CSE: **VBAM** | OTCQB: **VBAMF** | FRA: **CO0** `

VITAL BATTERY METALS INC.

Condensed Interim Financial Statements

For the Nine Months Period Ended November 30, 2024 and November 30, 2023

(Expressed in Canadian Dollars)
(Unaudited)

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 interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements have been prepared by and are the responsibility of management.

The Company's independent auditor has not performed a review of these condensed interim 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.

Vital Battery Metals Inc.
Condensed Interim Statements of Financial Position
(Expressed in Canadian Dollars)
(Unaudited)

		As at November 30, 2024		As at February 29, 2024 (Audited)
ASSETS				
Current assets				
Cash and cash equivalent	$	385,067	$	1,810,515
Amounts receivable (Note 3)		119,832		40,845
Prepaid expenses		413,956		59,533
Total current assets		918,855		1,910,893
Computer (Note 4)		2,594		3,348
Exploration and evaluation properties (Note 5)		3,766,771		3,074,792
TOTAL ASSETS	$	4,688,220	$	4,989,033
LIABILITIES				
Current				
Accounts payable and accrued liabilities (Note 7)	$	72,617	$	72,783
SHAREHOLDERS' EQUITY				
Share capital (Note 6)		6,740,160		6,288,651
Contributed surplus (Note 6)		1,388,723		1,186,622
Deficit		(3,513,280)		(2,559,023)
TOTAL SHAREHOLDERS' EQUITY		4,615,603		4,916,250
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$	4,688,220	$	4,989,033

Nature and Continuance of Operations (Note 1)

Approved on behalf of the Board on January 28, 2025:

"Adrian Lamoureux"
Adrian Lamoureux, Director

"Todd Hanas"
Todd Hanas, Director

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

Vital Battery Metals Inc.
Condensed Interim Statements of Operations and Comprehensive Loss
(Expressed in Canadian Dollars)
(Unaudited)

	For the three months period ended		For the nine months period ended	
	November 30, 2024	**November 30, 2023**	**November 30, 2024**	**November 30, 2023**
	$	**$**	**$**	**$**
Expenses				
Bank charges	**340**	301	**825**	505
Consulting fees	**32,000**	42,950	**106,070**	110,000
Depreciation	**250**	350	**754**	976
Insurance	**3,252**	-	**8,279**	-
Investor Relations	**58,117**	385,352	**124,619**	515,417
Management fees (Note 7)	**36,000**	35,500	**108,000**	108,000
Office and miscellaneous	**-**	1,207	**913**	2,085
Professional fees (Note 7)	**21,184**	20,736	**52,191**	59,044
Regulatory fees	**8,626**	21,456	**28,800**	45,020
Rent (Note 7)	**8,750**	2,000	**20,750**	2,000
Share-based payments (Notes 6 and 7)	**175,205**	-	**175,205**	-
Transfer agent and filing fees	**7,798**	3,185	**10,053**	9,099
	351,522	513,037	**636,459**	852,146
Loss before other items	**(351,522)**	(513,037)	**(636,459)**	(852,146)
Other items				
Interest income	**2,258**	8,833	**21,724**	21,837
Impairment of exploration and evaluation assets (Note 5)	**-**	-	**(344,198)**	-
Income (loss) on foreign exchange	**4,686**	(6,144)	**4,676**	(6,154)
	6,944	2,689	**(317,798)**	15,683
Net and comprehensive loss	**(344,578)**	(510,348)	**(954,257)**	(836,463)
Loss per common share – basic and diluted	**(0.01)**	(0.01)	**(0.02)**	(0.02)
Weighted average number of common shares outstanding	**50,340,849**	40,122,834	**50,340,849**	40,122,834

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

Vital Battery Metals Inc.
Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)
(Unaudited)

	Share Capital Number	Share Capital Amount	Subscriptions Received	Contributed Surplus	Deficit	Total
Balance, November 30, 2022	**38,269,450**	**$ 3,992,170**	**$ 600**	**$ -**	**$ (317,683)**	**$ 3,675,087**
Shares issued for warrants exercised (Note 5)	58,000	11,600	-	-	-	11,600
Shares issued for exploration and evaluation properties (Notes 4 and 5)	1,250,000	500,000	-	-	-	500,000
Share-based compensation (Notes 5 and 6)	-	-	-	1,090,839	-	1,090,839
Share issuance costs (Note 5)	-	(68,365)	-	68,366	-	1
Net loss	-	-	-	-	(1,312,042)	(1,312,042)
Balance, February 28, 2023	**39,577,450**	**4,435,405**	**600**	**1,159,205**	**(1,629,725)**	**3,965,485**
Shares issued for warrants exercised (Note 5)	478,000	95,600	-	-	-	95,600
Shares issued for exploration properties (Note 4)	2,750,000	907,500				907,500
Net loss	-	-	-	-	(836,463)	(836,463)
Balance, November 30, 2023	**42,805,450**	**$ 5,438,505**	**$ 600**	**$ 1,159,205**	**$ (2,466,188)**	**$ 4,132,122**
Shares issued for warrants exercised (Note 5)	361,000	87,200	-	-	-	87,200
Shares issued for exploration and evaluation properties (Notes 4 and 5)	1,250,000	72,500	-	-	-	72,500
Shares issued for flow through private placement (Note 6)	1,673,000	752,850	-	-	-	752,850
Share issuance costs (Note 6)	-	(62,404)	-	27,417	-	(34,987)
Subscriptions received in advance	-	-	(600)	-	-	(600)
Net loss	-	-	-	-	(92,835)	(92,835)
Balance, February 28, 2024	**46,089,450**	**6,288,651**	**-**	**1,186,622**	**(2,559,023)**	**4,916,250**
Shares issued for private placement (Note 6)	4,347,826	500,000	-	-	-	500,000
Share-based compensation (Notes 5 and 6)	-	-	-	175,205	-	175,205
Shares issuance costs (Note 6)	-	(48,491)	-	26,896	-	(21,595)
Net loss	-	-	-	-	(954,257)	(954,257)
Balance, November 30, 2024	**50,437,276**	**$ 6,740,160**	**$ -**	**$ 1,388,723**	**$ (3,513,280)**	**$ 4,615,603**

