FIRST PHOSPHATE CORP.

Annual Financial Statements

February 29, 2024, February 28, 2023 and 2022

(Expressed in Canadian Dollars)

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Directors of
First Phosphate Corp.

Opinion on the Financial Statements

We have audited the accompanying statements of financial position of First Phosphate Corp. (the "Company"), as of February 29, 2024 and February 28, 2023, and the related statements of loss and comprehensive loss, changes in shareholders' equity (deficiency), and cash flows for the years ended February 29, 2024 and February 28, 2023 and 2022, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of February 29, 2024 and February 28, 2023, and the results of its operations and its cash flows for the years ended February 29, 2024 and February 28, 2023 and 2022 in conformity with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 to the financial statements, the Company has had accumulated losses of $21,947,674 since its inception, and expects to incur further losses in the development of its business, which raises substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 2. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatements of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to the accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgements. The communication of the critical audit matter does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit atter or on the account or disclosure to which it relates.

In addition to the matter described in the Going Concern section, we have determined the matter described below to be the critical audit matter to be communicated in our auditor's report.

Assessment of Impairment Indicators of Exploration and Evaluation Assets ("E&E Assets")

As described in Note 11 to the financial statements, the carrying amount of the Company's E&E Assets was $3,557,734 as of February 29, 2024. As more fully described in Note 3 and 4 to the financial statements, management assesses E&E Assets for indicators of impairment at each reporting period.

The principal considerations for our determination that the assessment of impairment indicators of the E&E Assets is a critical audit matter are that there was judgment made by management when assessing whether there were indicators of impairment for the E&E Assets, specifically relating to the assets' carrying amount which is impacted by the Company's intent and ability to continue to explore and evaluate these assets. This in turn led to a high degree of auditor judgment, subjectivity, and effort in performing procedures to evaluate audit evidence relating to the judgments made by management in their assessment of indicators of impairment that could give rise to the requirement to prepare an estimate of the recoverable amount of the E&E Asset.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the financial statements. Our audit procedures included, among others:

- Obtaining an understanding of the key controls associated with evaluating the E&E Assets for indicators of impairment.
- Evaluating management's assessment of impairment indicators.
- Evaluating the intent for the E&E Assets through discussion and communication with management.
- Reviewing the Company's recent expenditure activity and expenditure budgets for future periods.
- Assessing compliance with agreements including reviewing purchase agreements and vouching cash payments and share issuances.
- Obtaining, on a test basis through government websites, confirmation of title to ensure mineral rights underlying the E&E Assets are in good standing.

We have served as the Company's auditor since 2020.

/s/ DAVIDSON & COMPANY LLP

Vancouver, Canada

Chartered Professional Accountants

June 27, 2024

FIRST PHOSPHATE CORP.

STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
AS AT

Assets	**February 29, 2024 $**	**February 28,2023 $**
Current Assets		
Cash and cash equivalents (Note 5)	7,496,238	1,180,318
Restricted cash (Note 5)	25,000	35,000
Prepaid expenses (Note 6)	411,438	800,600
Amounts receivable	640,687	189,866
	8,573,363	**2,205,784**
Non-Current Assets		
Investments (Note 7)	132,988	83,060
Prepaid financing expense (Note 8)	731,673	-
Exploration and evaluation assets (Note 11)	3,557,734	3,644,234
	4,422,395	**3,727,294**
Total Assets	**12,995,758**	**5,933,078**
Liabilities and Shareholders' Equity		
Current Liabilities		
Accounts payable and accrued liabilities	2,532,332	419,415
Flow-through share premium liability (Note 12)	1,151,052	91,333
Total Liabilities	**3,683,384**	**510,748**
Shareholders' Equity		
Capital stock (Note 13)	26,342,634	16,923,000
Contributed surplus (Note 13)	4,917,414	2,086,279
Shares to be issued (Note 13)	-	68,257
Deficit	(21,947,674)	(13,655,206)
Total Shareholders' Equity	**9,312,374**	**5,422,330**
Total Liabilities and Shareholders' Equity	**12,995,758**	**5,933,078**

Nature of operations (Note 1)
Going concern (Note 2)
Subsequent events (Note 19)

Approved and authorized by the Board of Directors on June 27, 2024

"BENNETT KURTZ"
Director

"JOHN PASSALACQUA"
Director

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

STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)

	For the three years ended		
	February 29, 2024 $	**February 28, 2023 $**	**February 28, 2022 $**
Expenses			
Mining exploration and metallurgy (Note 11)	3,520,097	1,184,443	-
Share based compensation (Note 13 and 14)	1,646,973	542,805	-
Professional fees (Note 14)	996,483	371,631	54,738
Business development	854,242	377,387	-
Research and development expenses (Note 7)	433,799	-	-
Consulting fees (Note 14)	392,729	57,366	-
Management fees (Note 14)	306,000	308,389	-
Regulatory and compliance expenses	184,735	159,254	9,779
General administrative expenses	177,714	202,233	-
Directors' fees (Note 14)	86,400	66,500	-
Total expenses	**(8,599,172)**	**(3,270,008)**	**(64,517)**
Other Income/(expenses)			
Interest income	57,713	-	-
Financing expense (Note 8 and 14)	(66,516)	-	-
Gain on amortization of flow-through share premium liability (Note 12)	383,218	74,767	-
Gain on recognition of fair value of loan (Note 9)	-	6,877	-
Impairment of mineral property (Note 11)	(109,325)	-	-
Foreign exchange gain on investments (Note 7)	(4,157)	-	-
Gain on investments measured at fair value through profit or loss (Note 7)	45,771	-	-
Net loss and comprehensive loss	**(8,292,468)**	**(3,188,364)**	**(64,517)**
Loss per common share – basic and diluted	**(0.15)**	**(0.13)**	**(0.11)**
Weighted average number of common shares outstanding – basic and diluted	**55,236,302**	**25,372,346**	**598,718**

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

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)
For the years ended February 29, 2024, February 28, 2023 and 2022
(Expressed in Canadian Dollars)

