US Critical Metals Corp.

Unaudited Condensed Interim Consolidated Financial Statements

For the Three Months ended December 31, 2024 and 2023

(Expressed in Canadian Dollars)

Notice to Reader

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

The accompanying unaudited condensed interim consolidated financial statements have been prepared by and are the responsibility of the management of US Critical Metals Corp.

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

US Critical Metals Corp.

Unaudited Condensed Interim Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	As at December 31, 2024	As at September 30, 2024
	$	$
Assets		
Current Assets		
Cash	**35,941**	83,979
Receivables and prepaid expenses (Note 4)	**94,987**	98,601
Total Assets	**130,928**	182,580
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities (Notes 5 and 11)	**699,178**	609,499
Note payable (Note 6)	**49,984**	46,198
Total Liabilities	**749,162**	655,697
Shareholders' Deficiency		
Share capital (Note 7)	**8,732,378**	8,732,378
Share-based payments reserve (Note 8)	**1,125,930**	1,102,059
Warrants reserve (Note 90)	**931,214**	931,214
Accumulated other comprehensive loss	**(290,653)**	(29,725)
Accumulated deficit	**(11,193,600)**	(11,286,118)
Equity Attributable to Shareholders of US Critical Metals Corp.	**(694,731)**	(550,192)
Non-controlling interest (Note 11)	**76,497**	77,075
Total Shareholders' Deficiency	**(618,234)**	(473,117)
Total Liabilities and Shareholders' Deficiency	**130,928**	182,580

Nature of operations and going concern (Note 1)
Commitments (Note 12)
Contingencies (Note 16)

Approved on behalf of the Board of Directors:

"Darren Collins"
Darren Collins, Director

"Scott Benson"
Scott Benson, Director

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

US Critical Metals Corp.

Unaudited Condensed Interim Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)
For the Three Months ended December 31, 2024 and 2023
(Expressed in Canadian Dollars)

	2024	2023
	$	$
Expenses		
Management fees (Note 10)	**52,433**	51,090
Professional fees (Notes 10 and 13)	**39,397**	98,773
Share-based compensation (Notes 8 and 10)	**23,871**	59,017
Exploration and evaluation expenses (Notes 10 and 12)	**14,956**	366,147
Office and general	**7,358**	113,642
Regulatory filing	**7,203**	6,924
Advertising and promotion	**349**	39,683
Property acquisition costs (Notes 7 and 12)	**-**	306,093
Foreign exchange (gain) loss	**(237,507)**	349
Total Expenses	**91,940**	(1,041,718)
Net Income (Loss)	**91,940**	(1,041,718)
Other Comprehensive Income		
Exchange (loss) gain on translation of foreign operations	**(260,928)**	82,626
Comprehensive Loss	**(168,988)**	(959,092)
Total Net Loss Attributable to:		
Shareholders of US Critical Metals Corp.	**92,518**	(1,041,593)
Non-controlling interest (Note 11)	**(578)**	(125)
Net Income (Loss)	**91,940**	(1,041,718)
Weighted Average Number of Outstanding Shares – basic and diluted	**63,058,076**	62,940,637
Net Income (Loss) per Share – basic and diluted	**0.00**	(0.02)

US Critical Metals Corp.

Unaudited Condensed Interim Consolidated Statements of Changes in Shareholders' Equity (Deficiency)
For the Three Months ended December 31, 2024 and 2023
(Expressed in Canadian Dollars)

	Number of Shares	Share Capital	RSU Reserve	Share-Based Payments Reserve	Warrants Reserve	Accumulated Other Comprehensive Loss	Accumulated Deficit	Non-Controlling Interest	Total
	#	$	$	$	$	$	$	$	$
Balance, September 30, 2023	**62,123,294**	**8,578,465**	**-**	**1,030,311**	**2,851,773**	**(42,891)**	**(11,531,408)**	**135,139**	**1,021,389**
Issuance of shares as option payments (Notes 7 and 12)	934,782	153,913	-	-	-	-	-	-	153,913
Share-based compensation (Note 8)	-	-	-	59,017	-	-	-	-	59,017
Exchange gain on translating foreign operations	-	-	-	-	-	82,626	-	-	82,626
Net loss for the period	-	-	-	-	-	-	(1,041,593)	(125)	(1,041,718)
Balance, December 31, 2023	**63,058,076**	**8,732,378**	**-**	**1,089,328**	**2,851,773**	**39,735**	**(12,573,001)**	**135,014**	**275,227**
Balance, September 30, 2024	**63,058,076**	**8,732,378**	**-**	**1,102,059**	**931,214**	**(29,725)**	**(11,286,118)**	**77,075**	**(473,117)**
Share-based compensation (Note 8)	-	-	-	23,871	-	-	-	-	23,871
Exchange loss on translating foreign operations	-	-	-	-	-	(260,928)	-	-	(260,928)
Net income for the period	-	-	-	-	-	-	92,518	(578)	91,940
Balance, December 31, 2024	**63,058,076**	**8,732,378**	**-**	**1,125,930**	**931,214**	**(290,653)**	**(11,193,600)**	**76,497**	**(618,234)**

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

US Critical Metals Corp.