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

Vital Battery Metals Inc.
Statements of Cash Flow
(Expressed in Canadian Dollars)
(Unaudited)

		For the nine months period ended November 30, 2024		For the nine months period ended November 30, 2023
Operating activities				
Net loss for the period	$	(954,257)	$	(836,463)
Non-cash items:				
Impairment of exploration and evaluation asset		344,198		-
Issuance of shares for exploration and evaluation properties				-
Depreciation		754		976
Loss on foreign exchange		(2,046)		
Share-based payments		175,205		-
Changes in working capital related to operating activities:				
Interest receivable		-		(21,837)
GST receivable		(78,987)		(1,846)
Prepaid expenses		(352,377)		143,054
Accounts payable and accrued liabilities		(166)		(28,574)
Cash used for operating activities		**(867,676)**		**(744,690)**
Investing activities				
Purchase of computer equipment				(4,674)
Exploration and evaluation expenditures		(1,036,177)		(548,612)
Cash used in investing activities		**(1,036,177)**		**(553,286)**
Financing activities				
Net proceeds received from private placement		478,405		-
Proceeds from warrants exercised		-		95,600
Cash from (used in) financing activities		**478,405**		**95,600**
Increase (decrease) in cash		(1,425,448)		(1,202,376)
Change in cash, being cash beginning of period		1,810,515		2,376,697
Change in cash, being cash end of period	**$**	**385,067**	**$**	**1,174,321**
Supplemental cash flows information:				
Fair value of finders' warrants	$	26,896	$	-
Shares issued for exploration and evaluation properties	$	-	$	907,500

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

1. Nature and Continuance of Operations

Vital Battery Metals Inc. (the "Company") was incorporated in the Province of British Columbia on October 4, 2021. The Company changed its name from 1326985 B.C. Ltd. to Infinity West Capital Corp. on November 3, 2021 and further changed its name to Vital Battery Metals Inc. on January 7, 2022. The Company's shares are listed for trading on the Canadian Securities Exchange ("CSE") under the symbol "VBAM", the Frankfurt Stock Exchange under the symbol CO0 and in the US on the OTC market, under the symbol VBAMF. The Company's principal business activities include the acquisition and exploration of mineral property assets in Canada. The Company's registered and records office is located at Suite 700, 838 West Hastings Street, Vancouver, BC. On April 23, 2024, the Company became provincially registered in the province of Newfoundland and Labrador.

As at November 30, 2024, the Company had a deficit of $3,513,280 (2023 - $2,466,188), which has been funded by the issuance of equity. These condensed interim financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. The Company's continuation as a going concern is dependent on its ability to generate future cash flows and/or obtain additional financing. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Management intends to finance operating costs over the next twelve months with, loans from directors and companies controlled by directors and/or private placements of common share. There is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

2. Material Accounting Policy Information

The Company adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) from March 1, 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the consolidated financial statements. The amendments require the disclosure of "material", rather than "significant", accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand the financial statements.

(a) Statement of Compliance to International Financial Reporting Standards

These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB").

These condensed interim financial statements were authorized for issue in accordance with a resolution from the Board of Directors on January 28, 2025.

2. Material Accounting Policy Information (continued)

(b) Basis of Preparation

The condensed interim financial statements have been prepared on an accrual basis except for cash flow information and are based on historical costs modified where applicable. The financial statements are presented in Canadian dollars unless otherwise noted. The policies set out below were consistently applied to all years presented unless otherwise noted.

(c) Significant Judgments

The preparation of condensed interim financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments applying to the Company's financial statements include:

- The assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty.
- The assessment for indicators of impairment, which includes assessing whether facts or circumstances exist that suggest the carrying amount exceeds the recoverable amount; and
- The classification / allocation of expenditures as exploration and evaluation expenditures or operating expenses.