	Common Shares					
	Number of Shares	**Amount $**	**Contributed Surplus $**	**Shares to be issued $**	**Deficit $**	**Total $**
Balance, February 28, 2021	**598,718**	**8,927,636**	**1,466,528**	-	**(10,402,325)**	**(8,161)**
Loss for the year	-	-	-	-	(64,517)	(64,517)
Balance, February 28, 2022	**598,718**	**8,927,636**	**1,466,528**	-	**(10,466,842)**	**(72,678)**
Shares issued for private placement	40,182,004	6,997,900	-	-	-	6,997,900
Flow -through share premium liability	-	(166,100)	-	-	-	(166,100)
Share issuance costs	-	(458,863)	103,011	-	-	(355,852)
Shares issued for acquisition of exploration and evaluation assets	6,238,000	1,559,500	-	-	-	1,559,500
Shares issued as finder's fee for exploration and evaluation assets	700,000	14,000	-	-	-	14,000
Shares issued for services	100,000	35,000	-	-	-	35,000
Share based compensation			542,805	-	-	542,805
Options exercised	500,000	13,927	(3,927)	-	-	10,000
Shares to be issued	-	-	(22,138)	68,257		46,119
Loss for the year	-	-			(3,188,364)	(3,188,364)
Balance, February 28, 2023	**48,318,722**	**16,923,000**	**2,086,279**	**68,257**	**(13,655,206)**	**5,422,330**
Shares issued for private placement	20,493,280	9,943,090	619,537	-	-	**10,562,627**
Flow-through share premium liability	-	(1,442,938)	-	-	-	**(1,442,938)**
Share issuance costs	-	(978,782)	-	-	-	**(978,782)**
Share based compensation	-	-	1,646,973	-	-	**1,646,973**
Shares and warrants issued as finder's fee	412,697	169,793	248,900	-	-	**418,693**
Warrants issued for loan commitment fees	-	-	798,188	-	-	**798,188**
Warrants exercised	249,863	94,204	(7,815)	(68,257)	-	**18,132**
Shares issued for acquisition of exploration and evaluation assets	27,173	22,825	-	-	-	**22,825**
Shares issued upon exercise of restricted share units	1,286,990	474,648	(474,648)	-	-	-
Shares issued for settlement of debt	1,708,900	646,918	-	-	-	**646,918**
Shares issued for settlement of accounts payable	1,289,147	489,876	-	-	-	**489,876**
Loss for the year	-	-	-	-	(8,292,468)	**(8,292,468)**
Balance, February 29, 2024	**73,786,772**	**26,342,634**	**4,917,414**	-	**(21,947,674)**	**9,312,374**

The share numbers have been adjusted retroactively to reflect a consolidation of the Company's common shares on a one new share for five hundred old shares basis effective June 1, 2022.

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

STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)

	For the three years ended		
	February 29, 2024	**February 28, 2023 $**	**February 28, 2022 $**
Operating Activities			
Loss for the year	(8,292,468)	(3,188,364)	(64,517)
Non-cash expense:			
Share based compensation	1,646,973	542,805	-
Financing fee	66,515	-	-
Shares issued for business development	-	35,000	-
Gain on recognition of fair value of loan	-	(6,877)	-
Accretion of loan payable	-	6,877	-
Gain on amortization of flow-through share premium liability	(383,219)	(74,767)	-
Impairment of mineral properties	109,325	-	-
Foreign exchange gain on investments	(4,157)	-	-
Gain on investments measured at fair value through profit or loss	(45,771)	-	-
Changes in non-cash working capital items:			-
Amounts receivable	(450,821)	(189,866)	-
Prepaid expenses	389,162	(800,600)	-
Accounts payable and accrued liabilities	3,249,711	346,737	38,336
Restricted cash	10,000	(35,000)	-
Net cash used in Operating Activities	**(3,704,750)**	**(3,364,055)**	**(26,181)**
Investing Activities			
Long term investments	-	(83,060)	-
Purchase of exploration and evaluation assets	-	(1,820,734)	-
Net cash used in Investing Activities	**-**	**(1,903,794)**	**-**
Financing Activities			
Issuance of shares and warrants	10,562,627	6,997,900	-
Share issue costs	(560,089)	(355,852)	-
Issuance of shares via exercise of options and warrants	18,132	10,000	-
Repayment of loan payable	-	(250,000)	-
Proceeds from issuance of promissory note	-	850,000	-
Repayment of promissory note	-	(850,000)	-
Proceeds from shares issuable	-	46,119	-
Net cash provided by Financing Activities	**10,020,670**	**6,448,167**	**-**
Net change in cash for the year	6,315,920	1,180,318	(26,181)
Cash and cash equivalents, beginning of the year	1,180,318	-	26,181
Cash and cash equivalents, end of the year	**7,496,238**	**1,180,318**	**-**

STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)

Supplemental cash flow information

	For the years ended		
	February 29, 2024	**February 28, 2023**	**February 28, 2022**
	$	**$**	**$**
Shares issued for mineral property finder's fees	-	14,000	-
Recognition of flow-through liability	1,442,938	166,100	-
Purchase of exploration and evaluation assets by issue of shares	22,825	1,559,500	-
Deferred loan commitment fee	798,188	-	-
Shares and warrants issued for broker fees	418,693	103,011	
Transfer of contributed surplus upon option exercise	-	3,927	-
Transfer of contributed surplus upon warrant exercise	7,815	22,138	-
Loan payable issued for mineral properties	-	250,000	-
Shares issued upon exercise of RSUs	474,648	-	-
Shares issued for settlement of debt	646,918	-	-
Shares issued for settlement of accounts payable	489,876	-	-

The Company paid $nil in taxes and $1,683 in interest in the year ended February 29, 2024 (February 28, 2023 - $nil and $12,171 and February 28, 2022 - $nil and $nil).

The Company received 57,713 in interest in the year ended February 29, 2024 (February 28, 2023 - $nil and February 28, 2022 - $nil).

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

1. Nature of Operations

First Phosphate Corp. (the "Company") was incorporated in British Columbia on September 18, 2006. On June 29, 2022 the Company filed articles of amendment with the Province of British Columbia changing its name from First Potash Corp. to First Phosphate Corp. The address of the Company's corporate office and registered and records office is 1055 West Georgia Street, 1500 Royal Centre, P.O. Box 11117, Vancouver, British Columbia, V6E 4N7. The Company owns and is developing igneous rock phosphate mineral properties in the Saguenay Region of Quebec for the production of phosphoric acid for the production of cathode active material ("CAM") for use in lithium iron phosphate ("LPF") batteries for the electric vehicle industry.

The Company's common shares are listed under the symbol "PHOS" on the Canadian Securities Exchange (the "CSE"), "FRSPF" on the OTC Pink Market and "KD0" on the Frankfurt Stock Exchange (the "FSE").

A consolidation of the Company's common shares on a one for five hundred basis effective June 1, 2022 has been reflected retroactively throughout these financial statements.

2. Going Concern

These financial statements have been prepared under IFRS Accounting Standards as issued by the International Accounting Standards Board applicable to a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of operations for the foreseeable future. Accordingly, it does not give effect to any adjustments that may be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and liquidate its liabilities in other than the normal course of operations and at amounts which may differ from those shown in these financial statements. Such adjustments could be material. The ability of the Company to continue as a going concern is dependent on its ability to continue to obtain equity financing and ultimately achieve profitable operations. While the Company has been successful in arranging financing in the past, the success of such initiatives cannot be assured.

As of February 29, 2024, the Company had accumulated losses of $21,947,674 since its inception and expects to incur further losses in the development of its business, and had a negative cash flows from operating activities of $3,704,750. This indicates material uncertainties which cast significant doubt about the Company's ability to continue as a going concern. The ability of the Company to continue as a going concern is dependent on its ability to obtain additional equity financing and achieve future profitable operations. While the Company has been successful in arranging financing in the past, the success of such initiatives cannot be assured.

