

AMERICAN SALARS LITHIUM INC.

Condensed Interim Consolidated Financial Statements

For the Three Months Ended December 31, 2024

(Unaudited - Amounts in Canadian Dollars)

AMERICAN SALARS LITHIUM INC.

Consolidated Statements of Financial Position

As at December 31, 2024 and September 30, 2024

(in Canadian dollars)

	December 31, 2024	September 30, 2024
Assets		
Current assets:		
Cash	\$ 128,484	\$ 84,838
Amounts receivable	30,743	22,774
Prepaid expenses	446,806	568,974
Total current assets	606,033	676,586
Exploration and evaluation asset (note 3)	2,765,186	2,749,332
Total assets	\$ 3,371,219	\$ 3,425,918
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities (note 4)	\$ 379,989	\$ 186,907
Total current liabilities	379,989	186,907
Shareholders' equity:		
Share capital (note 5)	4,772,234	4,672,234
Contributed surplus	379,927	200,610
Deficit	(2,160,931)	(1,633,833)
Total shareholder's equity	2,991,230	3,239,011
Total liabilities and shareholder's equity	\$ 3,371,219	\$ 3,425,918

Nature of business and continuing operations (note 1)

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

AMERICAN SALARS LITHIUM INC.

Consolidated Statements of Loss and Comprehensive Loss
For the three-months ended December 31, 2024 and 2023
(in Canadian dollars)

	2024	2023
Expenses		
Investor communications	\$ 70,739	\$ -
Management and consulting fees (note 7)	231,752	-
Occupancy costs	9,000	2,112
Office and general	7,005	3,507
Professional fees	23,620	24,948
Transfer agent and filing fees	5,665	9,039
Share-based compensation	179,317	-
	527,098	39,606
Net loss and comprehensive loss	527,098	39,606
Weighted average shares outstanding	32,859,175	14,400,440
Loss per share	\$ (0.02)	\$ (0.00)

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

AMERICAN SALARS LITHIUM INC.

Condensed Interim Statements of Cash Flows
(in Canadian dollars)
(unaudited)

For the three-months ended December 31, 2024 and 2023

	2024	2023
Cash provided by (used in):		
Operations		
Net loss	\$ (527,098)	\$ (39,606)
Items not involving cash:		
Share based compensation	179,317	-
Change in non-cash working capital		
Amounts receivable	(7,969)	(3,153)
Prepaid expenses	222,168	-
Accounts payable and accrued liabilities	193,082	24,302
Net cash used in operations	59,500	(18,457)
Investing activities		
Mineral property acquisition and exploration costs	(15,854)	(12,123)
Net cash provided from financing activities	(15,854)	(12,123)
Financing activities		
Proceeds on private placement	-	-
Net cash provided from financing activities	-	-
Increase in cash	43,648	(30,580)
Cash, beginning of period	84,838	40,809
Cash, end of period	\$ 128,484	\$ 10,229

The accompanying notes form an integral part of these condensed interim financial statements.

AMERICAN SALARS LITHIUM INC.

Condensed Interim Statements of Changes in Shareholders' Equity
(in Canadian dollars)
(unaudited)

For the three-months ended December 31, 2024 and 2023

	Number of Common Shares	Share Capital	Contributed Surplus	Deficit	Total Equity
Balance, September 30, 2023	12,425,000	\$ 1,012,406	\$ 155,964	\$ (614,652)	\$ 553,718
Shares issued on property acquisition	3,495,009	524,251	-	-	524,251
Net loss	-	-	-	(39,606)	(39,606)
Balance, December 31, 2023	15,920,009	\$ 1,536,657	\$ 155,964	\$ (654,258)	\$ 1,038,363
Balance, September 30, 2024	31,430,604	\$ 4,672,234	\$ 200,610	\$ (1,633,833)	\$ 3,239,011
Shares issued for consulting services	1,428,571	100,000	-	-	100,000
Share-based compensation	-	-	179,317	-	179,317
Net loss	-	-	-	(527,098)	(527,098)
Balance, June 30, 2024	32,859,175	\$ 4,772,234	\$ 379,927	\$ (2,160,931)	\$ 2,991,230

The accompanying notes form an integral part of these condensed interim financial statements.

AMERICAN SALARS LITIUM INC.

Notes to the Condensed Interim Financial Statements

For the three-month period ended December 31, 2024 and 2023
(Amounts in Canadian dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS

American Salars Lithium Inc. (the "Company") was formed on December 17, 2019 under the law 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's principal business activities include the acquisition and exploration of mineral property assets. As at December 31, 2024, the Company holds an interest in an early stage mineral exploration property and the Company had not yet determined whether the Company's mineral property asset contains a deposit of minerals that is economically recoverable. The recoverability of amount shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development of and the future profitable production from the property or realizing proceeds from its disposition. The outcome of these matters cannot be predicted at this time and the uncertainties cast significant doubt upon the Company's ability to continue as a going concern.