Unaudited Condensed Interim Consolidated Statements of Cash Flows
For the Three Months ended December 31, 2024 and 2023
(Expressed in Canadian Dollars)

	2024	2024
	$	$
Operating Activities		
Net income (loss) for the period	**91,940**	(1,041,718)
Adjustments for non-cash items:		
Interest accrued on note payable (Note 6)	**726**	-
Share-based compensation (Note 8)	**23,871**	59,017
Option payments issued in shares (Notes 7 and 12)	**-**	153,913
Foreign exchange gain	**(237,507)**	-
	(120,970)	(828,788)
Net change in non-cash working capital items:		
Receivables	**(3,003)**	(840)
Prepaid expenses	**6,617**	56,061
Accounts payable and accrued liabilities	**89,679**	(194,248)
Cash Flows used in Operating Activities	**(27,677)**	(967,815)
Decrease in cash	**(27,677)**	(967,815)
Effect of foreign exchange on cash	**(20,361)**	82,626
Cash, beginning of period	**83,979**	1,444,325
Cash, end of period	**35,941**	559,136

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

1. Nature of Operations and Going Concern

US Critical Metals Corp. ("USCM" or the "Company") is focused on mining projects in the United States (the "U.S.") that will further secure the U.S. supply of critical metals and rare earth elements, which are essential to fueling the new age economy. Pursuant to option agreements with private Canadian and American companies, the Company's assets consist of five agreements, each providing the Company with the right to acquire interest in five discovery focused projects in the U.S. (see Note 12 for more details).

The Company's mineral exploration properties are currently in the exploration stage and, as a result, the Company has no source of operating cash flow. The exploration and development of the Company's mineral exploration properties depend on the feasibility of the projects and its ability to obtain financing in the future. Although the Company has taken steps to verify title to the mineral exploration properties in which it has an interest, these procedures do not guarantee the Company's title. Property title may also be subject to government licensing requirements or regulations, unregistered prior agreements and claims, and non-compliance with regulatory and environmental requirements.

The Company's registered office address is 550 Burrard Street, Suite 2300, Vancouver, British Columbia, V6C 2B5, Canada. USCM's common shares are listed on the Canadian Securities Exchange (the "CSE") under the ticker symbol "USCM", on the Frankfurt Stock Exchange in Germany under the ticker symbol "0IU0", and also on the OTCQB Venture Market in the U.S. under the ticker symbol "USCMF".

These unaudited condensed interim consolidated financial statements have been prepared on the basis that the Company will continue as a going concern, which contemplates the realization of assets and the settlement of liabilities in the normal course of operations. The Company's viability depends upon the acquisition and financing of mineral exploration or other projects. If mineral projects are to be successful, additional funds will be required for development and, if warranted, to place them into commercial production. The sources of financing presently available to the Company is through equity financing. The ability of the Company to raise new funds will depend, in part, on prevailing market conditions as well as the operating performance of the Company. There can be no assurance that the Company will be successful in securing the necessary financing, if needed, on terms satisfactory to the Company. If additional financing is arranged through the issuance of shares, control of the Company may change, and shareholders may suffer significant dilution. These conditions, including the volatile and speculative nature of the mining business, represent material uncertainties which may cast significant doubt on the Company's ability to continue as a going concern.

During the three months ended December 31, 2024, the Company recorded a net income of $91,940 (2023 – net loss of $1,041,718), and as of that date, the Company's accumulated deficit was $11,193,600 (September 30, 2024 – accumulated deficit of $11,286,118). As at December 31, 2024, the Company had a working capital deficiency of $618,234 (September 30, 2024 – working capital of $473,117), including a cash balance of $35,941 (September 30, 2024 – $473,117), which it can deploy to fulfill financial requirements for the 12-month period ending December 31, 2025. Nevertheless, it is not possible to predict whether financing efforts will continue to be successful in the future or if the Company will attain profitable levels of operations. These conditions, including the volatile and speculative nature of the mining business, represent material uncertainties which may cast significant doubt on the Company's ability to continue as a going concern.

These unaudited condensed interim consolidated financial statements do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying consolidated financial statements. Such adjustments could be material.

2. Basis of Presentation

(a) Statement of Compliance

These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), and interpretations of the International Financial Reporting Interpretations Committee. The unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standards 34 – Interim Financial Reporting.

These unaudited condensed interim consolidated financial statements were reviewed, approved, and authorized for issuance by the Board of Directors of the Company (the "Board") on February 28, 2025.