These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

3. Basis of Presentation

(a) Statement of compliance

These financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (the "IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit or loss ("FVTPL") which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

These financial statements were authorized for issue by the Board of Directors on June 27, 2024.

(b) Functional and presentation currency

These financial statements are presented in Canadian dollars, which is also the functional currency of the Company, unless otherwise stated.

(c) Critical accounting judgements and estimates

In preparing these financial statements, management makes judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

Critical judgments in applying accounting policies

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements within the next financial year are discussed below:

Income tax

Tax provisions are based on enacted or substantively enacted laws. Changes in those laws could affect amounts recognized in profit or loss both in the period of change, which would include any impact on cumulative provisions, and in future periods. Deferred tax assets (if any) are recognized only to the extent it is considered probable that those assets will be recoverable. This involves an assessment of when those deferred tax assets are likely to reverse and a judgment as to whether or not there will be sufficient taxable profits available to offset the tax assets when they do reverse. This requires assumptions regarding future profitability and is therefore inherently uncertain. To the extent assumptions regarding future profitability change, there can be an increase or decrease in the amounts recognized in respect of deferred tax assets as well as the amounts recognized in profit or loss in the period in which the change occurs.

Impairment of exploration and evaluation assets

The application of the Company's accounting policy for exploration and evaluation expenditure and impairment of the capitalized expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in net loss in the year the new information becomes available.

Impairment of prepaid financing expenses

The Company capitalizes prepaid financing expenses related to loan commitments that have not been drawn down. If, after the expense is capitalized, information becomes available suggesting that the utilization of the loan commitment is unlikely, the amount capitalized is written off in net loss in the year the new information becomes available.

Fair value of investment in unquoted equity investments

The Company has an investment in shares of Integrals Power Limited ("IPL"), a U.K. private company. The determination of the fair value requires significant judgement by the Company, on the date of purchase, and at each reporting date thereafter, consistent with fair value accounting guidance in accordance with IFRS 13, Fair Value Measurement.

Ability to continue as a going concern

The Company applies judgment in assessing whether material uncertainties exist that would cause doubt as to whether the Company could continue as a going concern.

Key sources of estimation uncertainty

The following are key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in material adjustments to the financial statements.

Valuation of share-based payments

The Company uses the Black-Scholes Option Pricing Model for valuation of share purchase options and broker's warrants granted. Option pricing models require the input of subjective assumptions including expected share price, price volatility, dividend yield and forfeiture rate. The stock-based compensation recognized for RSU's is determined based on management's grant date estimate of the forfeitures that are expected to occur over the life of the RSUs. Changes in the input assumptions can materially impact fair value estimates and the Company's comprehensive loss and equity reserves.

The Company applies judgement in determining the value of common shares issued for non-cash consideration which cannot be reliably measured. In determining the fair value of the common shares, management estimated the fair value of the common shares by reference to the price of the common shares issued for cash approximately around the time of the issue of the common shares as management believe that this was the most reliable measure. This judgement requires management to make various assumptions and estimates which are susceptible to uncertainty.

4. Material Accounting Policy Information

The financial statements of the Company have been prepared in accordance with IFRS Accounting Standards as issued by the IASB and reflect the following material accounting policy information:

Financial Instruments

Recognition

The Company recognizes financial assets and financial liabilities on the date the Company becomes a party to the contractual provisions of the instruments.

Classification

The Company classifies its financial assets and financial liabilities in the following measurement categories:

(i) those to be measured subsequently at fair value, either through other comprehensive income (“FVTOCI”), or profit and loss (“ FVTPL”); and
(ii) those to be measured at amortized cost.

The classification of financial assets depends on the business model for managing the financial assets and the contractual terms of the cash flows. Financial liabilities are classified as those to be measured at amortized costunless they are designated as those to be measured subsequently at fair value through profit or loss (an irrevocable election at the time of recognition). For assets and liabilities measured at fair value, gains and losses are either recorded in profit or loss or other comprehensive income or loss.

The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified. The Company has implemented the following classifications:

Financial Instrument	**Classification**
Cash and cash equivalents	FVTPL
Investments	FVTPL
Restricted cash	Amortized cost
Accounts payable	Amortized cost

Measurement

All financial instruments are required to be measured at fair value on initial recognition, plus, in case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. The Company measures its financial instruments as below. See Note 15 for additional information on the classification of the Company's financial instruments.

Impairment

Financial assets are assessed at each reporting date to determine whether there is objective evidence that they are impaired. A financial asset is impaired if objective evidence indicates a loss event has occurred after the initial recognition of the asset and the loss event had a negative effect on the estimated future cash flows of the asset that can be estimated reliably.

The Company assesses all information available, including on a forward-looking basis, the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as the reporting date, with the risk of default as at the date of initial recognition, based on all information available, and reasonable and supportive forward-looking information.

Basic and diluted loss per share

Basic loss per share is computed by dividing the loss for the year by the weighted average number of common shares outstanding during the year. For diluted per share computations, assumptions are made regarding potentialcommon shares outstanding during the year. The weighted average number of common shares is increased to include the number of additional common shares that would be outstanding if, at the beginning of the year, or attime of issuance, if later, all options and warrants are exercised. Proceeds from exercise are used to purchase theCompany's common shares at their average market price during the year, thereby reducing the weighted averagenumber of common shares outstanding. If these computations prove to be anti-dilutive, diluted loss per share is the same as basic loss per share.

Prepaid Financing Expenses

Prepaid financing expenses for loans that are likely to be drawn down are deferred (together with any incremental costs) and recognized as an adjustment to the effective interest rate on the loan. When it is unlikely that a loan will be drawn down, the prepaid financing expenses are deferred and recognized in profit or loss over the commitment period of the related loan on a straight line basis. If at the end of the commitment period, the full amount of prepaid financing expense hasn't been recognized as an adjustment to the effective interest rate on the loan, the remaining deferred portion is recognized in profit or loss.

Income taxes

Income tax expense is comprised of current and deferred tax. Current tax and deferred tax are recognized in net income except to the extent that it relates to a business combination or items recognized directly in equity or in other comprehensive loss/income.

Current taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year end date.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probably that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting period the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Share based payments

The Company grants stock options to buy common shares of the Company to directors, officers, employees and service providers. The Company recognizes share-based compensation expense based on the estimated fair value of the options. A fair value measurement is made for each vesting installment within each option grant and is determined using the Black-Scholes option-pricing model. The fair value of the options is recognized over the vesting period of the options granted as both share-based compensation expense and reserves. This includes a forfeiture estimate, which is revised for actual forfeitures in subsequent periods. The reserves account is subsequently reduced if the options are exercised, and the amount initially recorded is then credited to capital stock.