The Company has a deficit of \$2,160,931 as at December 31, 2024, which has been funded by the issuance of equity. The Company's ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs.

These financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these financial statements.

2. BASIS OF PREPARATION

Statement of Compliance and basis of presentation

These condensed interim Financial Statements, including comparatives, have been prepared in accordance with International Accounting Standards ("IAS") 34 'Interim Financial Reporting' ("IAS 34") using accounting policies consistent with IFRS issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These condensed interim Financial Statements have been prepared on the basis of accounting policies, methods of computation, and estimates and judgements consistent with those applied in the Company's September 30, 2024 annual financial statements.

These condensed interim financial statements do not include all of the information required of full audited financial statements and therefore these condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended September 30, 2024.

AMERICAN SALARS LITIUM INC.

Notes to the Condensed Interim Financial Statements

For the three-month period ended December 31, 2024 and 2023
(Amounts in Canadian dollars)

2. BASIS OF PREPARATION (*continued*)

Functional and presentation currency

The financial statements are presented in Canadian Dollars, which is the Company's functional and presentation currency.

Approval of the Financial Statements

The condensed interim financial statements of the Company for the period ended December 31, 2024, were approved and authorized for issuance by the Board of Directors on February 28, 2025.

3. EXPLORATION AND EVALUATION ASSET

	Isla	Black Rock South	Aesir	Spey	Pocitos 1	Total
Balance, September 30, 2023	\$ 167,747	\$ -	\$ 372,000	\$ -	\$ -	\$ 539,747
Acquisitions costs	5,000	524,251	-	627,550	975,000	2,131,801
Exploration costs	-	49,661	7,123	-	21,000	77,784
Balance, September 30, 2024	\$ 172,747	\$ 573,912	\$ 379,123	\$ 627,550	\$ 996,000	\$ 2,749,332
Exploration costs	-	2,614	-	-	13,240	15,854
Balance, December 31, 2024	\$ 197,247	\$ 576,526	\$ 379,123	\$ 627,550	\$ 1,009,240	\$ 2,765,186

Isla Property Option

On November 8, 2020, and amended on February 9, 2021 and August 29, 2023, the Company entered into a Purchase Agreement (the "Isla Agreement") with an arms-length party. Pursuant to the Isla Agreement, the Company has an option to acquire 100% interest in six mineral claims known as the Isla claims located in British Columbia, Canada from the arms-length party.

In addition, the Isla claims are subject to a Net Smelter Return Royalty of 1.5% which can be purchased at any time for \$1,500,000 from the arms-length party.

Under the Isla Agreement, the Company will make cash payments totaling \$40,000 as follows:

- make a cash payment of \$5,000 upon execution and delivery of the agreement (paid);
- make a further cash payment of \$5,000 on the date upon which the common shares are listed on a stock exchange in Canada (paid); and
- make a further cash payment of \$5,000 within 24 months (paid) and \$25,000 within 30 months of listing on a stock exchange in Canada.

The Company allowed the expiry of one of the six claims during the year ended September 30, 2023. Consequently, the Company recorded a loss on disposal related to the Isla property of \$19,500 to reflect the forfeiture of the one claim.

AMERICAN SALARS LITIUM INC.

Notes to the Condensed Interim Financial Statements

For the three-month period ended December 31, 2024 and 2023
(Amounts in Canadian dollars)

3. EXPLORATION AND EVALUATION ASSET (*continued*)

Black Rock South

The Company acquired 100% of American Brines Lithium Inc., which owns the Black Rock South Lithium project located in Washoe County, Nevada. Under the terms of the agreement the Company issued 3,495,009 shares on closing on November 9, 2023, fair valued at \$0.15 per share, and will issue an additional 3,495,009 shares on the first anniversary and 3,494,997 shares on the second anniversary dates of closing.

Aesir Lithium Claims

On May 31, 2023, the Company entered into a Purchase Agreement (the "Aesir Agreement") with an arms-length party to acquire a 100% interest in Aesir Lithium Corp. Pursuant to the Aesir Agreement, the Company acquired a 100% interest in twenty seven mineral claims known as the Aesir lithium claims located in Quebec, Canada. As consideration the Company issued 3,100,000 shares at their fair value \$0.12 per share.