(d) Use of estimates and assumptions

The preparation of financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods includes the fair value measurements for financial instruments, the recoverability and measurement of deferred tax assets, provisions for restoration and environmental obligations and contingent liabilities.

(e) Accounting standards issued but not yet effective

Accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's condensed interim financial statements.

(f) Cash equivalents

Cash equivalents in the statements of financial position is comprised of short-term deposits with an original maturity of three months or less, which are readily convertible into a known amount of cash.

2. Material Accounting Policy Information (continued)

(g) Exploration and evaluation assets

All costs related to the acquisition, exploration and development of mineral properties are capitalized. Upon commencement of commercial production, the related accumulated costs are amortized against projected income using the units-of-production method over estimated recoverable reserves.

Management annually assesses carrying values of non-producing properties and properties for which events and circumstances may indicate possible impairment. Impairment of a property is generally considered to have occurred if the property has been abandoned, there are unfavourable changes in the property economics, there are restrictions on development, or when there has been an undue delay in development, which exceeds three years. In the event that estimated discounted cash flows expected from its use or eventual disposition are determined by management to be insufficient to recover the carrying value of the property, the carrying value is written down to the estimated recoverable amount.

The recoverability of mineral properties and exploration and development costs is dependent on the existence of economically recoverable reserves, the ability to obtain the necessary financing to complete the development of the reserves, and the profitability of future operations. The Company has not yet determined whether or not any of its future mineral properties contain economically recoverable reserves. Amounts capitalized to mineral properties as exploration and development costs do not necessarily reflect present or future values.

When options are granted on mineral properties or properties are sold, proceeds are credited to the cost of the property. If no future capital expenditure is required and proceeds exceed costs, the excess proceeds are reported as a gain.

(h) Property, plant and equipment

Property, plant and equipment is carried at cost, less accumulated amortization and accumulated impairment losses. The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the assets to a working condition for their intended use, the initial estimate of the rehabilitation provisions, and for qualifying assets, borrowing costs. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset. Costs associated with the commissioning of new assets, in the period before they are operating in the way intended by management, are capitalized, net of any pre-production revenues. Where an item of property, plant and equipment or mine properties comprises significant components with different useful lives, the components are accounted for as separate items of property, plant and equipment. Depreciation is determined at rates which will reduce original cost to estimated residual value over the expected useful life of each asset.

2. Material Accounting Policy Information (continued)

(i) Share-based payments

Share-based payments to employees and others providing similar services are measured at the estimated fair value of the instruments issued on the grant date and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued if it is determined the fair value of the goods or services cannot be reliably measured and are recorded at the date the goods or services are received. The amount recognized as an expense is adjusted to reflect the number of awards expected to vest. The offset to the recorded cost is to contributed surplus.

Consideration received on the exercise of stock options is recorded as share capital and contributed surplus is transferred to share capital. Charges for options that are forfeited before vesting are reversed from contributed surplus.

The fair value of warrants issued to agents in connection with private placements ("Agent Warrants") is recognized on the date of issue as a share issue cost. The Company uses the Black Scholes option pricing model to estimate the fair value of Agent Warrants issued.

(j) Flow-through shares

The resource expenditure deductions for income tax purposes related to exploration and development activities funded by flow-through share arrangements are renounced to investors in accordance with Canadian tax legislation. On issuance, the premium recorded on the flow-through share, being the difference in price over a common share with no tax attributes, is recognized as a liability. As expenditures are incurred, the liability associated with the renounced tax deductions is recognized through profit and loss with a pro-rata portion of the deferred premium.

To the extent that the Company has deferred tax assets in the form of tax loss carry-forwards and other unused tax credits as at the reporting date, the Company may use them to reduce its deferred tax liability relating to tax benefits transferred through flow-through shares.

(k) Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

2. Material Accounting Policy Information (continued)

(l) Share issuance costs

Professional, consulting, regulatory and other costs directly attributable to financing transactions are recorded as deferred financing costs until the financing transactions are completed if the completion of the transaction is considered likely; otherwise, they are expensed as incurred. Share issue costs are charged to share capital when the related shares are issued. Deferred financing costs related to financing transactions that are not completed are expensed.

(k) Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share purchase options are recognized as a deduction from equity, net of any tax effects.

The proceeds from the issuance of units are allocated between common shares and warrants based on the residual value method. Under this method, the proceeds are allocated first to the capital stock based on the fair value of the common shares at the time the units are priced and any residual value is allocated to the warrants reserve. Consideration received for the exercise of warrants is recorded in capital stock and the related residual value is transferred from warrant reserve to capital stock.

(l) Financial instruments

Financial assets

i. Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The following table shows the classification of financial instruments under IFRS 9:

Financial assets/liabilities	Classification
Cash	FVTPL
Accounts payable	Amortized cost

2. Material Accounting Policy Information (continued)

ii. Measurement

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets/liabilities	**Classification**
Cash	FVTPL
Receivables	Amortized cost
Computer	Amortized cost
Accounts payable	Amortized cost

(n) Financial instruments (continued)

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of net (loss) income. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of net (loss) income in the period in which they arise.

iii. Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. Gains and losses on derecognition are recognized in profit or loss.