2. Basis of Presentation (continued)

(b) Basis of Measurement

These unaudited condensed interim consolidated financial statements have been prepared in accordance with IFRS, on the historical cost basis, except for financial instruments which are measured at fair value. In addition, these unaudited condensed interim consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

(c) Basis of Consolidation

These unaudited condensed interim consolidated financial statements include the accounts of the Company and its subsidiaries, US Critical Holdings Corp. ("USCH"), US Energy Metals Corp. ("USEM"), 1212242 B.C. Ltd. ("B.C. Ltd.") and Long Canyon Resources Inc. ("Long Canyon") (see Note 12). These unaudited condensed interim consolidated financial statements include all the assets, liabilities, revenues, expenses and cash flows of the Company and its subsidiaries after eliminating inter-entity balances and transactions.

(d) Functional Currency

These unaudited condensed interim consolidated financial statements are presented in Canadian dollars ("$" or "CAD"), which is the functional currency of the Company, and USCH and B.C. Ltd., its Canadian subsidiaries. The functional currency is the currency of the primary economic environment in which a Company operates. The functional currency of USEM and Long Canyon is the U.S. dollar ("USD").

(e) Material Accounting Judgments and Estimates

The preparation of these unaudited condensed interim consolidated financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, revenue, and expenses. These are consistent with those noted in the Company's audited consolidated financial statements for the year ended September 30, 2024, unless otherwise noted.

3. Summary of Material Accounting Policies

The accounting policies applied by the Company in these unaudited condensed interim consolidated financial statements are the same as those noted in the Company's audited consolidated financial statements for the year ended September 30, 2024, unless otherwise noted below.

(a) Adoption of New Accounting Policies

The Company adopted the following amendments, effective October 1, 2024. The changes were made in accordance with the applicable transitional provisions. The Company had assessed that there was no material impact upon the adoption of the amendments on its consolidated financial statements:

Amendments to IFRS 7 – Financial Instruments: Disclosures ("IFRS 7") and IAS 7 – Statements of Cash Flows ("IAS 7")

In May 2023, the IASB issued disclosure-only amendments to IFRS 7 and IAS 7. The amendments require entities to disclose sufficient information necessary for users of financial statements to understand the effects of supplier finance arrangements on an entity's liabilities and cash flows, as well as on its liquidity risk and risk management.

4. Receivables and Prepaid Expenses

Receivables and prepaid expenses are comprised of the following as of December 31, 2024:

	December 31, 2024	September 30, 2024
	$	$
Sales tax receivables	**4,454**	1,451
Prepaid insurance	**4,125**	8,250
Advances made to suppliers	**86,408**	88,900
	94,987	98,601

(Expressed in Canadian Dollars)

5. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities are principally comprised of amounts outstanding for trade purchases incurred in the normal course of business.

	December 31, 2024	September 30, 2024
	$	$
Trade payable	**690,928**	576,499
Accrued liabilities	**8,250**	33,000
	699,178	609,499

The Company's standard term for trade payable settlement is 30 to 60 days.

6. Note Payable

On August 21, 2024, the Company issued a promissory note to an arm's length party for an amount of for USD $34,000 (CAD $45,780) (the "Promissory Note"). The Promissory Note bears simple interest of 6% per annum and will be repayable in full on August 20, 2025.

During the three months ended December 31, 2024, interest expense of $726 had been accrued on the Promissory Note. As at December 31, 2024, the total outstanding balance of the Promissory Note was $49,984 (September 30, 2024 – $46,198), including accrued interest of $1,028 (September 30, 2024 – $302).

7. Share Capital

Share capital transactions for the three months ended December 31, 2023

On October 3, 2023, the Company issued 434,782 common shares as a payment under an Exploration and Option to Enter Joint Venture Agreement (defined hereafter) on the McDermitt Property (see Note 12). These common shares were valued at $73,913, based on the Company's closing share price on the date of issuance, and the amount was recorded as property acquisition costs on the consolidated statements of loss and comprehensive loss during the three months ended December 31, 2023.

On October 19, 2023, the Company issued 500,000 common shares for the second anniversary payment on the Clayton Ridge Lithium Property (see Note 12). These common shares were valued at $80,000, based on the Company's closing share price on the date of issuance, and the amount was recorded as property acquisition costs on the consolidated statements of loss and comprehensive loss during the three months ended December 31, 2023.

Share capital transactions for the three months ended December 31, 2024

There were no share capital transactions during the three months ended December 31, 2024.

8. Share-Based Payments Reserve

The Company maintains a stock option plan (the "Option Plan") whereby certain key employees, officers, directors and consultants may be granted stock options for common shares of the Company. The Option Plan provides that the aggregate number of securities reserved for issuance will be up to 10% of the number of the common shares issued and outstanding from time to time. The Option Plan is administered by the Board, which has full and final authority with respect to granting stock options thereunder. As at December 31, 2024, the Company had 2,155,808 common shares that are issuable under the Option Plan.