The Company accounted for this transaction as an asset acquisition. The assets acquired consisted entirely of the Aesir lithium claims, and there were no liabilities assumed. The \$372,000 purchase consideration was applied entirely to the exploration and evaluation asset and there were no transaction costs.

Spey Property

On March 1, 2024, the Company entered into a Purchase Agreement with third parties to acquire a 100% ownership interest in the property. Pursuant to the agreement, in order to earn the 100% ownership interest in the property, the Company is required to make the following payments:

Make cash payments as follows:

- \$137,500 (paid) within 60 days of the purchase agreement;
- \$220,000 on or before the first anniversary of the agreement;
- \$440,000 on or before the second anniversary of the agreement;
- \$550,000 on or before of each the third, fourth, and fifth anniversary of the agreement.

Issue common share of the Company as follows:

- Issue 1,650,000 common shares within 60 days of the purchase agreement;
- Issue 1,650,000 common shares on or before the first anniversary date of the agreement;
- Issue 1,650,000 common shares on or before the second anniversary date of the agreement;
- Issue 1,650,000 common shares on or before the third anniversary date of the agreement.

Pocitos 1 Lithium

American Salars has entered into an agreement with Recharge Resources Ltd., whereby American Salars is acquiring a 100% interest in the Pocitos 1 lithium salar project by issuing to the Vendor 5,000,000 common shares subject to a 24-month escrow and assuming an outstanding tax liability of the Vendor estimated to be no more than USD \$250,000 as well as a payable to WSP for the Mineral Resource Estimate at a cost of AUS \$80,000.

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Notes to the Condensed Interim Financial Statements

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3. EXPLORATION AND EVALUATION ASSET (*continued*)

The Vendor has agreed to a 24-month escrow with releases every six months. The vendor has agreed to a further voluntary escrow whereby they have agreed not to sell more than 10,000 shares per day in any given trading day and cumulatively no more than 50,000 shares in a normal business week. The Vendor has further agreed to proxy all votes to management of American Salars.

At closing, the Purchaser shall issue to the Vendor 2,500,000 bonus warrants (the "Bonus Warrants"), with each Bonus Warrant entitling the Vendor 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 the Vendor 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.

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The Company's accounts payable and accrued liabilities are non-interest bearing and detailed below:

	December 31, 2024	September 30, 2024
Trade accounts payable and accrued liabilities	\$ 379,989	\$ 186,907
	\$ 379,989	\$ 186,907

5. SHARE CAPITAL

Authorized:

Unlimited number of common shares without par value.

Escrow shares:

As at December 31, 2024, there were 5,285,001 common shares held in escrow.

Issued:

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

On November 9, 2023, the Company issued 3,495,009 common shares with a fair value of \$524,251 for the acquisition of American Brines Lithium Inc. (note 5).

On March 8, 2024, the Company issued 100,000 common shares on the exercise of warrants for gross proceeds of \$14,000. The Company's share price on the date of exercise was \$0.38.

On April 5, 2024, the Company issued 20,600 common shares on the exercise of warrants for gross proceeds of \$4,120. The Company's share price on the date of exercise was \$0.36.

On April 26, 2024, the Company closed a private placement of 3,999,995 units at \$0.20 per unit. 250,000 units were issued to settle \$50,000 in debt. Gross proceeds were \$749,999. Each unit consists of one common share and one common share purchase warrant allowing the holder to purchase half of a share at \$0.25 per common share and expires twelve months from closing. These warrants were valued at nil using the residual value method. In addition, the Company issued 65,000 broker warrants with a fair value of \$11,837.

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5. SHARE CAPITAL (*continued*)

On April 29, 2024 the Company issued 75,000 common shares on the exercise of stock options for gross proceeds of \$22,500. The Company's share price on the date of exercise was \$0.32.

On May 16, 2024, the Company issued 1,815,000 common shares with a fair value of \$490,050 for the acquisition of Spey Resources Argentina S.A. (note 5).

On May 31, 2024, the Company closed a private placement of 2,900,000 units for gross proceeds of \$580,000. Each unit consists of one common share and one common share purchase warrant allowing the holder to purchase half of a share at \$0.25 per common share and expires twelve months from closing. These warrants were valued at nil using the residual value method. In addition, the Company issued 215,000 broker warrants with a fair value of \$32,809.

On June 3, 2024, the Company issued 1,000,000 common shares for advisory services with a fair value of \$350,000 (note 13).

On July 30, 2024, the Company issued 100,000 common shares for the settlement of debt with a fair value of \$30,000.

On September 12, 2024, the Company issued 5,000,000 common shares with a fair value of \$900,000 for the acquisition of the Pocitos 1 Lithium property (note 5). In addition, the Company issued 500,000 common shares as a finder's fee with a fair value of \$75,000.