2. Material Accounting Policy Information (continued)

(o) Foreign currency transactions

The functional currency of the Company is the Canadian dollar. The financial statements are present in Canadian dollars which is the Company's presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing and the dates of the transaction or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss.

3. Amounts receivable

Amounts receivable as at November 30, 2024 include interest receivable of $Nil (2023 - $8,579) from interest-bearing term deposits and goods and services tax receivable of $119,832 (2023 - $35,163).

4. Computer

	Cost	Accumulated Amortization	November 30, 2024 Net Book Value	November 30, 2023 Net Book Value
	$	**$**	**$**	**$**
Computer hardware	4,674	2,080	2,594	3,698
Balance, November 30, 2024	**4,674**	**2,080**	**2,594**	**3,698**

Computer hardware is recorded at cost. Annual rates of amortization are as follows:

Computer hardware – 20% declining balance

(Expressed in Canadian Dollars)

5. Exploration and evaluation property

	Vent Copper	Sting Copper	Schofield Lithium	Dickson Lake	Total
	$	$	$	$	$
Acquisition costs					
Balance, February 28, 2023	162,500	1,330,000	-	-	1,492,500
Additions	112,500	875,000	20,900	23,200	1,031,600
Balance, November 30, 2023	275,000	2,205,000	20,900	23,200	2,524,100
Additions	(21,250)	93,750	-	-	72,500
Balance, February 29, 2024	253,750	2,298,750	20,900	23,200	2,596,600
Additions	-	-	-	-	-
Impairment	(253,750)	-	-	-	(253,750)
	-	2,298,750	20,900	23,200	2,342,850
Exploration and evaluation costs					
Balance, February 28, 2023	-	40,548	-	-	40,548
Additions	90,448	209,547	68,745	55,772	424,512
Balance, November 30, 2023	90,448	250,095	68,745	55,772	465,060
Additions	-	41	-	13,092	13,133
Balance February 29, 2024	90,448	250,136	68,745	68,864	478,193
Additions	-	1,026,176	5,000	5,000	1,036,176
Impairment	(90,448)	-	-	-	(90,448)
	-	1,276,312	73,745	73,864	1,423,921
Balance, November 30, 2023	**365,448**	**2,455,095**	**89,645**	**78,972**	**2,989,160**
Balance, November 30, 2024	**-**	**3,575,062**	**94,645**	**97,064**	**3,766,771**

The Company incurred exploration expenditures for the period ended November 30, 2024 as follows:

	November 30, 2024	November 30, 2023
Acquisition costs		
Property acquisition	$ -	$ 1,104,100
Exploration costs		
Biochemistry	**69,704**	-
Consulting	**79,028**	13,133
Drilling	**260,135**	-
Equipment rentals	**52,765**	-
Geology	**192,284**	-
Geophysics	**316,005**	-
Lodging and meals	**44,206**	-
Permits and licenses	**20,654**	-
Supplies and materials	**1,395**	-
	1,036,176	13,133
Total exploration and evaluation expenditures	**$ 1,036,176**	$ 1,117,233

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5. Exploration and evaluation property (continued)

Vent Copper Property

On December 14, 2021, the Company entered into a property option agreement ("Option Agreement") to acquire the right to earn up to 100% interest in and to two contiguous mineral claims located in the Vancouver Island, B.C. known as the Vent Copper Property (the "Property"). Pursuant to the Option Agreement, the Company must satisfy the following:

(a) Paying an aggregate of $165,000 in cash as follows:

i. $50,000 on or before the date that is ten calendar days after December 14, 2021 ("Effective Date") (paid);
ii. $35,000 on or before the date that is eight months after the Effective Date, or before the date that is ten calendar days after the date that the Company is publicly listed on an exchange (the "Listing Date"), whichever is earlier (paid);
iii. $30,000 on or before the date that is one calendar year after the Listing Date (paid); and
iv. $50,000 on or before the date that is two calendar years after the Listing Date (unpaid as option agreement was terminated).

(b) Issuing an aggregate of 800,000 common shares of the Company as follows:
i. 250,000 common shares on or before the date that is ten calendar days after the Listing Date (issued with a fair market value of $77,500) (Note 5);
ii. 250,000 common shares on or before the date that is one calendar year after the Listing Date (issued with a fair market value of $82,500) (Note 5); and
iii. 300,000 common shares on or before the date that is two calendar years after the Listing Date (not issued as option agreement was terminated).

(c) Incurring an aggregate expenditure of $340,000 as follows:
i. $90,000 on or before the date that is one calendar year after the Listing Date (incurred); and
ii. $250,000 on or before the date that is two calendar years after the Listing Date (not incurred as option agreement was terminated).

The Property is subject to 3% Net Smelter Returns royalty. The Company retains the right to purchase one-third of the 3% Net Smelter Returns royalty in consideration of the payment of $1,000,000 thereby leaving the Optionor with a 2% Net Smelter Returns Royalty.

