

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

The following Management's Discussion and Analysis ("MD&A") is dated January 28, 2025 and should be read in conjunction with the audited consolidated financial statements of American Salars Lithium Inc. ("ASLI" or the "Company") for the years ended September 30, 2024 and 2023. ASLI prepares its audited consolidated financial statements in accordance with IFRS Accounting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC").

### **FORWARD-LOOKING INFORMATION**

Certain statements in this MD&A that are not based on historical facts constitute forward-looking information. Forward-looking information is not a promise or guarantee of future performance but is only a prediction that relates to future events, conditions or circumstances or the Company's future results, performance, achievements or developments and is subject to substantial known and unknown risks, assumptions, uncertainties and other factors that could cause the Company's actual results, performance, achievements or developments in its business or industry to differ materially from those expressed, anticipated or implied by such forward-looking information. Forward-looking statements include statements regarding the outlook for the Company's future operations, plans and timing for the introduction or enhancement of its services and products, statements concerning strategies or developments, statements about future market conditions, supply conditions, end customer demand conditions, channel inventory and sell through, revenue, gross margin, operating expenses, profits, forecasts of future costs and expenditures, and other expectations, intentions and plans that are not historical fact. The forward-looking statements in this MD&A are based on certain factors and assumptions regarding expected growth, results of operations, performance and business prospects and opportunities. Specifically, management has assumed that the Company's performance will meet management's internal projections. While management considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect.

Readers are cautioned not to place undue reliance upon any such forward-looking statements, which speak only as of the date they are made. Readers are also advised to consider such forward-looking statements in light of the risk factors and uncertainties that may affect the Company's actual results, performance, achievements or developments.

The Company disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except to the extent required by applicable law. Further information concerning risks and uncertainties associated with these forward-looking statements and the Company's business may be found in the Company's other filings.

### **OVERVIEW**

ASLI is a publicly traded company (CSE: USLI) incorporated on December 17, 2019 under the laws of British Columbia. The address of the Company's corporate office and its principal place of business is 200 - 551 Howe Street, Vancouver, British Columbia, Canada.

The Company is engaged in the investigation, acquisition and exploration of potentially economically viable mineral properties. The recoverability of the cost of the mineral properties is dependent upon the existence of economically recoverable resources, the ability to secure necessary financing to complete the exploration and development programs to generate future profitable production.

## HIGHLIGHTS AND NOTABLE EVENTS

On November 10, 2023, the Company announced that it has issued its first tranche of shares, 3,495,009 common shares, under the terms of its recently announced share purchase option agreement to acquire American Brines Lithium Corp.

On December 4, 2023, the Company announced a name change from Blanton Resources Corp. to American Salars Lithium Inc.

On March 13, 2024, ASLI announces that it has in place the necessary drill permits for a resource expansion and production diameter drill program at American Salars Candela II Lithium Brine Project located in the Incahuasi Salar, Salta Province, Argentina. The 400 Meter drill holes will test the additional depth from 200-400 meter zone that appeared highly prospective for lithium in the MT Survey data collected in 2023. The diameter of the production well is 20cm – 30cm in diameter and will provide the company's first production ready well at the project. The Candela II Lithium Brine Project contains a National Instrument 43-101 mineral resource estimate ("MRE") completed by WSP Australia Pty. Ltd. (see Spey Resources Corp. news dated September 26, 2023). This NI 43-101 resource report estimates the project to contain lithium metal of 86,000 tonnes which equates to 457,500 tonnes of in-situ lithium carbonate equivalent (LCE).

On April 26, 2024, the Company completed a non-brokered private placement which raised gross proceeds of \$749,999. The Company issued 3,999,995 units ("Units") at a price of \$0.20 per Unit of which 250,000 units were issued to settle \$50,000 in debt. Each Unit is comprised of one common share of the Company and one half of one whole common share purchase warrant ("Warrant") with each warrant being exercisable for the purchase of an additional common share at a price of \$0.25 per share for a twelve-month period. The Company also paid finder's fees of 10% cash totalling \$13,000 and issued 65,000 Warrants to eligible finders. The securities are subject to a four month and one day hold period. The Company plans to use the proceeds of the Offering for mineral exploration and general working capital.

On May 31, 2024, ASLI completed a non-brokered private placement which raised gross proceeds of \$580,000. The Company issued 2,900,000 units ("Units") at a price of \$0.20 per Unit. Each Unit is comprised of one common share of the Company and one half of one whole common share purchase warrant ("Warrant") with each warrant being exercisable for the purchase of an additional common share at a price of \$0.25 per share for a twelve-month period. The Company also paid finder's fees of 10% cash totalling \$43,100 and issued 215,000 Warrants to eligible finders. The securities are subject to a four months and one day hold period. The Company plans to use the proceeds of the Offering for general working capital.