In situations where equity instruments are issued to non-employees and some or all the goods or services received by the entity as consideration cannot be specifically identified, they are measured at fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

The Company grants restricted stock units (“RSUs”) to buy common shares of the Company to directors, officers and consultants. The Company recognizes share-based compensation expense based on the fair value of the RSUs with reference to the closing trading price of its common stock of the grant date. The fair value is recognized over the vesting period of the RSUs granted as both share-based compensation expense and contributed surplus. The contributed surplus account is subsequently reduced if the RSUs are exercised, and the amount initially recorded is then credited to common shares.

Tax credits receivable

The Company is entitled to a refundable tax credit on qualified exploration expenditures incurred and refundable credit on duties for losses under the Mining Tax Act. These tax credits are recognized as a reduction of the exploration costs incurred based on estimates made by management. The Company records these tax credits in the period when there is reasonable assurance with regard to collections and assessments and that the Company will comply with conditions associated with them. During the year ended February 29, 2024, the Company received $nil in refundable tax credits (February 28, 2023 $nil).

Unit offerings

Proceeds from unit placements are allocated between shares and warrants issued using the residual method. Proceeds are first allocated to shares according to the quoted price of existing shares at the time of issuance and any residual in the proceeds is allocated to warrants.

Flow-through placements

Resource expenditure deductions for income tax purposes related to exploratory activities funded by flow-through share arrangements are renounced to investors in accordance with income tax legislation. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as an other liability, and ii) share capital. Upon expenses being incurred, the Company derecognizes the other liability and recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The premium is recognized as other income and the related deferred tax is recognized as a tax provision.

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures within a two-year period. The Company may also be subject to Part XII.6 tax on flow-through proceeds renounced under the look-back rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financing expense until qualifying expenditures are incurred.

Comprehensive income (loss)

Comprehensive income (loss) is the change in the Company’s equity that results from transactions and events other than the Company’s shareholders. Gains and losses that would otherwise be recorded as part of net earnings is presented in other “comprehensive income” until it is considered appropriate to recognize into net earnings. Comprehensive income (loss) consists of net income (loss) and other comprehensive income (loss)and represents the change in shareholders’ equity which results from transactions and events from sources other than the Company’s shareholders. For the years presented, net loss was the same as comprehensive loss.

Exploration and evaluation assets

Exploration and evaluation activities involve the search for minerals, the determination of technical feasibility and the assessment of commercial viability of an identified resource.

Costs incurred before the Company has obtained the legal rights to explore an area are expensed in the year in which they are incurred. Once the legal right to explore a property has been acquired, costs directly related to acquisition are recognized and capitalized. Subsequent exploration and evaluation expenditures are expensed as incurred. These direct expenditures include such costs as materials used, surveying costs, drilling costs, payments made to contractors and depreciation on plant and equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are also expensed as incurred.

Mineral property acquisition costs and exploration and evaluation expenditures are recorded at cost. When shares are issued as part of mineral property acquisition costs, they are valued at the closing share price on the date of issuance unless the fair value of goods or services received is determinable. When the Company acquires property under an option or joint venture agreement and the payments for it are made at the sole discretion of the Company, the property acquired is recorded upon payment.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as 'mines under construction'. Exploration and evaluation assets are tested for impairment before the assets are transferred to development properties.

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditure costs, in excess of estimated recoveries, are written off to profit or loss. The Company assesses exploration and evaluation assets for impairment at least annually and when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use.

Decommissioning Obligations

An obligation to incur decommissioning and site rehabilitation costs occurs when environmental disturbance is caused by exploration, evaluation, development or ongoing production. Decommissioning and site rehabilitation costs arising from the installation of plant and other site preparation work, discounted to their net present value, are provided when the obligation to incur such costs arises and are capitalized into the cost of the related asset. These costs are charged against operations through depreciation of the asset and unwinding of the discount on the provision. Depreciation is included in operating costs while the unwinding of the discount is included as a financing cost. Changes in the measurement of a liability relating to the decommissioning or site rehabilitation of plant and other site preparation work are added to, or deducted from, the cost of the related asset. The costs for the restoration of site damage, which arises during production, are provided at their net present values and charged against operations as extraction progresses. Changes in the measurement of a liability, which arises during production, are charged against operating profit. The discount rate used to measure the net present value of the obligations is the pre-tax rate that reflects the current market assessment of the time value of money and the risks specific to the obligation.

For the years presented, the Company does not have any decommissioning obligations.

Provisions

Provisions are recognized when present legal and constructive obligations as a result of a past event will likely lead to an outflow of economic resources from the Company and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Provisions are discounted when the time value of money is significant. All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Accounting Pronouncements Adopted in the Year

In the current year, the Company has applied the below amendments to IFRS Accounting Standards and Interpretations issued by the IASB that were effective for annual periods that begin on or after March 1, 2023. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgments— Disclosure of Accounting Policies

The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term "significant accounting policies" with "material accounting policy information." Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. The IASB has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.

The amendments were applied effective March 1, 2023 and did not have a material impact on the Company's financial statements.

Recent Accounting Pronouncements

Amendments to IAS 1: Classification of Liabilities as Current or Non-Current and Deferral of Effective Date.

In January 2020, the IASB issued amendments to IAS 1, Presentation of Financial Statements, to provide a more general approach to the presentation of liabilities as current or non-current based on contractual arrangements in place at the reporting date.

These amendments:
- specify that the rights and conditions existing at the end of the reporting period are relevant in determining whether the Company has a right to defer settlement of a liability by at least twelve months;
- provide that management's expectations are not a relevant consideration as to whether the Company will exercise its rights to defer settlement of a liability; and
- clarify when a liability is considered settled.

On October 31, 2022, the IASB issued a deferral of the effective date for the new guidance by one year to annual reporting periods beginning on or after January 1, 2024 and is to be applied retrospectively. The Company has not yet determined the impact of these amendments on its financial statements.

IFRS 18: Presentation and disclosure in the financial statements.

In April 2024, IASB issued IFRS 18 Presentation and Disclosure in Financial Statements replacing IAS 1 Presentation of Financial Statements as the primary source of requirements in IFRS accounting standards for financial statement presentation.

This standard introduces:
- three defined categories for income and expenses (operating, investing and financing) and requiring companies to provide new defined subtotals, including operating profit;
- enhanced transparency of management-defined performance measures requiring companies to disclose explanations of those company-specific measures related to the statement of earnings; and
- enhanced guidance on how companies group information in the financial statements, including guidance on whether information is included in the financial statements or is included in the notes.

IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, with early adoption permitted, and is to be applied retrospectively for comparative periods. The Company has not yet determined the impact of this standard on its financial statements.

5. Cash and Cash Equivalents and Restricted Cash

Cash and cash equivalents includes cash held at the bank of $896,238 (February 28, 2023 - $1,180,318) and investments in guaranteed investment certificates ("GIC") of $6,600,000 (February 28, 2023 - $nil) which comprises of one-year cashable term GICs of $5,000,000, $1,000,000 and $600,000 with a maturity date of January 31, 2025, earning annual interest between 4.95% and 5.2% per annum.