(Expressed in Canadian Dollars)

8. Share-Based Payments Reserve (continued)

The following summarizes the options activities for the three months ended December 31, 2024 and 2023:

	2024		2023	
	Number of options	**Weighted average exercise price**	Number of options	Weighted average exercise price
	#	**$**	#	$
Outstanding, beginning of period	**3,650,000**	**0.31**	3,000,000	0.35
Granted	**500,000**	**0.08**	500,000	0.15
Outstanding, end of period	**4,150,000**	**0.29**	3,500,000	0.32

Options activities for the three months ended December 31, 2023

On December 11, 2023, the Company granted 500,000 stock options to a consultant. The options vested immediately on grant and are exercisable at a price of $0.15 per common share for a period of five years. The options were valued using the Black-Scholes valuation model ("Black-Scholes") with the following assumptions: expected volatility of 150% based on comparable companies, expected dividend yield of 0%, risk-free interest rate of 3.53% and an expected life of five years. The grant date fair value attributable to these options of $59,017 was recorded as share-based compensation in connection with the vesting of options during the three months ended December 31, 2023.

Options activities for the three months ended December 31, 2024

On November 1, 2024, the Company granted 500,000 stock options to a consultant. The options vested immediately on grant and are exercisable at a price of $0.08 per common share for a period of five years. The options were valued using Black-Scholes with the following assumptions: expected volatility of 185% based on comparable companies, expected dividend yield of 0%, risk-free interest rate of 3.06% and an expected life of five years. The grant date fair value attributable to these options of $23,871 was recorded as share-based compensation in connection with the vesting of options during the three months ended December 31, 2024.

The following table summarizes information of stock options outstanding and exercisable as at December 31, 2024:

Date of expiry	**Number of options outstanding**	**Number of options exercisable**	**Exercise price**	**Weighted average remaining contractual life**
	#	**#**	**$**	**Years**
March 25, 2026	150,000	150,000	0.15	1.23
May 12, 2027	3,000,000	3,000,000	0.35	2.36
December 11, 2028	500,000	500,000	0.15	3.95
November 1, 2029	500,000	500,000	0.08	4.84
	4,150,000	**4,150,000**	**0.29**	**2.81**

9. Warrants Reserve

Warrants activities for the three months ended December 31, 2023

On November 16, 2023, the Company amended the exercise price of an aggregate of 24,282,958 warrants (each a "Warrant") consisting of 17,142,858 Warrants issued in connection with a private placement financing which closed on April 12, 2022 (the "2022 Warrants"); and 7,140,100 Warrants issued in connection with the Offering which closed on April 11, 2023 (the "2023 Warrants" and together with the 2022 Warrants, the "Old Warrants"). The original terms specified that each whole Old Warrant was exercisable into one common share at a price of $0.50 expiring on April 12, 2024, and at a price of $0.55 expiring April 11, 2026, respectively. The Company amended the exercise price of the Old Warrants from $0.50 and $0.55 a share, respectively, to $0.35 a share. There were no other proposed changes to the terms of the Old Warrants. The fair value of the Old Warrants was not re-evaluated in connection to the amendment of exercise prices.

(Expressed in Canadian Dollars)

9. Warrants Reserve (continued)

Warrants activities for the three months ended December 31, 2024

There were no warrants activities during the three months ended December 31, 2024.

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

Date of expiry	Number of warrants outstanding	Exercise price	Weighted average remaining life
	#	$	Years
April 11, 2026	7,556,223	0.35	1.28
August 10, 2026	24,920,000	0.10	1.61
	32,476,223	**0.16**	**1.53**

10. Related Party Transactions and Balances

In accordance with IAS 24 – Related Party Disclosures, key management personnel, including companies controlled by them, are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

Remuneration to key management personnel and directors

The remuneration of directors and other members of key management personnel during the three months ended December 31, 2024 and 2023 were as follows:

	2024	2023
	$	$
Management and consulting fees	**52,433**	51,090
Professional fees	**16,112**	51,694
	68,545	102,784

Effective February 1, 2022, the Company, through USEM, and its Chief Executive Officer ("CEO") who is also a director of USCM, entered into a contractor agreement, for a monthly renumeration of USD $12,500 in consideration of the CEO's services to USCM. During the three months ended December 31, 2024, the CEO charged fees of $52,433 (USD $37,500) (2023 – $51,090 (USD $37,500)) for consulting services provided to the Company, which are included in management fees. As at December 31, 2024, $215,835 (September 30, 2024 – $151,864) owing to the CEO was included in accounts payable and accrued liabilities. The amount outstanding is unsecured, non-interest bearing and due on demand.

During the three months ended December 31, 2024, Gowling WLG (Canada) LLP ("Gowling"), a law firm in which a director of USCM is also a partner, charged fees of $1,112 (2023 – $26,194) for legal services provided to the Company, which are included in professional fees. As of December 31, 2024, $354,800 (September 30, 2024 – $353,636) owing to Gowling was included in accounts payable and accrued liabilities. The amount outstanding is unsecured, non-interest bearing and due on demand.

During the three months ended December 31, 2024, Blueknight Advisory Services Inc. ("Blueknight"), where the Chief Financial Officer ("CFO") and Corporate Secretary of USCM, is also the principal, charged fees of $15,000 (2023 – $nil) for CFO and accounting services provided to the Company, which are included in professional fees. As at December 31, 2024, $26,708 (September 30, 2024 – $10,683) owing to Blueknight was included in accounts payable and accrued liabilities. The amount outstanding is unsecured, non-interest bearing and due on demand.