On June 3, 2024, the Company engaged Hillcrest Merchant Partners Inc. to provide strategic, financial, and capital markets advisory services and guidance to the Company. As part of this engagement, the Company will appoint Hillcrest's Vice President to act as Vice President of Corporate Development of the Company, and a member of Hillcrest's leadership team will join the Advisory Board. The agreement with Hillcrest is for a term of 24 months and the compensation includes a stock option package, a monthly fee of \$10,000, an initial advisory fee of 1,000,000 common shares, and thereafter an additional 3,000,000 common shares vesting in periodic installments of 500,000 shares over an eighteen-month period, subject to Hillcrest achieving certain performance milestones.

On June 7, 2024, ASLI filed a NI 43-101 technical report on the Black Rock South Lithium Brine Property.

On June 12, 2024, the Company reported completing phase one program on the Black Rock South Lithium Brine Property. The highlights of the program were 58 soil samples were collected, land research was completed in the vicinity of the property and region, and 63 prospecting samples were collected.

On June 11, 2024, the Company has entered into an agreement with Recharge Resources Ltd. ("Recharge") to acquire a 100% interest in the Pocitos 1 lithium salar project by issuing 5,000,000 common

shares (issued, note 7) subject to a 24-month escrow and assuming an outstanding tax liability estimated to be no more than USD \$250,000 as well as a payable to a third party of AUS \$80,000. During the year ended September 30, 2024, the Company issued 500,000 finder's fee shares (notes 7 and 13). As of September 30, 2024, the transaction has not closed due to a lien on the property and ongoing discussions regarding the tax liability to be assumed. The Company has issued a total of 5,500,000 shares in relation to this transaction, and management has concluded that there was no impairment at year-end. Recharge has further agreed to proxy all votes to management of the Company. At closing, the Company shall issue Recharge 2,500,000 bonus warrants (the "Bonus Warrants"), with each Bonus Warrant entitling Recharge to acquire one common share of the Purchaser at an exercise price of CAD \$0.75 for a period of five years. The Bonus Warrants will be exercisable by Recharge only upon the Pocitos 1 property having a Measured and Indicated and Inferred combined ("M+I+I") resource of 1,000,000 tonnes LCE, and subject to the receipt of a "technical report" (as that term is defined in section 1.1 of NI 43-101) confirming that the Property has the required M+I+I resources (as such terms are defined in section 1.2 of NI 43-101). The Pocitos 1 property is subject to a 2.5% net smelter royalty ("NSR") of the minerals produced on a FOB basis from the property, the Company can purchase 1.5% (60%) of the NSR for CAD \$1,500,000.

On July 11, 2024, the Company received the assay results from ALS Geochemistry Laboratory in Reno Nevada ("ALS") from soil samples collected at the Black Rock South lithium brine project, located 72 Miles North of the Tesla Gigafactory in Nevada. Samples were processed using Boyd RSD rotary crushers and splitter with a 180-micron (80 mesh) sieve, aqua regia digestion, and 41 multi-element ICP-AES analysis (code MEICP41). Out of the 38 soil samples, 33 recorded lithium concentrations of 100 ppm or higher with the highest sample recording 180.5 ppm lithium with an average grade of the 33 samples of 131 ppm across the surface of the property and Anomalous lithium results in a northeast trend and may represent a lithium brine aquifer at depth if the structural geology or geophysics shows a porous unit structure.

On October 30, 2024, ASLI announced the acquisition of the Lac Simard Lithium mine in Quebec. The property consists of 3,673 hectares over 64 claim blocks and sampled 2.1% Lithium and 5.88% Tantalum Oxide. The Company will issue 50,000 common shares as consideration for the acquisition. On November 26, the Company announced the engagement of an exploration team for exploration of the property.

On December 17, 2024, ASLI announced the acquisition of the Xenia West & East Lithium projects in Quebec consisting of 92 mining claims covering 5,382 hectares in exchange for 50,000 common shares of the Company.

On October 30, 2024, the Company entered into a Mineral Claims Purchase Agreement to acquire 100% of the Lac Simard South project consisting of 64 mineral claims covering 3,672 hectares. In consideration, the Company will issue 50,000 common shares.

On November 7, 2024, the Company entered into a Mineral Claims Purchase Agreement to acquire 100% of the Lac Simard Nord project consisting of 2 mineral claims covering 286 hectares. In consideration, the Company will issue 50,000 common shares

### **Black Rock South Lithium Brine Project**

The Blackrock South lithium brine project is located 72 miles north of the Tesla Gigafactory, 93 miles southwest of Thacker Pass, and 215 miles northwest of the United States' only producing lithium mine, the Silver Peak lithium brine mine owned by Albemarle Corp. The claims cover a conceptual target for lithium brines which is very similar to the published geology of the Clayton Valley lithium brine production area approximately 200 miles to the southeast. The concept is consistent with generally accepted data and theories about the formation of lithium brine resources. The target area is lithium — brines hosted in basin-fill sediments. Recent 2024 phase 1 sampling program returned an average grade of 131 ppm with a high of 180.5 ppm lithium.

## **Pocitos I, Salta Argentina**

Pocitos I is a 100% owned 800-hectare lithium brine project located in the Salar de Pocitos, in the lithium-rich Puna region of northwestern Argentina. The basins in this area produce over 52% of the lithium brine resources in the World.

