.10	45,022,210
August 24, 2024	$0.08	125,000
November 3, 2024	$0.12	12,770,341
December 7, 2024	$0.12	17,350,843
December 20, 2025	$0.08	14,581,220
September 14, 2026	$0.08	2,496,000
October 19, 2025	$0.05	300,000
	$0.10	**93,145,614**

The weighted average remaining contractual life of warrants outstanding as of December 31, 2023 is 0.76 years (December 31, 2022 – 1.62 years).

Expressed in Canadian Dollars except otherwise noted

NOTE 8 – SHARE-BASED PAYMENTS

On February 4, 2013, the Company adopted a "rolling" stock option plan for its employees, directors, officers and self-employed consultants, which plan received regulatory approval in 2013. The terms of the plan provide for options to be granted to a maximum of 10% of the issued and outstanding common shares of the Company at the time of grant of the stock options. The exercise price of each option shall not be less than the minimum price permitted by the policies of the Exchange. The options may be granted for a maximum term of ten years from the date of grant, and at the Board's election, may include vesting provisions. The total amount of share-based payments expense, if any, which is expected to be recognized over the vesting period of options, is recognized during the period in which it occurs.

On October 31, 2018, at the Company's Annual General Meeting the shareholders approved a new stock option plan to incorporate the polices of the Canadian Stock Exchange ("CSE"). Under the new stock option plan the maximum number of shares of the Company reserved for issuance will be limited to 10% of the issued shares of the Company at the time of any granting of options (on a non-diluted basis). In addition, the number of shares which may be reserved for issuance to any one individual may not exceed 5% of the issued shares on a yearly basis or 2% if the optionee is engaged in investor relations activities or is a consultant. The Board may from time to time authorize the issue of options to directors, officers, employees and consultants of the Company and its subsidiaries or employees of companies providing management or consulting services to the Company or its subsidiaries. The exercise price of each option shall be determined by the Board provided that such exercise price shall be not lower than the greater closing price of the Company's shares on the CSE on the trading day prior to the date of grant. The options may be granted for a maximum term of ten years from the date of grant, and at the Board's election, may include vesting provisions. The total amount of share-based payments expense, if any, which is expected to be recognized over the vesting period of options, is recognized during the period in which it occurs.

a) Stock options

The Company's recorded share-based compensation expense for years ended December 31, 2023 and 2022 comprised of the following:

		December 31, 2023		December 31, 2022
Stock Options	$	287,089	$	168,300

Movements in the number of stock options outstanding and their related weighted average exercise prices are as follows:

	Number of options		Weighted average exercise price
Balance, December 31, 2021	**12,900,000**	**$**	**0.10**
Granted (i)	3,300,000		0.07
Expired (ii)	(3,600,000)		0.08
Balance, December 31, 2022	**12,600,000**	**$**	**0.10**
Granted (iii)	9,000,000		0.06
Expired (iv)	(8,550,000)		0.11
Balance, December 31, 2023	**13,050,000**	**$**	**0.06**

(i) During the year ended December 31, 2022, the Company granted a total of 3,300,000 incentive stock options with 500,000 granted to an officer of the Company. The remaining 2,800,000 were granted to consultants of the Company. The options have an exercise price of between $0.065 - $0.07 per common share. The weighted average fair value of stock options granted in the year was estimated at $0.04 per option.

(ii) During the year ended December 31, 2022, a total of 3,600,000 stock options expired without exercise resulting in a transfer of $673,700 from share-based payment reserve to accumulated deficit.

(iii) During the year ended December 31, 2023, the Company granted a total of 9,000,000 incentive stock options with 1,500,000 granted to officers of the Company. The remaining 7,500,000 were granted to consultants of the Company.

Expressed in Canadian Dollars except otherwise noted

The options have an exercise price of $0.050 - $0.060 per common share. The weighted average fair value of stock options granted in the year was estimated at $0.03 per option.

(iv) During the year ended December 31, 2023 a total of 8,550,000 stock options expired without exercise resulting in a transfer of $523,950 from share-based payment reserve to accumulated deficit.