During the three months ended December 31, 2023, a director of the Company charged fees of $6,000 for compensation as a sitting Board member, which are included in professional fees. As at December 31, 2024, no fees were owed to the director (September 30, 2024 – $nil).

10. Related Party Transactions and Balances (continued)

Other related party transactions

During the three months ended December 31, 2024, Tigren Inc. ("Tigren"), an entity controlled by the VP, Exploration and also a director of the Company, charged fees of $16,525 (2023 – $137,088) for geological consulting services provided to the Company, which are included in exploration and evaluation ("E&E") expenses. As at December 31, 2024, $67,154 (September 30, 2024 – $48,561) owing to Tigren was included in accounts payable and accrued liabilities. The amount outstanding is unsecured, non-interest bearing and due on demand.

During the three months ended December 31, 2023, Branson Corporate Services Ltd., where the CFO of the Company was formerly a director, charged fees of $19,500 for CFO and accounting services provided to the Company, which are included in professional fees.

11. Non-Controlling Interest

On November 16, 2022, the Company and Idaho Silver Corp. ("Idaho Silver"), a private company existing under the laws of British Columbia, entered into a share purchase agreement (the "SPA") pursuant to which USCM would acquire 70% of the issued and outstanding common shares of B.C. Ltd., a private company existing under the laws of British Columbia, with the remaining 30% being held by Idaho Silver (the "Acquisition"). The Acquisition closed on December 15, 2022, on which date B.C. Ltd. also became the sole owner and shareholder of Long Canyon. Pursuant to the SPA, the Company acquired 70% of the issued and outstanding common shares of B.C. Ltd. from Idaho Silver as follows:

(i) in consideration for 45% of the issued and outstanding shares of B.C. Ltd., USCM made a payment of $50,000 in cash to Idaho Silver and issued 1,000,000 common shares (the "Consideration Shares") to Idaho Silver at a deemed price of $0.35 per Consideration Share; and
(ii) in consideration for 25% of the issued and outstanding shares of B.C. Ltd., USCM subscribed for 8,000 common shares for aggregate proceeds of $200,000.

On completion of the Acquisition, an amount of $137,143 representing the 30% interest of B.C. Ltd. attributable to Idaho Silver was recorded as non-controlling interest ("NCI") within shareholders' equity on the consolidated statements of financial position. During the three months ended December 31, 2024, the Company recorded a net loss of $578 (2023 – net loss of $125) attributable to the NCI, and as at December 31, 2024, the carrying amount of the NCI was $76,497 (September 30, 2024 – $77,075).

12. Exploration and Evaluation Expenses

Clayton Ridge Lithium Property

On October 11, 2021, the Company, through USEM, entered into a Mining Lease and Option to Purchase Agreement CR Claims (the "Mining Lease and Option Agreement") with an arm's length party, to lease a block of 90 claims (1,800 acres) in the Clayton Ridge Lithium Property (the "Clayton Ridge Property"), situated in Esmeralda County, Nevada, exclusively for the purpose of exploration for and the development, mining and processing of minerals. In May 2022, the Company staked and filed with the Esmeralda County and the Bureau of Land Management ("BLM") an additional 90 unpatented mining claims contiguous to the originally prospected Clayton Ridge Property claims block, and commenced exploration activities. The Clayton Ridge Property now spans 3,600 acres of prospective geology for lithium mineralization.

Pursuant to the Mining Lease and Option Agreement, the Company may acquire a 100% interest in the Clayton Ridge Property by paying a total of USD $225,000 and issuing 2.5 million USCM Shares to the vendor as follows:

- Payment of USD $25,000 in cash upon signing (the "Signing Date") of the Agreement (completed);
- Payment of USD $50,000 in cash and issuance of 500,000 USCM Shares upon listing of USCM on a recognized Canadian Exchange (completed);
- Payment of USD $75,000 in cash and issuance of 500,000 USCM Shares on the first anniversary of the Signing Date (completed);
- Payment of USD $75,000 in cash and issuance of 500,000 USCM Shares on the second anniversary of the Signing Date (completed); and
- Issuance of 1,000,000 USCM Shares upon completion of a NI 43-101 compliant technical report which confirms the presence on the Clayton Ridge Property of 2,000,000 tons of lithium carbonate equivalent.

12. Exploration and Evaluation Expenses (continued)

Clayton Ridge Lithium Property (continued)

The vendor will also maintain a 3% gross overriding return ("GOR") on production, subject to a buyback provision whereby USCM can purchase back 1% of the GOR from the underlying vendor in exchange for USD $1.0 million.

The term of the Mining Lease and Option Agreement is for three years, subject to USEM's right to exercise the option and to purchase the Clayton Ridge Property. On October 8, 2024, the Company and the arm's length party had amended the Mining Lease and Option Agreement, to extend the option exercise period to April 15, 2025.