## **Lac Simard. Quebec**

100% of the Lac Simard Nord & South Project consisting of claims blocks, directly contiguous to Sayona Mining Limited's (ASX: SYA) "Tansim" Project, comprised of the Viau-dallaire and Viau Showings estimated by Sayona has having the potential to contain between 5 to 25 million tons of Li<sub>2</sub>O @ 1.2-1.3%.

This brings the Company's holding in Canada's only producing lithium camp to 3,958.75 acres at Lac Simard, Quebec.

## **Xenia West & East, Quebec**

The Property consists of 92 mining claims covering approximately 5,382 hectares or 54 square km. The Property is located 30km southeast of Val-d'Or, accessible via the regional 117 highway.

The Property is contiguous to Sayona Mining Limited's and Brunswick Exploration properties. The Property lies chiefly on the metagraywackes of the Pontiac Geological Subprovince. The Réservoir Decelles Batholith is located 1-3km away from the Property and consists of a heterogeneous granite which contain muscovite-pegmatites. The vicinity of the Property was prospected for Cu-Ni (Lac Granet, Lac Louvicourt-South and Céré-Villebon) and the search for pegmatites were ignored until very recently.

## **Isla, Campbell River, British Columbia**

The Isla Property is located approximately 16 km to 22 km southwest of the town of Campbell River, British Columbia, Canada. Isla Property consists of six contiguous Mineral Claims covering approximately 4,295.1 hectares.

The Company carried out a field exploration program on the Isla Property in 2022 that included the collection of 402 soil samples taken from two surveyed grids, 5 rock samples, 4 petrographic samples, and 17.933 kilometers of ground magnetometer surveys. Soil samples were collected from the Lost Lake and Regan Grids and the magnetometer survey was conducted on the Lost Lake Grid. Soil sampling carried out in the Regan Creek area identified significant anomalous values of copper, gold, and arsenic located in the west and north portion of the grid. Sampling returned the following values: 262 ppm Cu and 282 ppm Cu, 993 ppm As and 1590 ppm As, as well as 105 ppb Au.

The Lost Lake grid returned elevated Cu in soil with values greater than 129 ppm Cu to a high of 409 ppm Cu. The soil grids were successful in expanding the area of the soil anomalies in all directions.

Rock sampling returned values of 630 ppm and 2310 ppm Cu. Analysis of rock samples from bedrock in the area of anomalous copper in soil anomalies consists of amygdaloidal basalt with variable (0.1-5% by volume) quartz-calcite-chlorite alteration, sparse disseminated and fracture filling pyrite-pyrrhotite, and trace amounts of copper bearing sulphide minerals such as chalcopyrite, bornite, and chalcocite. In the LL Grid area, mineralization occurs adjacent to northwest trending faulting along the Tsolum River valley. It appears that conjugate faults and fracture zones spread out at oblique angles (east and northeast trending) from the main northwest trend. Oblique fault splays may explain the distribution of copper in soil as clusters.

The Regan Creek area aligns with a regional scale fault/fracture zone trending southeast towards the Milkideal quartz-sulphide veins. In Regan Creek, the exposed faults are commonly, and often altered with quartz-carbonate-ankerite as late-stage fracture filling extends several metres away from the fault. Some of these altered faults host veins/veinlets of quartz-carbonate, often containing sphalerite, galena, pyrite, chalcopyrite, and trace amounts of grey sulfide and realgar. Traced along strike, the Regan Creek fault

zones splay in a multi-directional attitude and are altered with quartz-carbonate-ankerite as late-stage fracture filling adjacent to the faults. The vuggy low-sulphidation hydrothermal systems have resulted in vein and/or stockwork style mineralization. This fault is interpreted as being a part of an extensive series of faults related to the emplacement of the Eocene-Oligocene Mount Washington Plutonic Suite which host the Domineer & Mount Washington Copper polymetallic mineral deposits located approximately 3 kilometers south of the Isla Property.

Silt samples taken on the property have returned values of up to 325.3 ppb Au and 2418.7 Cu. Soil samples have returned up to 996.5 ppm Au and 409 ppm Cu.

The 2022 ground magnetometer survey identified two significant areas of interest that should be followed up due to positive (>54,000 nT) anomalies. Additionally, the 2022 survey identified a northwest trending, 850 meter long by 50-meter wide negative (<53,400 nT) anomaly area of interest in the western part of the survey area.

Results to date from the Isla property demonstrate strong potential for gold and copper bearing mineralization that warrants further geological, geochemical, and geophysical exploration.