The Company fair valued the options granted during the years ended December 31, 2023 and 2022 using the Black-Scholes option pricing model with the following weighted average inputs:

	December 31, 2023	December 31, 2022
Grant date share price	$0.035 - $0.060	$0.05 - $0.065
Exercise price	$0.050 - $0.060	$0.065 - $0.07
Risk free rate	3.42% - 4.72%	2.64% - 3.58%
Expected life (years)	2.00 - 3.00	2.00 - 2.04
Expected volatility	127% - 137%	125% - 133%
Expected dividends	0%	0%
Forfeiture rate	0%	0%

Stock options outstanding and exercisable as at December 31, 2023 are as follows:

Number of Options Outstanding	Number of Options Exercisable	Exercise Price		Expiry Date
600,000	600,000	$	0.070	May 31, 2024
2,700,000	2,700,000	$	0.065	September 2, 2024
750,000	750,000	$	0.090	December 7, 2024
5,100,000	5,100,000	$	0.060	March 24, 2025
500,000	500,000	$	0.060	March 29, 2025
800,000	800,000	$	0.050	September 6, 2025
2,000,000	2,000,000	$	0.050	October 23, 2025
600,000	-	$	0.050	November 16, 2026
13,050,000	**12,450,000**	**$**	**0.059**	

The weighted average remaining contractual life of stock options outstanding and exercisable at December 31, 2023 is 1.18 years (2022 – 0.78 years).

NOTE 9 – RELATED PARTY TRANSACTIONS AND BALANCES

Key management personnel compensation

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company defines key management personnel as being the directors and key officers.

The compensation awarded to key management personnel is as follows:

For the year ended December 31:		2023		2022
Professional and consulting fees	$	220,500	$	180,000
Director fees		48,535		36,000
Share-based payments		58,500		20,500
Total compensation	**$**	**327,535**	**$**	**236,500**

Expressed in Canadian Dollars except otherwise noted

Other related party transactions
Effective May 1, 2016, the Company entered into an office rental agreement in which an officer and director is a shareholder. The Company was charged rent, office and parking expenses:

For the year ended December 31:		2023		2022
Rent, office and parking	$	92,196	$	88,836

Due to related parties
Balances owed to key management personnel and related parties, which are included in accounts payable and accrued liabilities are as follows:

As at:		December 31, 2023		December 31, 2022
Due to Chief Financial Officer	$	223,173	$	44,672
Due to directors		25,725		1,014
Rent, office and parking payable		63,078		-
Total balance due to related parties	**$**	**311,976**	**$**	**45,686**

NOTE 10 – FINANCIAL INSTRUMENTS

Fair values
When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs in the valuation techniques as follows:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

The carrying values of cash, receivables, accounts payable and accrued liabilities, and share subscriptions payable approximate their fair values due to the immediate or short-term nature of these instruments. The fair values of loans and borrowings approximate their carrying values due to the market rate of interest being applied. There has been no significant change in credit and market interest rates since the date of its receipt.

Fair value estimates are made at a specific point in time, based on relevant market information and information about the financial instruments. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and, therefore, cannot be determined with precision. Change in assumptions could significantly affect the estimates.

The following table summarizes the classification of the Company’s financial instruments under IFRS 9 – *Financial Instruments*:

Financial assets	
Cash	Amortized cost
Receivables and advances	Amortized cost
Share subscriptions receivable	Amortized cost
Financial liabilities	
Accounts payable and accrued liabilities	Amortized cost
Loans and borrowings	Amortized cost
Share subscriptions payable	Amortized cost

Capital and risk management
The Company’s objective and polices for managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce

the cost of capital. The Company manages its capital structure and makes changes based on economic conditions, risks that impact the operations and future significant capital investment opportunities. In order to maintain or adjust its capital structure, the Company may issue new equity instruments or raise additional debt financing.

The Company is exposed to a variety of financial risks by virtue of its activities: market risk, interest rate risk, liquidity risk and foreign currency risk. The Board of Directors has overall responsibility for the determination of the Company's capital and risk management objectives and policies while retaining ultimate responsibility for them. The Company's overall capital and risk management program has not changed throughout the period. It focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on financial performance. Risk management is carried out by the finance department under policies approved by the Board of Directors. The finance department identifies and evaluates financial risks in close cooperation with management.

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. The Company's interest-bearing debt instrument has a fixed interest rate and is not subject to interest rate cash flow risk.

The interest-bearing financial instruments, as reported in the consolidated financial statements, have the following interest rate profile:

As at:	December 31, 2023	December 31, 2022
Fixed rate instruments	$ 81,508	$ 60,133

Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company generally relies on external financing or key management to provide sufficient liquidity to meet budgeted operating requirements. The following table sets forth details of the payment profile of financial liabilities based on their undiscounted cash flows:

	Total carrying amount	Contractual cash flows	Less than 1 year	1 to 5 years	More than 5 years
Accounts payable and accrued liabilities	$ 1,151,247	$ 1,151,247	$ 1,151,247	$ -	$ -
Loans and borrowings	81,508	81,508	21,508	60,000	-
Share subscriptions payable	60,254	60,254	60,254		
Totals	**$ 1,293,009**	**$ 1,293,009**	**$ 1,233,009**	**$ 60,000**	**$ -**

Taking into consideration the Company's current cash position, volatile equity markets, global uncertainty in the capital markets and increasing cost pressures, the Company is continuing to review its needs to seek financing opportunities in accordance to its capital risk management strategy.