On May 15, 2023, the Company entered into an amending option agreement with the Vent Copper Property to reduce the expenditures required to incur by or before the one calendar year after the Listing Date from $110,000 to $90,000.

On July 21, 2023, pursuant to the option agreement, the Company satisfied its commitment by paying $30,000 in cash and issuing 250,000 common shares at $0.245 per share ($61,250 fair value). The Company has also incurred $90,448 of exploration expenditures.

5. Exploration and evaluation property (continued)

On July 22, 2024, the Company terminated the Vent Copper Property Option Agreement. This decision was made as part of a strategic realignment, to prioritize projects that better align with the Company's current business objectives and that offers more substantial growth opportunities.

On July 22, 2024, the Vent Copper Property was considered impaired and $344,198 in acquisition and exploration costs were written off.

Sting Copper Property

On August 22, 2022, the Company entered into a property option agreement ("Option Agreement") to acquire the right to earn up to 100% interest in Sting Copper Property located 14km south of the town of Trout River in Newfoundland. Pursuant to the Option Agreement, the Company must satisfy the following:

(a) Paying an aggregate of $90,000 in cash as follows:
   a. $40,000 upon signing of the agreement (paid); and
   b. $50,000 on or before the one-year anniversary of the signing of the agreement (paid).

(b) Issuing an aggregate of 5,000,000 common shares of the Company as follows:
   a. 2,500,000 common shares upon signing of the agreement (issued with a fair value of $750,000); and
   b. 2,500,000 common shares on or before the one-year anniversary of the signing of the agreement (issued with a fair market value of $612,500).

(c) Incurring an aggregate expenditure of $625,000 as follows:
   a. $250,000 on or before the one-year anniversary of the signing of the agreement (incurred); and
   b. Additional expenditures of $375,000 on or before the two-year anniversary of the signing of the agreement (incurred).

The Company retains the right at any time to purchase one-half (1/2) of the 2% Net Smelter Returns royalty, in consideration of the payment of $1,500,000, thereby leaving the optionor with a one percent (1%) Net Smelter Return royalty.

On August 22, 2023, pursuant to the option agreement, the Company satisfied its commitment by paying $50,000 in cash and issuing 2,500,000 common shares at $0.245 per share ($612,500 fair value). The Company has also incurred $250,095 of exploration expenditures.

On August 22, 2024, pursuant to the option agreement, the Company satisfied its commitment by incurring additional expenditures of $375,000.

On February 7, 2023, the Company entered into an option agreement ("Option Agreement") to acquire a 100% interest in three additional mineral claims at the Sting Copper Property located south of the town of Trout River in the Province of Newfoundland (the "New Claims"). Pursuant to the New Tenure Option Agreement, the Company must satisfy the following:

5. Exploration and evaluation property (continued)

(a) Cash payment of $40,000 within five days of signing of the agreement (paid).

(b) Issuing an aggregate of 2,500,000 common shares of the Company as follows:
   a. 1,250,000 common shares within five days of signing of the agreement (issued with a fair value of $500,000); and
   b. 1,250,000 common shares on or before the one-year anniversary of the signing of the agreement (issued with a fair value of $306,250).

(c) Incurring a minimum of $100,000 in Exploration Expenditures on the Property on or before the first anniversary of the signing of this Agreement (requirement removed).

Upon the Company earning in under the Agreement, the Optionors will retain a 2% net smelter returns royalty on the New Claims, of which the Company may purchase at any time one-half, being 1%, for a price of $1,500,000.

On February 7, 2024, the Company issued 1,250,000 common shares valued at $306,250 pursuant to the New Tenure Option Agreement. The Optionors also agreed to remove the requirement of the Company to incur $100,000 of exploration expenditures on the New Tenure on or before the one-year anniversary of the Execution Date.

As of February 13, 2024, the Company completed its earn-in on the New Tenure Option Agreement.

<u>Schofield Lithium Project</u>

On March 7, 2023, the Company acquired, for the cost of staking, the Schofield Lithium Project ("Schofield" or the "Project"). The Project consists of 416 mining claims located south of Hearst, Ontario.

On July 13, 2023, the Company commenced its initial Exploration Program (the "Program") at its Schofield Lithium Project (the "Project") in Northwestern Ontario. The Program will be led by Clark Exploration Consulting Inc.

<u>Dickson Lake Lithium Project</u>

On March 13, 2023, the Company acquired, for the cost of staking, the Dickson Lake Lithium Project ("Dickson" or the "Project"). The Project consists of 464 mining claims near Imagine Lithium and Georgia Lake Lithium Deposits.

(Expressed in Canadian Dollars)

6. Share Capital

(a) Authorized:

The Company has authorized an unlimited number of common shares with no par value.

(b) Escrow Shares:

The Company entered into an escrow agreement, whereby 4,070,000 common shares are to be held in escrow. During the period ended November 30, 2024, $Nil shares (2023 - 275,000 shares) were released in accordance with the terms of the escrow agreement. As at November 30, 2024, the Company has 561,000 shares (2023 - 1,404,500 shares) held in escrow.