The following table breaks out the exploration and evaluation expenditures by property:

	Isla	Black Rock South	Aesir	Spey	Pocitos 1	Total
Balance, September 30, 2022	\$ 197,247	\$ -	\$ -	\$ -	\$ -	\$ 197,247
Recovery of costs	(10,000)	-	-	-	-	(10,000)
Loss on disposal	(19,500)	-	-	-	-	(19,500)
Acquisitions costs	-	-	372,000	-	-	372,000
<b>Balance, September 30, 2023</b>	<b>\$ 167,747</b>	<b>\$ -</b>	<b>\$ 372,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 539,747</b>
Balance, September 30, 2023	\$ 167,747	\$ -	\$ 372,000	\$ -	\$ -	\$ 539,747
Acquisitions costs	5,000	524,251	-	627,550	975,000	2,131,801
Geological costs	-	49,661	7,123	-	21,000	77,784
<b>Balance, September 30, 2024</b>	<b>\$ 172,747</b>	<b>\$ 573,912</b>	<b>\$ 379,123</b>	<b>\$ 627,550</b>	<b>\$ 996,000</b>	<b>\$ 2,749,332</b>

## OVERALL PERFORMANCE

### Key Performance Indicators

	2024	2023	2022
Revenue	\$ -	\$ -	\$ -
Net loss	\$ (1,019,181)	\$ (175,096)	\$ (264,398)
Loss per share	\$ (0.05)	\$ (0.02)	\$ (0.04)
Total assets	\$ 3,425,918	\$ 581,524	\$ 209,330
Exploration and evaluation assets	\$ 2,749,332	\$ 539,747	\$ 197,247

The Company incurred a net loss of \$1,019,181 for the year ended September 30, 2024 compared to \$175,096 for the prior year. The increase in the net loss is attributed to the increase in consulting fees expenses of \$446,531 resulting in the change in management and various consulting agreements due to the increase in activity of the Company, increase in investor communications of \$333,754 resulting from investor awareness campaigns conducted during the year, increase in occupancy costs of \$28,902 as additional office space was used, increase in professional fees of \$16,841 due to increased legal for general

corporate items, increase in transfer agent and filing fees of \$28,136 due to increase share activity resulting from private placements, and an increase in office and general of \$5,318 due to an increase in operations.

The Company has assets of \$3,425,918 at September 30, 2024 compared to \$581,524 at September 30, 2023 representing an increase of \$2,844,394. The increase is the result of the share issuances for cash, services and property acquisitions during the period offset by the net loss. During the twelve-months ended September 30, 2024, the Company incurred an additional \$199,284 of cash expenses and an additional \$1,989,301 from share issuances for the various mineral exploration projects.

## Results of Operations

	2024	2023
Investor communications	\$ 333,754	\$ -

For the year ended September 30, 2024, the Company incurred \$333,754 of investor communications expenses compared to nil in 2023. The increase in the expense is the result of the investor marketing campaign the Company conducted to gain shareholder interest.

	2024	2023
Management and consulting fees	\$ 474,531	\$ 28,000

For the twelve-months ended September 30, 2024, the Company incurred \$474,531 of management and consulting fees compared to \$28,000 for 2023. These expenses relate to the fees paid to management of the Company for the day-to-day management requirements. During the year, the Company has engaged new management and consultants for the increased activity on the property acquisitions.

	2024	2023
Professional fees	\$ 95,967	\$ 79,126

Professional fees were \$95,967 for the year ended September 30, 2024 compared to \$79,126 for 2023. The increase is the result from legal and accounting fees for general corporate matters and required filings of the Company.

	2024	2023
Transfer agent and filing fees	\$ 47,800	\$ 19,664

Transfer agent and filing fees were \$47,800 for the twelve-months ended September 30, 2024 compared to \$19,664 for the comparative period. The increase is the result of the filing fees and costs associated with the private placements conducted during the year.

	2024	2023
Occupancy costs	\$ 49,771	\$ 20,869

Occupancy costs were \$49,771 for the year ended September 30, 2024 compared to \$20,869 for the comparative period. The increase office space used for the general operations of the Company.

	2024	2023
Office and general	\$ 12,562	\$ 7,244

Office and general were \$12,562 for the year ended September 30, 2024 compared to \$7,244 for the comparative period. The increase in the expense is due to additional costs with bank charges, office supplies, and meals and entertainment due to additional operations.

## LIQUIDITY AND CAPITAL RESOURCES

### Liquidity

Management has determined that cash flows for operating, exploration and evaluation expenses, and general and administrative expenses will be funded by ASLI's existing cash on hand. Any expected short fall of cash required for these expenses will be funded by the issuance of common shares through private placements.

### Cash Flow Summary

	2024	2023
Cash on hand, beginning of year	\$ 40,809	\$ 10,510
Cash flow used in operations	(1,091,860)	(245,201)
Cash flow from financing activities	1,335,173	265,500
Cash flow used in investing activities	(199,284)	10,000
Cash on hand, end of year	\$ 84,838	\$ 40,809

Cash flow used in operations for the year ended September 30, 2024 was \$1,091,860 compared to \$245,201, resulting from the expenses incurred for the general operating costs incurred for the day-to-day management of the Company offset by the fluctuations from non-cash working capital from the timing of payment of the accounts payable, prepaid expenses and the collection of the goods and service taxes.