Haynes Cobalt Project

On September 24, 2021, the Company, through USEM, entered into an option agreement (the "Option Agreement") with certain arm's length parties (collectively the "Vendors"), for the exclusive right and option to acquire a 100% interest in the Haynes Cobalt Project (the "Haynes Cobalt Property"), which consists of 23 lode claims covering approximately 475.18 acres, located in Idaho, U.S.

Pursuant to the Option Agreement, the Company would acquire a 100% interest in the Haynes Cobalt Property by paying a total of $100,000 and issue an aggregate of 2.5 million shares to the Vendors as follows:

- Issuance of 2,500,000 USCM Shares to the underlying Vendors upon closing of a go-public transaction which will result in the USCM Shares being listed on a recognized Canadian Exchange, subject to the same escrow as principles of the Resulting Issuer or as otherwise determined by the TSXV (completed);
- Payment of $50,000 in cash to the underlying Vendors upon the listing of the USCM Shares on a recognized Canadian Exchange (completed); and
- Payment of $50,000 in cash to the underlying Vendors on the one-year anniversary of listing of the USCM Shares on a recognized Canadian Exchange (completed).

The underlying Vendors will also maintain a 3% net smelter return royalty ("NSR") on production, subject to a buy-back provision whereby USCM can purchase back 1.5% of the NSR from the underlying vendor in exchange for $1.5 million.

On January 16, 2023, the Company completed the earn-in requirements for the Haynes Cobalt Project by making a final payment to the Vendors as per the Option Agreement. Pursuant to the Option Agreement, the claims had since been transferred to USCM, and the Company now holds a 100% interest in the claims.

Sheep Creek and Lemhi Pass Rare Earth Projects

On July 25, 2022, the Company and an arm's length party entered into a definitive agreement (the "Agreement") whereby the Company will invest in rare earth projects, including the Sheep Creek Property in Ravalli County, Montana ("Sheep Creek") and the Lemhi Pass Trail Property ("Lemhi Pass") in Lemhi County, Idaho (collectively, the "Rare Earth Properties"). USCM has the right to acquire up to an initial 50% equity interest in US Rare Elements Corp. ("USRE"), a newly formed entity that will be assigned a 100% interest in the Rare Earth Properties by the arm's length party, and the option to earn an additional 25% interest for an aggregate total of 75% equity interest in USRE, subject to the mutual approval of the Parties. The Rare Earth Properties are not subject to any form of royalty agreement.

Pursuant to the terms of the Agreement, USCM, through USEM, and the arm's length party (collectively, the "Parties"), have formed USRE in order to facilitate the investment by USCM. USRE will hold the Rare Earth Properties and will be jointly managed by USCM and the arm's length party once the Company acquires its voting rights during Phase I and Phase II of the earn-in option periods. Upon the event of: (i) USCM electing not to proceed with Phase II; or (ii) USCM completing its Phase II obligations, the voting rights of USCM and the arm's length will be determined in accordance with their respective equity interests in USRE.

12. Exploration and Evaluation Expenses (continued)

Sheep Creek and Lemhi Pass Rare Earth Projects (continued)

Transaction terms include the following:

- Phase I: USCM shall pay to USRE USD $300,000 (paid) in cash within 5 business days of closing on the Agreement and USD $1,500,000 in capital contributions prior to the date that is 16 months after closing on the Agreement (the "Phase I Due Date") in exchange for 25% equity interest in USRE (25% total corporate interest). As at December 31, 2024, the Company had outstanding obligations of approximately USD $0.6 million to be spent on the Phase I requirements, and the Company did not hold any equity interest in USRE. The Company and the arm's length party are currently in discussions to extend the timeline of Phase I.
- Phase II: Upon completion of Phase I and prior to the expiration of the Phase I Due Date, USCM may elect, in its sole discretion, to pay to USRE USD $200,000 in cash upon the election to proceed with Phase II and USD $3,000,000 in capital contributions prior to the date that is 40 months after closing on the Agreement (the "Phase II Due Date") in exchange for an additional 25% equity interest in USRE (50% total equity interest). If USCM does not elect to proceed with Phase II prior to the Phase I Due Date, no further payments from USCM to USRE will be made and USCM will remain with a 25% equity interest in USRE.
- Phase III: Upon completion of Phase II and prior to the expiration of the Phase II Due Date, USCM may elect, subject to the mutual agreement from the arm's length party, to provide USRE with USD $5,000,000 in capital contributions prior to the date that is 64 months after closing on the Agreement in exchange for an additional 25% corporate interest in USRE (75% total equity interest). If the Parties do not mutually agree to proceed with Phase III prior to the Phase II Due Date, no further payments from USCM to USRE will be made and USCM will remain with a 50% equity interest in USRE.

On July 31, 2024, the Company has elected to convert its interest of the joint venture, for a pro-rata number of shares equivalent to 14.25% of USRE, pursuant to the terms of the Agreement.