Restricted cash is comprised of $25,000 investment in a GIC (February 28, 2023 - $35,000). The GIC is a one-year cashable term with a maturity date of November 27, 2024, earning annual interest of 4.75% per annum. The GIC is held as collateral for credit cards issued to officers of the Company.

(Expressed in Canadian Dollars)

6. Prepaid Expenses

Prepaid expenses are comprised of the following:

	February 29, 2024 $	February 28, 2023 $
Excess payments made to credit cards	2,973	34,797
Expenses paid in advance:		
Business development	219,794	272,215
Mining exploration and metallurgy	86,195	139,733
General administrative expenses	40,148	78,750
Consulting fees	40,000	245,105
Professional fees	22,328	30,000
Total	**411,438**	**800,600**

7. Investments

On January 10, 2023, the Company entered into an investment and licensing option agreement (the "IPL Agreement") with IPL under the terms of which the Company acquired 7,386 IPL shares for £50,000 ($83,060). Under the terms of the IPL Agreement, IPL granted an option to acquire a license to use IPL technology in a facility of a production capacity of up to 1,000-tonnes of Lithium Iron Phosphate Cathode Active Materials ("LFP CAM") for a further payment of £950,000. IPL also granted the Company another option to acquire, for an additional upfront payment of £1,000,000, a license to use IPL technology in a facility of a production capacity beyond 1,000-tonnes. The Company is committed to a 1.5% royalty per kilogram of LFP CAM sold from a facility that uses IPL technology.

A continuity of investments is as follows:

	$
Balance, February 28, 2022	-
Investments made during the year	83,060
Balance, February 28, 2023	83,060
Gain on foreign exchange translation	4,157
Gain on fair value	45,771
Balance, February 29, 2024	**132,988**

On February 15, 2024 the Company entered into an agreement with IPL for the joint development of an iron phosphate production technology which will serve as a precursor to making CAM, manganese phosphate and iron manganese phosphate. To support the development, the Company paid USD $250,000 to IPL. This is presented as research and development expenses in the statement of loss and comprehensive loss.

(Expressed in Canadian Dollars)

8. Prepaid Financing Expense

On December 29, 2023, the Company entered into a credit facility (the "Credit Facility") with members of its management team and board of directors to establish a revolving credit facility of $2,100,000 with a term of two years. The Company issued 5,250,000 share purchase warrants as compensation for entering into the Credit Facility, of which 2,625,000 warrants vested immediately. The fair value of the vested warrants was estimated to be $798,188 (Note 13) and is being amortized over the term of the Credit Facility. The remaining warrants will vest as advances are taken under the Credit Facility.

A continuity of the prepaid financing expense is as follows:

	$
Balance, February 28, 2023 and 2022	-
Additions during the year	798,188
Amortization for the year	(66,516)
Balance, February 29, 2024	**731,672**

9. Loans Payable

On September 13, 2022, the Company entered into a loan payable for the principal sum of $250,000 with a maturity date of February 17, 2023 as per the agreement with Glen Eagle Resources for acquisition of mineral properties in Lac `a l'Orignal flagship area (See Note 10(a)). No interest shall accrue or be payable in respect of the principal amount. This loan was paid in cash in full during the year ended February 28, 2023.

As at February 29, 2024 and February 28, 2023, the Company had $nil in loans payable.

A continuity of loans payable is as follows:

	$
Balance, February 28, 2022	-
Addition to loans payable	243,123
Accretion expense	6,877
Repayment	(250,000)
Balance, February 28, 2023 and February 29, 2024	**-**

During the year ended February 28, 2023, the Company recognized a gain on below market interest rate benefit of $ 6,877 relating to this loan payable.

(Expressed in Canadian Dollars)

10. Promissory note payable

On November 30, 2022, the Company issued a promissory note payable to Expoworld Ltd., a corporation owned by the CEO of the Company, of $850,000. The maturity date of the promissory note is February 28, 2024. The Company is required to pay interest of 8% per annum. This promissory note, including accrued interest of $12,171, was paid in cash in full during the year ended February 28, 2023.

As at February 29, 2024 and February 28, 2023, the Company had $nil in promissory notes payable.

11. Exploration and Evaluation Assets

The following details the changes in exploration and evaluation assets in the Saguenay Region of Quebec for the two years ended February 29, 2024:

	Lac`a l'Orignal Flagship area (a) $	Begin - Lamarche area (b) $	Bluesky area (c) $	Total $
Balance as at February 28, 2022	-	-	-	-
Acquisition costs	3,270,709	264,200	109,325	3,644,234
Balance as at February 28, 2023	3,270,709	264,200	109,325	3,644,234
Acquisition costs	-	22,825	-	22,825
Impairment	-	-	(109,325)	(109,325)
Balance as at February 29, 2024	3,270,709	287,025	-	3,557,734

The Company expenses non-acquisition exploration and evaluation expenditure to profit and loss. This is presented as mining exploration and metallurgy in the statement of loss and comprehensive loss. The following details such expenditure for the years ended February 29, 2024, February 28, 2023 and 2022:

(Expressed in Canadian Dollars)

	Lac`a l'Orignal Flagship area (a) $	Begin - Lamarche area (b) $	Bluesky area (c) $	Total $
Balance as at February 28, 2022	-	-	-	-
Consulting	18,500	36,101	-	54,601
Survey, Drilling & Geophysics	286,486	514,651	-	801,137
Metallurgical Testing	328,705	-	-	328,705
Balance as at February 28, 2023	**633,691**	**550,752**	**-**	**1,184,443**
Consulting	197,208	20,065	-	217,273
Survey, Drilling & Geophysics	34,060	2,763,240	72,268	2,869,568
Metallurgical Testing	58,335	374,921	-	433,256
Balance as at February 29, 2024	**289,603**	**3,708,978**	**72,268**	**3,520,097**

(a) Lac `a l'Orignal flagship area

On June 17, 2022, the Company entered into an option agreement (the "Agreement"), which was subsequently amended, with an arm's length TSX Venture Exchange listed company (the "Optionor"), which provides the Company the right to acquire a 100% legal and beneficial interest, subject to an existing 1% net smelter return (NSR) royalty, in a phosphate exploration property in the Province of Quebec. Pursuant to the Agreement, the Company acquired the interest in the Property by paying a total cash consideration of $1,491,000.

Further, as per the agreement, the Company issued 6,000,000 of its common shares at $0.25 per share for a total value of $1,500,000.

The Company purchased the 1% NSR royalty relating to this property for $50,000. Further, the Company issued 700,000 shares at $0.02 per share as finder's fees for the mineral property.

The Company purchased two additional mineral claims for $15,000 in cash and 11 mineral claims via an option agreement in the Province of Quebec in the proximity of the Lac`a l'Orignal property. The Company made a payment of $90,000 in cash for the acquisition of the 11 mineral claims.