For the twelve-months ended September 30, 2024, the Company had received a net cash inflow of \$1,335,173 (2023 – \$265,500) resulting from the issuance of 6,845,595 (2023 – 2,550,000) common shares for gross proceeds of \$1,370,619 (2023 - \$265,000).

For the year ended September 30, 2024, the Company spent \$199,284 (2023 – received \$10,000) on purchases of exploration and evaluation assets resulting from the schedule payments for the acquisition of the mineral property and various work performed on the properties. In addition, the Company issued 10,810,009 common shares with a value of \$1,989,301 for property acquisitions compared to 3,100,000 with a value of \$372,000 in 2023. In addition, for the year ended September 30, 2023, the Company received \$10,000 from the sale of an exploration property.

The following table represents the net capital of the Company:

	2024	2023
Shareholders' equity	\$ 3,239,011	\$ 553,718
Net capital	\$ 3,239,011	\$ 553,718

ASLI uses net working capital to monitor leverage. The net capital is the result of the issuance of common shares offset by the operating loss of the Company in the current period.

### Working Capital

The Company has working capital of \$489,679 as at September 30, 2024 compared to \$13,971 as at September 30, 2023 representing an increase of \$475,708. The increase in working capital is comprised of an increase in current assets of \$634,809 and offset by an increase in current liabilities of \$159,101.

The increase in current assets was due to an increase of cash of \$44,029, resulting from the completion of the private placements offset by the payments of the cash operating expenses. In addition GST receivable increased \$21,806 resulting from the increased expenses and prepaid expenses increased \$568,974 resulting from the prepaid investor marketing programs.

The increase in current liabilities is the result of the increase in accounts payable of \$159,101 resulting from the timing of vendor payments offset.

## Contractual Obligations

There are no outstanding contractual obligations other than those previously discussed in this report.

## Contingencies

### *Contingent liabilities*

The Company does not have any contingent liabilities.

### *Contingent assets*

The Company does not have any contingent assets.

## SELECTED QUARTERLY FINANCIAL INFORMATION

	Sept 30, 2024	June 30, 2024	Mar 31, 2024	Dec 31, 2023
Revenue	\$ -	\$ -	\$ -	\$ -
Net loss	(331,061)	(567,194)	(81,320)	(39,606)
Loss per share	(0.02)	(0.02)	(0.01)	(0.00)

	Sept 30, 2023	June 30, 2023	Mar 31, 2023	Dec 31, 2022
Revenue	\$ -	\$ -	\$ -	\$ -
Net loss	(70,144)	(27,248)	(41,188)	(27,016)
Loss per share	(0.01)	(0.00)	(0.01)	(0.00)

## CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

Carrying value of exploration and evaluation assets: The recoverability of the exploration and evaluation assets' carrying values is dependent upon the determination of economically recoverable reserves, the ability of the Company to obtain the necessary financing and permits to complete development and future profitable production or proceeds from the disposition thereof. At each reporting date, the Company reviews the carrying amounts of its exploration and evaluation assets to determine whether there is an indication of impairment. The Company did not identify any indications of impairment as of September 30, 2024.

The Company applies significant judgment to conclude whether an acquired set of activities and assets is a business. The acquisition of a business is accounted for as a business combination, under IFRS 3. If an acquired set of activities and assets does not meet the definition of a business, the transaction is accounted for as an asset acquisition. The Company also applied judgment in identifying the assets acquired and evaluating which IFRS standard the assets should be measured under.

## NEW ACCOUNTING PRONOUNCEMENTS

### Adoption of New Accounting Standards, Interpretations and Amendments

#### Recently adopted accounting standards

The Company adopted the following amendment to IFRS Accounting Standards that are mandatorily effective for accounting periods beginning on or after January 1, 2023. Their adoption has not had a material impact on disclosures or amounts reported in these consolidated financial statements.

IAS 1 Presentation of Financial Statements: Amendments to IAS 1 require that companies disclose their material accounting policies rather than their significant accounting policies and explain how a company identifies its material accounting policies.



IAS 8 Accounting Policies, Change in Accounting Estimates and Errors: Amendments to IAS 8 relate to the change in definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. The amendments clarify that a change in an accounting estimate that results from new information or new developments is not the correction of an error.

IAS 12 Income Taxes: Amendments to IAS 12 relate to deferred tax assets and liabilities arising from a single transaction and clarify that the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition.

#### Recently issued but not yet effective accounting standards

The Company has not yet adopted certain new standards, amendments and interpretations to existing standards as outlined below, which have been published but are only effective for accounting periods beginning on or after October 1, 2024 or later periods. The new and amended standards are not expected to have a material impact on the Company except for the below standards.

IFRS 9 requires entities to recognize financial assets and liabilities when they become party to the contractual terms and to measure them initially at fair value, adjusted for directly attributable transaction costs where applicable. The standard also provides guidance on the derecognition of financial liabilities, which can impact bank reconciliation processes, especially during debt restructuring.

Amendments to IFRS 9 and IFRS 7, effective for reporting periods beginning on or after January 1, 2026, address classification and measurement of financial instruments. The Company is assessing the impact of these amendments on its consolidated financial statements.