(c) Issued and Outstanding as at November 30, 2024 – 50,437,276 (November 30, 2023 – 42,805,450) common shares.

For the period ended November 30, 2024, the Company had the following share capital transactions:

i. On August 22, 2024, the Company closed a non-brokered private placement for total proceeds of $500,000. The Company issued 4,347,826 units of the Company at a price of $0.115 per unit. Each unit consists of one common share of the Company and one-half of one transferable warrant (each whole, a "Warrant"). Each warrant entitles the holder to purchase one common share at a price of $0.15 per share until August 22, 2026. The Company paid share issuance costs of $21,593 and issued 187,770 in non-transferable share purchase warrants, entitling the holder to acquire one common share of the Company at a price of $0.15 per share for a period of 24 months. The securities issued pursuant to the listed issuer financing exemption under Part 5A of National Instrument 45-106 – Prospectus Exemptions. Accordingly, the Units issued in this private placement are not subject to a statutory hold period in accordance with applicable Canadian Securities laws.

Pursuant to the private placement, the Company paid share issuance costs of $21,593 and issued 187,770 finder warrants. The fair value of the finder warrants was $26,896 and was estimated using the Black-Scholes Option Pricing Model with the following assumptions:

Share price	$0.17
Risk free interest rate	3.30%
Expected life	2 years
Expected volatility	193%
Expected forfeiture rate	Nil
Expected dividends	Nil

ii. Pursuant to the non-brokered private placement on December 28, 2023, the Company issued an aggregate of 1,673,000 flow-through units for total gross proceeds of $752,850. As at November 30, 2024, the Company incurred $752,850 in qualifying exploration expenditures, which have been renounced to the investors.

6. Share Capital (continued)

For the year ended February 28, 2024, the Company had the following share capital transactions:

iii. On March 31, 2023, the Company issued 3,000 common shares pursuant to the exercise of 3,000 share purchase warrants at an exercise price of $0.20 per share for proceeds of $600.

iv. On July 19, 2023, the Company issued 250,000 common shares valued at $61,250 pursuant to the Vent Copper Property (Note 5).

v. On August 22, 2023, the Company issued 2,500,000 common shares valued at $612,500 pursuant to the Sting Copper Property (Note 5).

vi. On November 16, 2023, the Company issued 225,000 common shares pursuant to the exercise of 225,000 share purchase warrants at an exercise price of $0.20 per share for proceeds of $45,000.

vii. On November 23, 2023, the Company issued 225,000 common shares pursuant to the exercise of 225,000 share purchase warrants at an exercise price of $0.20 per share for proceeds of $45,000.

viii. On November 27, 2023, the Company issued 25,000 common shares pursuant to the exercise of 25,000 share purchase warrants at an exercise price of $0.20 per share for proceeds of $5,000.

ix. On December 6, 2023, the Company issued 100,000 common shares pursuant to the exercise of 100,000 share purchase warrants at an exercise price of $0.20 per share for proceeds of $20,000.

x. On December 12, 2023, the Company issued 4,000 common shares pursuant to the exercise of 4,000 share purchase warrants at an exercise price of $0.20 per share for proceeds of $800.

xi. On December 19, 2023, the Company issued 102,000 common shares pursuant to the exercise of 102,000 share purchase warrants at an exercise price of $0.20 per share for proceeds of $20,400.

xii. On December 28, 2023, the Company issued 50,000 common shares pursuant to the exercise of 50,000 share purchase warrants at an exercise price of $0.20 per share for proceeds of $10,000.

xiii. On December 28, 2023, the Company issued 50,000 common shares pursuant to the exercise of 50,000 share purchase warrants at an exercise price of $0.35 per share for proceeds of $17,500.

(Expressed in Canadian Dollars)

6. Share Capital (continued)

xiv. On December 28, 2023, the Company closed a non-brokered private placement for total gross proceeds of $752,850. The Company has allotted and issued 1,673,000 flow-through units (each, a "FT Unit") at a subscription price of $0.45 per FT Unit. Each FT Unit consists of one common share and one-half of one transferable common share purchase warrant (each whole, a "Warrant"). Each Warrant entitles the holder to acquire one additional common share at an exercise price of $0.60 for a period of 24 months from the closing date. The Company paid finder's fees of $34,987 and issued 77,750 finder's warrants to an arm's length party, entitling the holder to acquire one share at a price of $0.45 per share for a period of 24 months. All securities issued pursuant to the Private Placement will be subject to a hold period expiring April 29, 2024. As the flow-through shares were recognized at the same amount as the common shares, no flow-through share premium was recorded.