During the year ended December 31, 2024, the Company had the following transactions:

On November 21, 2024, the Company issued 1,428,571 common shares with a value of \$100,000 for consulting services.

Stock Options

During the year ended September 30, 2023, the Company adopted a Stock Option Plan (the "Plan"). Under the Plan, the Company can issue up to 10% of the issued and outstanding common shares as incentive stock options to directors, officers, employees and consultants to the Company. The Plan limits the number of stock options which may be granted to any one individual to not more than 5% of the total issued common shares of the Company in any 12-month period. The Plan also limits the stock options which may be granted to any one individual if the exercise would result in the issuance of common shares more than 2% in any 12-month period. The number of options granted to any one consultant or a person employed to provide investor relations activities in any 12 month period must not exceed 2% of the total issued common shares of the Company.

On November 28, 2024, the Company granted 1,950,000 stock options to certain directors and officers of the Company at an exercise price of \$0.12 for a period of one year from the date of grant. The fair value of these options was calculated to be \$179,317 using the Black-Scholes pricing module using the following assumptions: contractual life 1 year; volatility 153.7%; risk-free rate 3.2%; dividend rate 0%.

AMERICAN SALARS LITIUM INC.

Notes to the Condensed Interim Financial Statements

For the three-month period ended December 31, 2024 and 2023
(Amounts in Canadian dollars)

5. SHARE CAPITAL (*continued*)

A continuity of the stock options outstanding at December 31, 2024 is as follows:

	Number of Warrants	Weighted Average Exercise Price
		\$
Balance, September 30, 2023	325,000	0.30
Exercised	(75,000)	0.30
Balance, September 30, 2024	250,000	0.30
Granted	1,950,000	0.12
Balance, December 31, 2024	2,200,000	0.14

The following stock options were outstanding as at December 31, 2024:

Expiry date	Number of options	Exercise price	Remaining contractual life (years)
		\$	
February 3, 2025	250,000	0.30	0.10
November 27, 2025	1,950,000	0.12	0.91
	2,200,000	0.14	0.81

Warrants

A continuity of the warrants outstanding at December 31, 2024 is as follows:

	Number of Warrants	Weighted Average Exercise Price
		\$
Balance, September 30, 2023	1,225,000	0.15
Issued	3,729,998	0.25
Exercised	(120,600)	0.15
Balance, September 30 and December 31, 2024	4,834,398	0.23

The following share purchase warrants were outstanding as at December 31, 2024:

Expiry date	Number of warrants	Exercise price	Remaining contractual life (years)
		\$	
December 22, 2026	154,400	0.20	1.98
April 5, 2026	950,000	0.14	1.26
April 26, 2025	2,064,998	0.25	0.32
May 31, 2025	1,665,000	0.25	0.41
	4,834,398	0.23	0.59

AMERICAN SALARS LITIUM INC.

Notes to the Condensed Interim Financial Statements

For the three-month period ended December 31, 2024 and 2023
(Amounts in Canadian dollars)

6. RELATED PARTY TRANSACTIONS

Key management personnel include persons having the authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined the key personnel to be the executive and non-executive officers and directors of the Company.

	Three-months Ended December 31,	
	2024	2023
Management and consulting	\$ 54,500	\$ -
Share-based compensation	41,381	-
	\$ 95,881	\$ -

As at December 31, 2024 \$124,375 (September 30, 2024 - \$71,500) and nil were owed to related parties for services.

7. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Cash is carried at fair value using a level 1 fair value measurement. The carrying value of cash, accounts payable and accrued liabilities, and due to related party 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.

There have been no changes from the prior year.

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 December 31, 2024, the Company had a cash balance of \$128,484 (September 30, 2024 - \$84,838) to settle current liabilities of \$379,989 (September 30, 2024 - \$186,907). 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 of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. The Company does not have a practice of trading derivatives.

AMERICAN SALARS LITIUM INC.

Notes to the Condensed Interim Financial Statements

For the three-month period ended December 31, 2024 and 2023
(Amounts in Canadian dollars)

7. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (*continued*)

Interest rate risk

The Company's financial assets exposed to interest rate risk consist of cash balances. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. As at December 31, 2024 and September 30, 2024, the Company did not have any investments in investment-grade short-term deposit certificates.

Foreign currency risk

The Company is exposed to foreign currency risk to the extent expenditures incurred or funds received, and balances maintained by the Company are denominated in currencies other than Canadian dollars. The Company is not exposed to foreign currency risk.

Price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is not exposed to significant other price risk.