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

## **RISK MANAGEMENT AND FINANCIAL INSTRUMENTS**

Risk is inherent in all business activities and cannot be eliminated. However, shareholder value can be maintained and enhanced by identifying, mitigating, and where possible, insuring against these risks. The following section addresses some, but not all, risk factors that could affect ASLI's future results, as well as activities used to mitigate such risks. These risks do not occur in isolation but must be considered in conjunction with each other.

The Board of Directors have overall responsibility for the establishment and oversight of ASLI's risk management framework. The Board is responsible for developing and monitoring ASLI's compliance with risk management policies and procedures.

ASLI's risk management policies are established to identify and analyze the risks faced by ASLI, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and ASLI's activities.

### **Financial risks and financial instruments**

Cash is carried at fair value using a level 1 fair value measurement. The carrying value of cash and accounts payable and accrued liabilities approximate their fair value because of the short-term nature of these instruments.

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 risk exposures and the impact on the Company's financial instruments are summarized below:

#### *Credit risk*

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash with high-credit quality financial institutions.

#### *Liquidity risk*

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at September 30, 2024, the Company had a cash balance of \$84,838 (2023 - \$40,809) to settle current liabilities of \$186,907 (2023 - \$27,806). All of the Company's accounts payable and accrued liabilities have contractual maturities of 30 days or due on demand and are subject to normal trade terms. To maintain liquidity, the Company is currently investigating financing opportunities.

#### *Market Risk*

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. These risks are generally outside the control of the Company. The objective of the Company is to mitigate market risk exposures within acceptable limits. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. It is management's opinion that the Company is not exposed to material currency risk, interest rate risk or other price risk. The Company's exposure to and management of market risk has not changed materially from that of the prior year..

## **RELATED PARTY TRANSACTIONS**

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

Key management personnel includes directors and key officers of the Company, including the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"). The Company incurred the following key management personnel costs:

	2024	2023
Management and consulting	\$ 100,500	\$ 28,000
Professional fees	10,000	-
	<b>\$ 110,500</b>	<b>\$ 28,000</b>

During the year end September 30, 2024, the Company entered into a loan agreement with a Company controlled by the CEO. The loan principal was \$50,000 and did not bear any interest. The loan was settled during the year by the issuance of 250,000 units (note 7).

As at September 30, 2024 included in accounts payable and accrued liabilities is \$70,500 (2023 - nil) owed to a companies controlled by directors and \$1,000 (2023 - nil) owed to a director. The amounts owing are unsecured, non-interest bearing and have no fixed terms for repayment.

## OTHER INFORMATION

Outstanding share data:

Issued and outstanding shares at September 30, 2024 and January 28, 2025	31,430,604
Outstanding warrants at September 30, 2024 and January 28, 2025	4,834,398
Outstanding stock options at September 30, 2024	250,000
Stock options granted subsequent to year end	1,950,000
Fully diluted shares at January 28, 2025	38,465,002

## INDUSTRY RISKS

The Company's principal business activities are the acquisition, exploration, and definition of potentially economically viable mineral resource deposits on mineral properties, which, by nature, are speculative. Companies in this industry are subject to many and varied kinds of risks, including but not limited to; environmental, fluctuating commodity prices, social, political, financial and economics. Additionally, few exploration projects successfully achieve development due to factors that cannot be predicted or foreseen. While risk management cannot eliminate the impact of all potential risks, the Company strives to manage such risks to the extent possible and practicable. Due to the high-risk nature of the Company's business and the present stage of the Company's various mineral properties, an investment in the Company's common shares should be considered a highly speculative investment that involves significant financial risks, and prospective investors should carefully consider all of the information disclosed in this MD&A, the risk factors discussed below, and the Company's other public disclosures, including the risks described in the "Risk Factors" section of the Company's MD&A for the year ended September 30, 2024, prior to making any investment in the Company's common shares.

The risk factors described below do not necessarily comprise all of the risks and uncertainties that the Company faces. Additional risks and uncertainties not presently known to the Company or that the Company currently considers immaterial may also adversely affect the Company's business, results of operations, financial results, prospects and price of common shares. These risk factors could materially affect the Company's future operating results and could cause actual events to differ materially from those described in forward-looking statements relating to the Company.

### *Mineral property exploration and mining risk*

Mineral exploration and development are highly speculative and are characterized by a number of significant inherent risks, which may result in the inability to successfully develop a project for commercial, technical, political, regulatory or financial reasons, or if successfully developed, may not remain economically viable for their mine life owing to any of the foregoing reasons.