Long Canyon Uranium and Vanadium Project

On December 15, 2022, the Company closed the Acquisition, and B.C. Ltd. became the sole owner and shareholder of Long Canyon, which is the holder of the Long Canyon Uranium and Vanadium Project (the "Long Canyon Uranium and Vanadium Project"). The Long Canyon Uranium and Vanadium Project is comprised of 25 contiguous unpatented mining claims and two non-contiguous unpatented mining claims in Idaho and covers a surface area of approximately 535 acres.

At closing, Long Canyon also entered into a NSR royalty agreement (the "NSR Royalty Agreement") with Idaho Silver, which grants Idaho Silver a perpetual three and one-half percent (3.5%) NSR Royalty, relating to all production from the Long Canyon Uranium and Vanadium Property. The NSR Royalty is subject to a buyback right in favor of B.C. Ltd. pursuant to which B.C. Ltd. may repurchase up to 2% (in whole or part) of the NSR Royalty for a price equal to $2,000,000 ($1,000,000 for each 1% instalment).

McDermitt Lithium Project

On September 15, 2023, the Company, through USEM, entered into an Exploration and Option to Enter Joint Venture Agreement (the "Exploration and Option Agreement") with a certain arm's length party (the "McDermitt Optionor"), whereby the Company agreed to invest in the McDermitt Lithium project (the "McDermitt Property"), which consists of 315 unpatented lode claims located in Nevada, U.S. (the "McDermitt Project" or "Project").

Pursuant to the terms of the Exploration and Option Agreement, the McDermitt Optionor had granted USEM an exclusive irrevocable right to prospect, explore for and develop minerals within the Project, to earn and vest an undivided 50% interest in the Project with the option to acquire an additional 25% interest for an aggregate of 75% interest in the Project, and to form a joint venture for the management, operation and ownership of the Project (collectively the "Earn-in Right"). In consideration for the Earn-in Right, USEM has agreed to incur an initial $1,500,000 in exploration expenditures on or before the second anniversary of the date of the Exploration and Option Agreement (the "Second Year Deadline") and an additional $3,000,000 in exploration expenditures on or before the sixth anniversary of the Exploration and Option Agreement, for a total of $4,500,000 (the "Exploration Expenditures").

(Expressed in Canadian Dollars)

12. Exploration and Evaluation Expenses (continued)

McDermitt Lithium Project (continued)

In addition to the Exploration Expenditures, USEM has agreed to make the following payments in cash ("Cash Payments") and in common shares of USCM (the "Shares", collectively with the Exploration Expenditures and Cash Payments, the "Earn-in Obligation") to McDermitt Vendors:

- Reimbursement of BLM fees for the McDermitt Property for the September 2023 to August 2024 period (completed);
- $50,000 within five business days after the CSE's acceptance of the Option Agreement (completed);
- If USEM elects to continue the Exploration and Option Agreement in effect after the Second Year Deadline, $100,000 within 10 business days after the Second Year Deadline;
- Shares having a value of $100,000 on the CSE's acceptance of the Exploration and Option Agreement (completed); &
- If USEM elects to continue the Exploration and Option Agreement in effect after the Second Year Deadline, Shares having a value of $200,000 within 10 business days after the Second Year Deadline.

Upon exercise of the option following the completion of the Earn-in Obligation by the Company, a joint venture will be formed between the parties to advance the Project, with each party having an initial interest of 50%.

USEM will have the option to increase its participating interest in the joint venture by an additional 25% to an aggregate participation right of 75% by: (i) incurring and paying additional exploration expenditures in the amount of $5,000,000 on or before the sixth anniversary of the effective date of the Operating Agreement (the "Additional Earn-in Deadline"); and (ii) by issuing shares having a value of $1,000,000 within 10 business days after the Additional Earn-in Deadline.

During the three months ended December 31, 2024 and 2023, the Company's E&E expenses are comprised of the following:

	Properties					
2024	**Clayton Ridge**	**Haynes Cobalt**	**Sheep Creek & Lemhi Pass**	**Long Canyon**	**McDermitt**	**Total**
	$	$	$	$	$	**$**
E&E expenditures						
Field work testing	13,387	-	-	-	-	**13,387**
Earn-in expenditures	-	-	-	-	1,569	**1,569**
Total	**13,387**	**-**	**-**	**-**	**1,569**	**14,956**

	Properties					
2023	**Clayton Ridge**	**Haynes Cobalt**	**Sheep Creek & Lemhi Pass**	**Long Canyon**	**McDermitt**	**Total**
	$	$	$	$	$	**$**
Property acquisition costs						
Option payments made in cash	102,180	-	-	-	50,000	**152,180**
Option payments issued in shares	80,000	-	-	-	73,913	**153,913**
	182,180	-	-	-	123,913	**306,093**
E&E expenditures						
Field work testing	45,885	-	-	-	-	**45,885**
Exploration drilling	274,652	-	-	-	-	**274,652**
Earn-in expenditures	-	-	45,610	-	-	**45,610**
	320,537	-	45,610	-	-	**366,147**
Total	**502,717**	**-**	**45,610**	**-**	**123,913**	**672,240**