Pursuant to the private placement, the Company paid share issuance costs of $34,987 and issued 77,750 finder warrants. The fair value of the finder warrants was $27,417 and was estimated using the Black-Scholes Option Pricing Model with the following assumptions:

Share price	$0.45
Risk free interest rate	3.92%
Expected life	2 years
Expected volatility	184%
Expected forfeiture rate	Nil
Expected dividends	Nil

xv. On January 4, 2024, the Company issued 3,000 common shares pursuant to the exercise of 3,000 share purchase warrants at an exercise price of $0.20 per share for proceeds of $600.

xvi. On January 15, 2024, the Company issued 50,000 common shares pursuant to the exercise of 50,000 share purchase warrants at an exercise price of $0.35 per share for proceeds of $17,500.

xvii. On January 19, 2024, the Company issued 2,000 common shares pursuant to the exercise of 2,000 share purchase warrants at an exercise price of $0.20 per share for proceeds of $400.

xviii. On February 7, 2024, the Company issued 1,250,000 common shares valued at $306,250 pursuant to the New Tenure Option Agreement (Note 5).

(Expressed in Canadian Dollars)

6. Share Capital (continued)

(d) Stock options

The Company has a Stock Option Plan (the "Plan") for directors, officers, employees and consultants of the Company. Options are exercisable for periods of up to ten years, as determined by the Board of Directors of the Company, to purchase common shares of the Company at a price not less than the discounted market price on the date of the grant. The maximum number of shares which may be issuable under the Plan cannot exceed 10% of the total number of issued and outstanding common shares on a non-diluted basis.

A summary of the Company's stock options at November 30, 2024 is presented below:

	November 30, 2024		**February 28, 2024**	
	Options Outstanding	Weighted Average Exercise Price	Options Outstanding	Weighted Average Exercise Price
Opening balance	3,185,000	$0.42	3,185,000	$0.42
Granted	1,350,000	$0.145	-	-
Ending balance	4,535,000	$0.28	3,185,000	$0.42

The Company had the following stock option transactions during the period ended November 30, 2024:

On September 24, 2024, the Company granted an aggregate of 1,350,000 stock options to members of its Board and management team. The Options are exercisable at a price of $0.145 per share for a period of three years. The options have been granted under and are governed by the terms of the Company's Stock Option Plan.

The weighted average fair value at grant date of 1,350,000 options was $0.13 per option. The fair value of the stock options was estimated using the Black-Scholes option pricing model with the following assumptions:

Share price	$0.145
Risk free interest rate	2.83%
Expected life	3 years
Expected volatility	185%
Expected forfeiture rate	Nil
Expected dividends	Nil

Details of stock options outstanding and exercisable as at November 30, 2024 are as follows:

Expiry Date	**Exercise Price**	**Outstanding**	**Exercisable**
January 31, 2026	$0.42	3,185,000	3,185,000
September 24, 2027	$0.145	1,350,000	1,350,000
		4,535,000	4,535,000

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(Expressed in Canadian Dollars)

6. Share Capital (continued)

The weighted average remaining contractual life of the stock options outstanding at November 30, 2024 was 2 years.

During the period ended November 30, 2024, the Company recognized $175,205 (February 28, 2024 - $Nil) in share-based compensation expense related to the stock options granted on September 24, 2024.

Share Purchase Warrants

	November 30, 2024			November 30, 2023		
	Number of warrants		Weighted average exercise price	Number of warrants		Weighted average exercise price
Outstanding, beginning of period	12,275,350	$	0.23	12,753,350	$	0.31
Issued	3,275,933		0.60	-		-
Exercised	(361,000)		0.20	(478,000)		0.20
Expired	(2,814,350)		-	-		-
Outstanding, end of the period	12,375,933	$	0.34	12,275,350	$	0.23

with the following assumptions:

Share price	$0.38
Risk free interest rate	4.22%
Expected life	2 years
Expected volatility	160%
Expected forfeiture rate	Nil
Expected dividends	Nil

On July 21, 2024, 2,578,450 warrants with an exercise price of $0.10 per share expired.

On October 30, 2024, the Company amended the terms of 9,200,000 transferable share purchase warrants originally issued under a private placement on November 8, 2022. The amendment extended the expiry date of the warrants from November 8, 2024 to November 8, 2025.

On November 8, 2024, 235,900 warrants with an exercise price of $0.35 per share expired.

(Expressed in Canadian Dollars)

6. Share Capital (continued)

Details of warrants outstanding and exercisable at November 30, 2023 are as follows:

Date of expiry	Exercise price	Number of warrants	Weighted average remaining contractual life, years
November 8, 2025	$0.35	9,100,000	0.90
December 28, 2025	$0.60	914,250	1.10
August 22, 2026	$0.15	2,173,913	1.80
August 22, 2026	$0.15	187,770	1.80
		12,375,933	1.40

Contributed surplus

The contributed surplus records items recognized as stock-based compensation expense and other share-based payments.

7. 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 includes directors and key officers of the Company, including the President, Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO").

During the nine months period ended November 30, 2024, the Company paid or accrued management fees of $90,000 (2023 - $90,000) rental costs of $6,750 and incurred share-based compensation of $51,920 (2023 - $Nil) to a company controlled by a director and CEO of the Company. As at November 30, 2024, an amount of $12,863 (2023 - $Nil) included in accounts payable was due to the director and CEO. The amount is unsecured, bears no interest and is due on demand. During the nine months period ended November 30, 2024, the Company reimbursed costs incurred on behalf of the Company of $913 (November 30, 2023 - $Nil) to a company controlled by a director and CEO of the Company.