On September 12, 2022, the Company entered into an agreement to purchase 7 mining claims in this region of the Province of Quebec for total consideration of $21,000 comprised of $7,000 settled by issuing 28,000 shares at $0.25 per share and $ 14,000 in cash. Further, the Company has paid $nil in cash for claim staking in the year ended February 29, 2024 (February 28, 2023 - $89,709).

(Expressed in Canadian Dollars)

(b) Begin - Lamarche

The Begin - Lamarche properties consist of a series of staked claims and claims acquired under various option agreements. This property is in the exploration stage.

On July 27, 2022, the Company purchased 24 mining claims in this region of the Province of Quebec for a total consideration of $222,500 which comprised of $12,500 settled by issuing 50,000 shares at $0.25 per share and $210,000 in cash. Further, the Company has paid $nil in cash for claim staking in the year ended February 29, 2024 (February 28, 2023 - $41,700).

On March 10, 2023, the Company added to its Begin-Lamarche area and acquired 13 mineral claims in this area for a total consideration of $22,825 through the issuance of 27,173 common shares. The fair value of the consideration has been determined based on the fair value of the common shares on the date of issuance.

(c) Bluesky Area

The Bluesky properties consist of a series of staked claims. These properties are in the early exploration stage. All of the claims are 100% owned by the Company, are free of net smelter royalties and are in good standing.

On September 12, 2022, the Company purchased 23 mining claims in this region of the Province of Quebec for total consideration of $50,000 which comprised of $40,000 settled by issuing 160,000 common shares at $0.25 per share and $10,000 in cash. Further, the Company has paid $nil in cash for claim staking in the year ended February 29, 2024 (February 28, 2023 - $59,325).

The Bluesky properties is fully impaired as management has decided not to renew its claims as it is directing its resources to the other mineral properties. The management believes that technical feasibility and commercial viability would become demonstrable quicker for the other properties as opposed to Bluesky properties.

12. Flow-Through Share Premium Liability

	Years ended		
	February 29, 2024 $	**February 28, 2023 $**	**February 28, 2022 $**
Balance, beginning of the year	91,333	-	-
Liability incurred through flow-through shares issued	1,442,938	166,100	-
Amortization for the year	(383,219)	(74,767)	-
Balance, end of the year	**1,151,052**	**91,333**	**-**

During the year ended February 29, 2024 the Company issued 1,869,375 flow through (“FT”) units at $0.80 per unit for gross proceeds of $1,495,500 (Note 13)) and 12,560,000 FT shares at $0.50 per share for gross proceeds of $6,280,000 (Note 13). The FT proceeds include a flow through premium of $1,442,938, priced at $0.10 per unit or share issued.

During the year ended February 28, 2023 the Company issued 3,322,000 FT units at $0.40 per unit for gross proceeds of $1,328,000 (Note 13). The FT proceeds include a flow through premium of $166,100, priced at $0.05 per unit issued.

As at February 29, 2024 $5,755,261 remains to be spent on qualifying expenditures (February 28, 2023 - $821,164).

13. Share Capital and Contributed Surplus

The authorized capital stock of the Company is an unlimited number of common shares and an unlimited number of preferred shares issuable in series.

The Company has no preferred shares outstanding.

Capital transactions are as follows:

During the year ended February 29, 2024

(a) On March 1, 2023, the Company issued 184,480 common shares, on the exercise of warrants and $68,257 was reclassified from shares to be issued to capital stock. On March 9, 2023, the Company issued 53,760 common shares at $0.25 per share, on the exercise of brokers' warrants, for total proceeds of $13,440. The fair value of warrants on the grant date was computed as $7,215 and was reclassified upon exercise from contributed surplus to capital stock.

(b) On March 10, 2023, the Company issued 27,173 common shares with a fair value of $22,825 for the purchase of 13 mineral claims in the Begin-Lamarche area (see note 11(b)).

(c) On April 24, 2023, the Company issued 1,205,217 units at $0.70 per unit for gross proceeds of $843,652. Each unit consisted of one share and one half of one common share purchase warrant. Each whole warrant is exercisable for one additional share at a price of $1.25 until April 24, 2026. The value of share capital of $614,660 was determined using the fair market value of the shares on the date of issuance and the residual proceeds of $228,992 were allocated to warrants. The Company paid $22,760 as brokers' fees and issued 12,514 warrants as brokers' warrants with an exercise price of $1.25 per share which expire on April 24, 2026. The fair value of the broker warrants was computed as $2,900 using the Black Scholes pricing model and recorded as share issuance costs.

(d) On April 24, 2023, the Company issued 1,869,375 FT units at $0.80 per unit for gross proceeds of $1,495,500. Each FT unit consists of one flow-through common share and one half of one common share purchase warrant. Each whole warrant is exercisable for one additional non-flow through share at a price of $1.25 until April 24, 2026. The value of share capital of $1,140,320 (before deduction of $186,938 flow-through premium) was determined using the fair market value of the shares on the date of issuance and the residual proceeds of $355,180 were allocated to warrants. The Company paid $60,384 as brokers' fees and issued 57,980 warrants as brokers' warrants with an exercise price of $1.25 per share which expire on April 24, 2026. The fair value of the warrants was computed as $13,438 using Black Scholes pricing model and recorded to share issuance costs.

(e) On April 30, 2023, the Company issued 42,857 shares as finder's fees for the above private placements with a fair value of $21,857. Additionally, the Company incurred legal fees of $36,218 with respect to the above private placements.

(f) On May 17, 2023, the Company issued 7,143 common shares at $0.50 per share for gross proceeds of $3,572, on the exercise of warrants. The fair value of warrants on the grant date was computed as $nil, accordingly no amount was reclassified upon exercise from contributed surplus to capital stock.

(g) On May 30, 2023, the Company issued 4,480 common shares at $0.25 per share, on the exercise of brokers' warrants, for total proceeds of $1,120. The fair value of warrants on the grant date was computed as $600 and was reclassified upon exercise from contributed surplus to capital stock.

(h) On June 28, 2023, the Company settled $60,000 owed for services through the issuance of 179,104 common shares at $0.335 per share.

(i) On September 1, 2023, the Company settled $193,200 owed to its directors and officers through the issuance of 508,421 common shares at $0.38 per share. The Company also settled $296,676 owed for services through the issuance of 780,726 common shares at $0.38 per share.

(j) On November 30, 2023, the Company issued 450,001 common shares upon the exercise of RSUs for services received from its officers and directors. The Company also issued 143,827 common shares due to the exercise of RSUs for services received from consultants. The fair value of the RSUs on the grant date was computed as $216,315 and was reclassified upon exercise from contributed surplus to capital stock.

(k) On December 22, 2023, the Company issued 1,970,000 flow-through shares at $0.50 per share for gross proceeds of $985,000. The value of share capital of $788,000 was determined using the fair market value of the shares on the date of issuance after deducting a flow-through premium of $197,000. The Company paid $47,280 and issued 157,600 warrants as broker's fees. The warrants are exercisable at a price of $0.50 per common share of the Company until December 31, 2025. The fair value of the warrants was computed as $31,198 using Black Scholes pricing model and recorded to share issuance costs.