(Expressed in Canadian Dollars)

13. Professional Fees

During the three months ended December 31, 2024 and 2023, the Company's professional fees are comprised of the following:

	2024	2023
	$	$
Legal expenses	**12,209**	39,023
Audit and accounting fees	**27,188**	30,750
Business consulting fees	**-**	29,000
	39,397	98,773

14. Capital Management

The Company manages its capital structure and adjusts it, based on the funds available to the Company, to support the development of its planned business activities. The Board of the Company does not establish quantitative return on capital criteria for management, but rather relies on the expertise of management to sustain future development of the business. To carry out the planned business activities and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

The Company considers its capital to be shareholders' equity, which is comprised of share capital, share-based payments reserve, warrants reserve, accumulated other comprehensive loss and accumulated deficit. As at December 31, 2024, the Company's capital consisted of an equity balance attributable to the shareholders of USCM for a deficit of $694,731 (September 30, 2024 – deficit of $550,192).

The Company's objective when managing capital is to obtain adequate levels of funding to support its business activities, to maintain corporate and administrative functions necessary to support organizational functioning and obtain sufficient funding to further the development of its business. The Company raises capital, as necessary, to meet its needs and take advantage of perceived opportunities and, therefore, does not have a numeric target for its capital structure.

Funds are primarily secured through equity capital raised by way of private placements. There can be no assurance that the Company will be able to continue raising capital in this manner.

The Company is not subject to externally imposed capital requirements.

15. Financial Instruments

The Company is exposed to various risks as it relates to financial instruments. Management, in conjunction with the Board, mitigates these risks by assessing, monitoring and approving the Company's risk management process. There have not been any changes in the nature of these risks or the process of managing these risks from the previous reporting periods.

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash, and receivables (excluding sales tax receivable), which expose the Company to credit risk should the borrower default on maturity of the instruments.

Cash is primarily held with reputable a Canadian chartered bank which is closely monitored by management. Management believes that the credit risk concentration with respect to cash is minimal.

The Company's second exposure to credit risk is on receivables. At each reporting period, management assesses the credit risk of its receivables balance. As the Company does not currently have any trade receivable, management believes that the credit risk concentration with respect to trade receivable is minimal.

(Expressed in Canadian Dollars)

15. Financial Instruments (continued)

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Company. The Company generates cash flow primarily from its financing activities. The Company endeavors to have sufficient cash on demand to meet expected operational expenses, which excludes the potential impact of extreme circumstances that cannot be reasonably predicted. As at December 31, 2024, the Company had a cash balance of $35,941 (September 30, 2024 – $83,979), to settle current liabilities of $749,162 (September 30, 2024 – $655,697).

The following table summarizes the carrying amount and the contractual maturities of both the interest and principal portion of significant financial liabilities as at December 31, 2024:

	Carrying amount	Year 1	Year 2 to 3	Year 4 to 5
	$	**$**	**$**	**$**
Accounts payable and accrued liabilities	699,178	699,178	-	-
Note payable	49,984	49,984	-	-

The Company manages liquidity risk by maintaining adequate cash reserves and by continuously monitoring forecasts and actual cash flows for a rolling period of 12 months to identify financial requirements. Where insufficient liquidity may exist, the Company may pursue various debt and equity instruments for short or long-term financing of its operations.

Management believes there will be sufficient capital to meet short-term business obligations, after taking into account cash flow requirements from operations and the Company's cash position as at December 31, 2024.

Market risk

Market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will significantly fluctuate due to changes in market prices. The value of financial instruments can be affected by changes in interest rates, foreign exchange rates, and equity and commodity prices.

Foreign exchange risk

Foreign exchange risk is the risk that the Company will be subject to foreign currency fluctuations in satisfying obligations related to its foreign activities. The Company's operations are based in the U.S., and may have, from time to time, transactions denominated in foreign currencies. The Company's primary exposure to foreign exchange risk is that transactions denominated in foreign currency may expose the Company to the risk of exchange rate fluctuations. Based on its current operations, management believes that the foreign exchange risk is minimal.

Fair value

Fair value estimates of financial instruments are made at a specific point in time based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

The Company's financial instruments consist of cash, receivables (excluding sales tax recoverable), accounts payable and accrued liabilities and note payable. The fair value of cash, receivables (excluding sales tax recoverable), accounts payable and accrued liabilities and note payable are approximately equal to their carrying value due to their short-term nature.

The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

15. Financial Instruments (continued)

Fair value (continued)

The fair value hierarchy has the following levels:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at December 31, 2024 and September 30, 2024, the Company did not have any financial instruments which were carried at fair value.

16. Contingencies

The Company's E&E activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. As at December 31, 2024, the Company believes its operations are materially in compliance with all applicable laws and regulations. The Company expects to make future expenditures to comply with such laws and regulations.