The Company's ability to identify Mineral Resources in sufficient quantity and quality to justify development activities and/or its ability to commence and complete development work and/or commence and/or sustain commercial mining operations at any of its projects will depend upon numerous factors, many of which are beyond its control, including exploration success, the obtaining of funding for all phases of exploration, development and commercial mining, the adequacy of infrastructure, geological characteristics, metallurgical characteristics of any deposit, the availability of processing and smelting capacity, the availability of storage capacity, the supply of and demand for precious and other metals, the availability of equipment and facilities necessary to commence and complete development, the cost of consumables and mining and processing equipment, technological and engineering problems, accidents or acts of sabotage

or terrorism, civil unrest and protests, currency fluctuations, changes in regulations, the availability of water, the availability and productivity of skilled labour, the receipt of necessary consents, permits and licenses (including mining licenses), and political factors, including unexpected changes in governments or governmental policies towards exploration, development and commercial mining activities.

Furthermore, cost over-runs or unexpected changes in commodity prices in any future development could make the projects uneconomic, even if previously determined to be economic under feasibility studies. Accordingly, notwithstanding the positive results of one or more feasibility studies on the projects, there is a risk that the Company would be unable to complete development and commence commercial mining operations at one or more of the mineral properties which would have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

#### *Key management*

The success of the Company is dependent upon the ability, expertise, judgment, discretion, and good faith of its senior management. While employment agreements are customarily used as a primary method of retaining the services of key employees, these agreements cannot assure the continued services of such employees. Any loss of the services of such individuals could have a material adverse effect on the Company's business, operating results, or financial condition.

#### *Limited operating history*

The Company has no present prospect of generating revenue from the sale of products. The Company is therefore subject to many of the risks common to early-stage enterprises, including undercapitalization, cash shortages, limitations with respect to personnel, financial, and other resources, and lack of revenues. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered considering the early stage of operations.

#### *Ability to continue as a going concern*

The Company's auditors' opinion on its September 30, 2024 consolidated financial statements includes an explanatory paragraph in respect of there being material uncertainty about its ability to continue as a going concern.

#### *Financing and share price fluctuation risk*

The Company has no source of operating cash flow and has no assurance that additional funding will be available to it for further exploration and development of its mineral properties. Future exploration and development of the Company's mineral properties may be dependent upon the Company's ability to obtain financing through equity, debt or other means. There can be no assurance that needed financing will be available in a timely or economically advantageous manner, or at all. Failure to obtain sufficient financing could result in delay or indefinite postponement of further exploration and development of on any or all of its mineral properties which could result in the loss of its property, in which case, the Company's ability to operate would be adversely affected. To obtain substantial additional financing, the Company may have to sell additional securities including, but not limited to, its Common Shares or some form of convertible securities, the effect of which may result in substantial dilution of the present equity interests of the Company's shareholders.

Securities markets have at times in the past experienced a high degree of price and volume volatility, and the market price of securities of many companies, particularly those considered to be exploration stage companies such as the Company, have experienced wide fluctuations in share prices which have not necessarily been related to their operating performance, underlying asset values or prospects. There can be no assurance that these kinds of share price fluctuations will not occur in the future, and if they do occur, how severe the impact may be on the Company's ability to raise additional funds through equity issues.

### *Commodity prices risk*

The Company, along with all mineral exploration and development companies, is exposed to commodity price risk. A decline in the market price of gold, silver, base metals and other minerals may adversely affect the Company's ability to raise capital in order to fund its ongoing operations. Commodity price declines could also reduce the amount the Company would receive on the disposition of its mineral property to a third party.

### *Title risk*

Title on mineral properties and mining rights involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance history of many mining properties. The Company has diligently investigated and continues to diligently investigate and validate title to its mineral claims; however, this should not be construed as a guarantee of title. The Company cannot give any assurance that title to properties it acquired will not be challenged or impugned and cannot guarantee that the Company will have or acquire valid title to these mineral properties.

### *Insured and uninsurable risks*

In the course of exploration, development and production of mineral properties, the Company is subject to a number of hazards and risks in general, including adverse environmental conditions, operational accidents, labor disputes, unusual or unexpected geological conditions, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods, and earthquakes. Such occurrences could result in damage to the Company's properties or facilities and equipment, personal injury or death, environmental damage to properties of the Company or others, delays, monetary losses and possible legal liability.

Although the Company maintains insurance to protect against certain risks in such amounts as it considers reasonable, its insurance may not cover all the potential risks associated with its operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums or for other reasons. Should such liabilities arise, they could reduce or eliminate future profitability and result in increased costs, have a material adverse effect on the Company's results and could cause a decline in the value of the securities of the Company.

### *Competition risk*

Significant and increasing competition exists in the mining and mineral exploration industry. The Company faces strong competition from other mining and exploration companies in connection with the acquisition of properties producing, or capable of producing, minerals. Many of these companies are larger, more established, and have greater financial resources, operational experience and technical capabilities than the Company and make it difficult to compete for the acquisition of mineral claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees and other personnel. As a result of this competition, the Company may be unable to acquire additional attractive mining or exploration properties on terms it considers acceptable or at all. Consequently, the Company's business, results of operation, financial conditions and prospects could be adversely affected.

### *Government regulations*

Exploration and evaluation companies operate in a high-risk regulatory environment. The mining activities is governed by numerous statutes and regulations in the United States, Canada, and other countries where ASLI intends to market its products. The subject matter of such legislation includes approval of mining facilities and environmental regulations.