(l) On December 29, 2023, the Company issued 10,590,000 flow-through shares at $0.50 per share for gross proceeds of $5,295,000. The value of share capital of $4,236,000 was determined using the fair market value of the shares on the date of issuance after deducting a flow-through premium of $1,059,000. The Company paid $240,000, issued 369,840 common shares at $0.40 per share, and 1,021,800 warrants as broker's fees. The warrants are exercisable at a price of $0.50 per common share of the Company until December 31, 2025. The value of broker's shares issued of $147,936 was determined using the fair market value of the shares on the date of issuance and recorded to share issuance costs. The fair value of the warrants was computed as $198,819 using Black Scholes pricing model and recorded to share issuance costs.

(m) On December 29, 2023, the Company issued 3,090,438 units at $0.40 per unit for gross proceeds of $1,236,175. Each unit consisted of one share and one half of one common share purchase warrant. Each whole warrant is exercisable for one common share at a price of $0.50 until December 31, 2025. The value of share capital of $1,236,175 was determined using the fair market value of the shares on the date of issuance and the residual proceeds of $nil were allocated to warrants. The Company paid $43,600 as brokers' fees for the issuances. The Company incurred legal fees of $106,197.

(n) On December 29, 2023, the Company settled $511,918 owed for services through the issuance of 1,279,796 common shares at $0.40 per share.

(o) On January 5, 2024, the Company issued 84,616 common shares upon the exercise of RSUs for services received from a consultant. The fair value of the RSUs on the grant date was computed as $33,000 and was reclassified upon exercise from contributed surplus to capital stock.

(p) On January 19, 2024, the Company issued 1,768,250 units at $0.40 per unit for gross proceeds of $707,300. Each unit consisted of one share and one half of one common share purchase warrant. Each whole warrant is exercisable for one common share at a price of $0.50 until December 31, 2025. The value of share capital of $671,935 was determined using the fair market value of the shares on the date of issuance and the residual proceeds of $35,365 were allocated to warrants. The Company paid $3,200 and issued 14,300 common share purchase warrants as brokers' fees for the issuances. The fair value of the warrants was computed as $2,545 using Black Scholes pricing model and recorded to share issuance costs.

(q) On February 28, 2024, the Company issued 450,001 common shares upon the exercise of RSUs for services received from its officers and directors. The Company also issued 158,545 common shares upon the exercise of RSUs for services received from consultants. The fair value of the RSUs on the grant date was computed as $225,333 and was reclassified upon exercise from contributed surplus to capital stock.

(r) On February 28, 2024, the Company settled $75,000 owed for services through the issuance of 250,000 common shares at $0.30 per share.

<u>During the year ended February 28, 2023</u>

(a) On June 28, 2022, the Company issued 19,300,000 common shares at $0.02 per share for gross proceeds of $386,000. Legal fees of $11,655 were incurred by the Company relating to the issuance and were recorded as share issuance costs. Also, 700,000 shares at $0.02 per share for total value of $14,000 were issued as a finder's fee for mineral properties on the same date.

(b) On July 11, 2022, 500,000 options were exercised at $0.02 per share for gross proceeds of $10,000. The fair value of options on the grant date was computed as $3,927 and was reclassified upon exercise from contributed surplus to share capital.

(c) The Company issued 6,050,000 common shares at $0.25 per share under purchase agreements for exploration assets with a fair value of $1,512,500. On September 12, 2022, the Company issued 28,000 common shares at $0.25 per share for mining claims in the Lac `a l'Orignal flagship area and 160,000 common shares at $0.25 per share for mining claims in the Bluesky area.

(d) On August 23, 2022, the Company issued 7,035,000 shares at $0.25 per share for gross proceeds of $1,758,750. As a broker's fee for the private placement, the Company paid $67,560, recorded as share issuance costs.

(e) On August 31, 2022, the Company issued 1,594,000 shares at $0.25 per share for gross proceeds of $398,500. The Company paid $13,280 and issued 323,360 common share purchase warrants as brokers' fees for the issuances, recorded as share issuance costs. The fair value of the warrants was determined based on the Black Scholes pricing model at $43,395.

(f) On December 1, 2022, the Company issued 685,716 units at $0.35 per unit for gross proceeds of $240,001. On December 22, 2022, the Company issued 3,647,362 units at $0.35 per unit for gross proceeds of $1,276,577. Further on January 17, 2023, the Company issued 1,574,784 units at $0.35 per unit for gross proceeds of $551,174 and on February 15, 2023, the Company issued 3,023,142 units at $0.35 per unit for gross proceeds of $1,058,100. Each unit consisted of one share and one half of one common share purchase warrant. Each whole warrant is exercisable for one additional share at a price of $0.50 until December 31, 2025. The Company paid $57,544 as brokers' fees and issued 182,697 warrants as brokers' warrants. The fair value of the broker warrants was computed as $36,031 using the Black Scholes pricing model and recorded as share issuance costs. The Company has accrued $149,092 as legal fees related to the issuance of shares as at February 28, 2023.

(g) On December 1, 2022, the Company issued 600,000 flow-through units at $0.40 per unit for gross proceeds of $240,000. On December 22, 2022 the Company issued 1,472,000 flow-through units at $0.40 per unit for gross proceeds of $588,800. On December 30, 2022 the Company issued 1,250,000 flow-through units at $0.40 per unit for gross proceeds of $500,000. Each FT unit consists of one flow-through common share and one half of one common share purchase warrant. Each whole warrant is exercisable for one additional non-flow through share at a price of $0.50 until December 31, 2025. The value of share capital was determined using the fair market value of the shares on the date of issuance. The Company issued 99,400 warrants and paid $46,160 as brokers' fees for the private placement. The fair value of the broker warrants was computed as $23,585 using Black Scholes pricing model and recorded to share issuance costs.

(h) The Company issued 100,000 shares at $0.25 per share for services. The fair value of the shares was $35,000 and was determined using the fair market value of the shares on the date of issuance.

(i) Subscriptions of $46,119 for 184,480 warrants were received as at February 28, 2023 and have been recorded as shares to be issued. The fair value of these warrants on the grant date was computed as $22,138 and was reclassified upon exercise from contributed surplus to shares to be issued. The shares were issued on March 9, 2023.

<u>During the year ended February 28, 2022</u>

The Company did not have any capital stock activity.

Omnibus Plan

On July 26, 2023, the Omnibus Equity Incentive Plan (the "Omnibus Plan") was approved and adopted by the Board, which was implemented on August 25, 2023. The Omnibus Plan replaces the 2022 Plan and establishes an RSU and option plan providing the Company with the flexibility to grant diverse equity awards as part of its objective to attract, retain and motivate highly qualified directors, officers, employees, and consultants. It is a long-term incentive plan that permits the grant of options and RSUs (together, the "Awards"). The purpose of the plan is to promote share ownership of eligible individuals to align the interests of such individuals with the interest of the Company's shareholders.