During the nine months period ended November 30, 2024, the Company paid or accrued professional fees of $36,500 (2023 - $37,400) and incurred share-based compensation of $19,470 to a company controlled by the CFO of the Company.

During the nine months period ended November 30, 2024, the Company paid or accrued consulting fees of $48,000 (2023 - $56,000), rental costs of $14,000 (2023 - $2,000) and incurred share-based compensation of $51,920 to a company controlled by a director and Vice President ("VP") of Corporate Development of the Company. As at November 30, 2024, an amount of $Nil (2023 - $8,400) included in accounts payable was due to a company controlled by a director and Vice President ("VP") of Corporate Development. The amounts due are unsecured, bear no interest and are due on demand.

(Expressed in Canadian Dollars)

7. Related Party Transactions (continued)

During the nine months period ended November 30, 2024, the Company paid or accrued professional fees of $18,000 (2023 - $18,000) and incurred share-based compensation of $19,470 to a company controlled by a director of the Company.

During the nine months period ended November 30, 2024, the Company incurred share-based compensation of $19,470 to a company controlled by a director of the Company.

During the nine months period ended November 30, 2024, the Company paid or accrued consulting fees of $27,000 (2023 - $27,000) and incurred share-based compensation of $9,086 to a company controlled by the corporate secretary of the Company. As at November 30, 2024, an amount of $Nil (2023 - $3,150) included in accounts payable was due to a company controlled by the corporate secretary. The amounts due are unsecured, bear no interest and are due on demand. During the nine months period ended November 30, 2024, the Company reimbursed costs incurred on behalf of the Company of $4,325 (November 30, 2023 - $Nil) to a company controlled by the corporate secretary.

8. Financial Instruments

(a) Categories of Financial Instruments and Fair Value Measurements

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The fair value of the Company's financial instruments, approximates their carrying amount due to their short-term maturities.

The fair value of the Company's financial instruments has been classified within the fair value hierarchy as at November 30, 2024 and February 28, 2024 as follows:

November 30, 2024	Level 1	Level 2	Level 3	Total
Financial Instrument				
Cash	$ 385,067	-	-	$ 385,067

February 28, 2024	Level 1	Level 2	Level 3	Total
Financial Instrument				
Cash	$ 1,810,515	-	-	$ 1,810,515

8. Financial Instruments (continued)

(b) Management of Financial Risks

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company had no exposure to credit risk as the Company maintains all of its cash in a major bank. Accordingly, the Company has assessed credit risk as low.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's liquidity and operating results may be adversely affected if its access to the capital markets is hindered. The Company has no source of revenue and has obligations to meets its administrative overheads and to settle amounts payable to its creditors. As at November 30, 2024, the Company had $385,067 (February 28, 2024 - $1,810,515) in cash to settle current liabilities of $72,617 (February 28, 2024 - $72,783) and, as such, assessed liquidity risk as low.

Foreign Exchange Risk

Foreign exchange risk is the risk that the Company's financial instruments will fluctuate in value as a result of movements in foreign exchange rates. The main currency to which the Company has exposure is the US dollar. The Company is exposed to currency risk to the extent of its accounts payable and accrued liabilities that are denominated in US dollars. The Company does not hedge its exposure to fluctuations in the related foreign exchange rates. The Company's exposure to currency risk is currently considered insignificant.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at November 30, 2024, the Company is assessed to have low interest rate risk as there are no funds currently held in interest-bearing term deposits.

8. Financial Instruments (continued)

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, investment fluctuations, and commodity and equity prices. Market conditions will cause fluctuations in the fair values of financial assets classified as held-for-trading, available-for-sale and cause fluctuations in the fair value of future cash flows for assets or liabilities classified as held-to-maturity, loans or receivables and other financial liabilities. The Company is not exposed to significant interest rate risk as the Company has no variable interest-bearing debt. The Company's ability to raise capital to fund exploration or development activities is subject to risks associated with fluctuations in battery metal prices. Management closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

9. Commitment

On December 28, 2023, the Company completed a Flow-Through Offering for $752,850 (Note 6), thus committing to spending this amount by December 31, 2024 on "Canadian Exploration Expenses" which qualify as "Flow-through Mining Expenditures", as these terms are defined in the Income Tax Act (Canada) ("Resource Expenditures"). As at November 30, 2024, the Company has incurred $752,850 of resources expenditures associated with the issuance of flow through shares and earned interest income totalling $16,338.

The Company is committed to certain cash payments, common share issuances and exploration expenditures as described in Note 5.

10. Capital Management

The Company defines its capital as working capital and shareholders' equity. The Company manages its capital structure and makes adjustments to it based on the funds available to the Company in order to support future business opportunities. The Board of Directors does not establish quantitative return on capital criteria for management but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company is dependent upon external financing. In order to carry future 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 is not subject to externally imposed capital requirements. The Company did not institute any changes to its capital management strategy since inception.