The process of completing exploration and evaluation activities and obtaining required approvals is likely to take several years and require the expenditure of substantial resources. Furthermore, there can be no assurance that the regulators will not require modification to any submissions which may result in delays or failure to obtain regulatory approvals. Any delay or failure to obtain regulatory approvals could adversely affect the ability of ASLI to utilize its assets, thereby adversely affecting operations. Further, there can be no assurance that ASLI's properties will achieve levels of sensitivity and specificity sufficient for regulatory approval or market acceptance. There is no assurance that ASLI will be able to timely and profitably produce its products while complying with all the applicable regulatory requirements. Foreign markets, other than the United States and Canada, generally impose similar restrictions.

#### *Conflicts of interest risk*

Certain of the Company's directors and officers do, and may in the future, serve as directors, officers, promoters and members of management of other mineral exploration and development companies and, therefore, it is possible that a conflict may arise between their duties as a director, officer, promoter or member of the Company's management team and their duties as a director, officer, promoter or member of management of such other companies. The Company's directors and officers are aware of the laws establishing the fiduciary duties of directors and officers including the requirement that directors act honestly and in good faith with a view to the best interests of the Company and to disclose any interest which they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the Board, any director in a conflict is required under the Business Corporations Act (British Columbia) to disclose their interest.

#### *Environmental risk*

All phases of the Company's operations are subject to extensive environmental regulations. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation, mitigation of impact of activities to wildlife and plant life, and provide for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry activities and operations. They also set forth limitations on the generation, transportation, storage and disposal of hazardous waste. A breach of these regulations may result in the imposition of fines and penalties. In addition, certain types of mining operations require the submission and approval of environmental-related permits and/or environmental impact assessments. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. The cost of compliance with changes in governmental regulations has a potential to impact the timing of execution of work plans and reduce the viability or profitability of operations. Environmental hazards may exist on the properties in which the Company holds its interests or on properties that will be acquired which are unknown to the Company at present and which have been caused by previous or existing owners or operators of those properties.

#### *Community relations risk*

The Company's relationships with the communities in which it operates, and other stakeholders are critical to ensure the future success of the development of its properties. There is an increasing level of public concern relating to the perceived effect of mining activities on the environment and on communities impacted by such activities. Publicity adverse to the Company, its operations or extractive industries generally, could have an adverse effect on the Company and may impact relationships with the communities in which the Company operates and other stakeholders. While the Company is committed to operating in a socially responsible manner, there can be no assurance that its efforts in this respect will mitigate this potential risk. Further, damage to the Company's reputation can be the result of the perceived or actual occurrence of any number of events, and could include any negative publicity, whether true or not.

The increased usage of social media and other web-based tools used to generate, publish and discuss user-generated content and to connect with other users has made it increasingly easier for individuals and groups to communicate and share opinions and views in regard to the Company and its activities, whether true or not. While the Company strives to uphold and maintain a positive image and reputation, the Company does not ultimately have control over how it is perceived by others. Reputation loss may lead to increased challenges in developing, maintaining community relations and advancing its projects and decreased investor confidence, all of which may have a material adverse impact on the financial performance and growth of the Company.

#### *Litigation risk*

All industries, including the mining industry, may be made subject to legal claims and proceedings, with and without merit. Defence and settlement costs can be substantial, even with respect to claims that have no merit. The Company may also in the future become the subject of a legal claim or proceeding at any time, and without advance notice of the commencement of the proceeding. To the extent the Company becomes subject to any such claim or proceeding, it may materially impact management's time and the Company's financial resources to defend, even if it is without merit. As well, due to the inherent uncertainty of the litigation process, the resolution of any particular legal claim or proceeding could have a material adverse effect on the Company's business, results of operations, financial condition (including its cash position) and prospects.

#### *Climate change risk*

The potential physical impacts of climate change on the Company's exploration projects is highly uncertain and are particular to the geographic circumstances. These may include changes in rainfall and storm patterns and intensities, water shortages, changing sea levels and changing temperatures. The Company's future exploration programs in the United States may require water and a lack of necessary water could disrupt exploration programs and adversely impact future development and mining activities. Climate change is an international concern and as a result poses the risk of changes in government policy including introducing climate change legislation and treaties at all levels of government that could result in increased costs. The trend towards more stringent regulations and carbon-pricing mechanisms aimed at reducing the effects of climate change could impact the Company's decision to pursue future opportunities, or maintain our existing exploration programs, which could have an adverse effect on our business.

#### *No Anticipated Dividends*

The Company does not intend to pay dividends on any investment in the shares of the Company. The Company has never paid any cash dividends and currently do not intend to pay any dividends for the foreseeable future. To the extent that the Company requires additional funding currently not provided for in its financing plan, its funding sources may prohibit the payment of a dividend. Because the Company does not intend to declare dividends, any gain on an investment in the Company will need to come through an increase in the stock's price. This may never happen, and investors may lose all their investment in the Company.