Foreign currency risk
Foreign currency risk is defined as the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company maintains financial instruments and enters into transactions denominated in foreign currencies, principally in U.S. dollar, which exposes the Company to fluctuating balances and cash flows due to various in foreign exchange rates.

NOTE 11 – INCOME TAXES

The total income tax recovery (expense) recorded in the consolidated financial statements differs from the amount computed by applying the combined federal and provincial tax rates of 27% (2022 – 27%) to income (loss) before tax as follows:

Expressed in Canadian Dollars except otherwise noted

For the year ended December 31:		2023		2022
Loss before taxes	$	(1,621,001)	$	(1,289,065)
Statutory income tax rate		27%		27%
Expected recovery at statutory rate		(438,000)		(348,000)
Increase in taxes resulting from:				
Non-deductible items and other		76,000		44,000
Change in unrecognized deferred income tax assets		362,000		304,000
Income tax expense (recovery)	**$**	**-**	**$**	**-**

Deferred income tax assets are recorded to the extent that the realization of the related tax benefit is probable based on estimated future earnings. Deferred income tax assets have not been recognized with respect to the following deductible temporary differences:

As at December 31:		2023		2022
Non-capital loss carried forward	$	11,624,000	$	10,300,000
Exploration and evaluation assets		8,074,000		8,074,000
Capital assets		389,000		389,000
Financing costs		4,000		10,000
Total gross deferred income tax assets		20,091,000		18,773,000
Unrecognized deferred income tax assets		(20,091,000)		(18,773,000)
Net deferred income tax asset	**$**	**-**	**$**	**-**

The Company has a non-capital loss of $11.624 million (2022 – $10.300 million) which is available to reduce future year's taxable income. The non-capital loss expires in 2026 through 2043 if not utilized. Management estimates future income using forecasts based on the based available current information.

NOTE 12 – SEGMENT REPORTING

All of the Company's operations are based in Canada.

NOTE 13 – EVENTS AFTER REPORTING PERIOD

- On February 7, 2024 the Company amended the terms (the "Amendment") of an aggregate of 45,022,210 outstanding common share purchase warrants (collectively the "Warrants") previously issued by the Company. The Warrants are currently exercisable to acquire common shares of the Company at a price of $0.10 until March 1, 2024. Under the Amendment, the term of the Warrants has been extended by an additional twenty-four (24) months to March 01, 2026. All other Warrant terms remain the same.

- On February 28, 2024 the Company extended the maturity date of an unsecured term loan (the "Term Loan") in the amount of CAD $15,000 that included bonus warrants. The Term Loan now matures on April 30, 2024, and has an interest rate of 8% per annum. As further consideration for the advancement of the Term Loan and extension of the maturity date from January 31, 2024 to April 30, 2024 an additional 300,000 share purchase warrants were issued which will entitle the holder thereof to purchase 300,000 common shares of the Company at a price of $0.05 for a period of 24 months from January 31, 2024.

- On March 1, 2024, the Company entered into a one-year extension to March 1, 2025 of its Non-Exclusive Research and Evaluation License with Option (Patent) with the US Department of Energy's ("DOE") National Energy Technology Laboratory for the DOE's Patents titled Selective Lithium Recovery as Lithium Carbonate from natural brine.

- On March 13, 2024, the Company granted 1,000,000 incentive stock options at an exercise price of $0.05 per common share. The stock options are fully vested and are exercisable on or before March 13, 2026.

- On March 15, 2024, the Company received from the CSE price protection for 45 days for non-brokered private placement offering of up to 16,666,666 units (each, a "Unit") of the Company at a price of $0.03 per Unit for gross proceeds of up to $500,000 (the "Offering") that may close in one or more tranches. Each Unit will consist of one common share of the Company (each, a "Common Share") and one non-transferable Common Share purchase warrant (each, a "Warrant"). Each Warrant will entitle the holder thereof to purchase one Common Share at a price of $0.06 for a period of 36 months from the closing of the Offering. There are no minimum number of Units or minimum aggregate proceeds required to close the Offering and the Company may at its discretion, elect to close the Offering in one or more closings. All funds are stated in Canadian dollars.

- In addition, the CSE allowed $60,254 in cash proceeds collected during the year ended December 31, 2023 presented as a share payable obligation as at December 31, 2023, to be amended from the $0.05 Unit Offering to the $0.03 Unit Offering as above.