Under the Omnibus Plan, eligible persons may be allocated a number of Awards as the board deems appropriate, with vesting provisions also to be determined by the board. Upon vesting, eligible participants shall be entitled to receive cash or common shares from treasury to satisfy all or any portion of a vested RSU award. The expiry date of options granted pursuant to the Omnibus Plan is set by the board and must not be later than ten years from the date of grant.

The Omnibus Plan is a "rolling" share-based compensation plan pursuant to which the aggregate number of common shares reserved for issue under the Omnibus Plan may not exceed twenty percent (20%) of the common shares issued and outstanding at the time of option or RSU grant.

(Expressed in Canadian Dollars)

Restricted Share Units

On September 1, 2023, the officers and directors of the Company were granted 900,002 RSUs. The RSUs vest 50% on November 30, 2023 and 50% February 28, 2024. On the same date, several consultants were granted 118,422 RSUs. The RSUs vest 50% on November 30, 2023 and 50% February 28, 2024.

On October 5, 2023, a consultant was granted 338,462 RSUs. The RSUs vest 25% immediately and 25% vest 3, 6 and 9 months after October, 5 2023

On December 29, 2023, the officers and directors of the Company were granted 1,881,000 RSUs. The RSUs vest as follows: (i) 25% on May 31, 2024, (ii) 25% on August 31, 2024, (iii) 25% on November 30, 2024, and (iv) 25% on February 28, 2025. On the same date, a consultant was granted 73,000 RSUs. The RSUs vest 33.3% 3, 6 and 9 months after December, 1 2023. Another consultant was granted 250,000 RSUs. The RSUs vest as follows: (i) 30% on February 28, 2024, (ii) 35% on May 31, 2024, and (iii) 35% on August 31, 2024.

On January 19, 2024, a consultant was granted 360,000 RSUs. The RSUs vest as follows: (i) 25% on May 31, 2024, (ii) 25% on August 31, 2024, (iii) 25% on November 30, 2024, and (iv) 25% on February 28, 2025.

On February 19, 2024, a consultant was granted 120,000 RSUs. The RSUs vest as follows: (i) 25% on May 31, 2024, (ii) 25% on August 31, 2024, (iii) 25% on November 30, 2024, and (iv) 25% on February 28, 2025.

On February 28, 2024, a consultant was granted 320,400 RSUs. The RSUs vest as follows: (i) 25% on May 31, 2024, (ii) 25% on August 31, 2024, (iii) 25% on November 30, 2024, and (iv) 25% on February 28, 2025.

The following details the changes in outstanding RSUs for the year ended February 29, 2024:

	Number of RSUs
Outstanding, February 28, 2022 and 2023	-
Granted during the year	4,361,286
Vested and exercised during the year	(1,286,988)
Outstanding, February 29, 2024	3,074,298

The following is a summary of RSUs outstanding and exercisable as of February 29, 2024:

Expiry date	Number of RSUs outstanding	Number of RSUs exercisable
December 15, 2026	2,273,898	-
December 15, 2027	800,400	-
	3,074,298	-

(Expressed in Canadian Dollars)

For the year ended February 29, 2024, the Company recorded $758,807 of share-based compensation related to the vesting of RSUs (2023 - $Nil, 2022 - $Nil).

Options

The following details the changes in outstanding options for the year ended February 29, 2024:

	Number of Options	Weighted Average Exercise Price $
Outstanding, February 28, 2021	4,650	70
Expired during the year	(4,250)	75
Outstanding, February 28, 2022	400	35
Issued during the year	6,725,000	0.28
Expired during the year	(400)	35
Exercised during the year	(500,000)	0.02
Outstanding, February 28, 2023	6,225,000	0.30
Issued during the year	4,842,000	0.51
Forfeited during the year	(1,099,000)	0.60
Cancelled during the year	(75,000)	0.23
Outstanding, February 29, 2024	9,893,000	0.37

The following is a summary of options outstanding and exercisable as of February 29, 2024:

Expiry date	Number of options outstanding	Number of options exercisable	Exercise price $	Life remaining
June 27, 2024	25,000	25,000	0.70	0.33
September 30, 2024	183,000	183,000	0.70	0.58
February 22, 2026	3,075,000	2,306,250	0.25	1.98
February 22, 2026	2,850,000	2,137,500	0.35	1.98
September 1, 2026	750,000	187,500	0.70	2.50
December 29, 2026	310,000	-	0.40	2.83
December 29, 2028	2,700,000	-	0.40	4.83
	9,893,000	**4,839,250**		

For the year ended February 29, 2024, the Company recorded $888,166 of share based compensation related to the vesting of options (2023 - $542,805, 2022 - $Nil). The fair value of options was determined based on the Black Scholes pricing model, with the following weighted average inputs:

(Expressed in Canadian Dollars)

Weighted Averages	February 29, 2024	February 28, 2023	February 28, 2022
Share price	$0.41	$0.18	-
Dividend yield	Nil	Nil	-
Exercise price	$0.51	$0.18	-
Risk-free interest rate	3.58%	3.47%	-
Expected volatility	1.00	100%	-
Expected expiration	4.12	2.39	-

On March 31, 2023, an officer of the Company resigned. Of the 300,000 options issued to this consultant, 225,000 options were forfeited and 75,000 vested options were cancelled.

On June 27, 2023, a consultant engaged by the Company resigned. Of the 100,000 options issued to this consultant, 75,000 options were immediately forfeited and 25,000 have vested and are exercisable until June 27, 2024. These options were cancelled subsequent to year-end.

On September 30, 2023, an officer of the Company resigned. Of the 732,000 options issued to this consultant, 549,000 options were immediately forfeited and 183,000 have vested and are exercisable until September 30, 2024.

On February 16, 2024, a consultant was terminated, and 250,000 options issued to him were immediately forfeited.

Warrants

The following details the changes in outstanding warrants for the year ended February 29, 2024:

	Number of warrants	Weighted Average Exercise Price $
Outstanding, February 29, 2021	-	-
Issued during the year	124,224	0.32
Outstanding, February 28, 2022	124,224	0.32
Issued during the year	6,731,957	0.49
Cancelled during the year	(124,224)	0.32
Exercised during the year	(184,480)	0.25
Outstanding, February 28, 2023	6,547,477	0.49
Issued during the year	10,480,833	0.56
Exercised during the year	(65,383)	0.28
Outstanding, February 29, 2024	16,962,927	0.54

(Expressed in Canadian Dollars)

On December 29, 2023, in consideration for the provision of a Credit Facility by members of its management team and board of directors, the Company granted 5,250,000 warrants. 2,625,000 warrants vested upon issue and are exercisable at $0.40 per common share until December 31, 2028. The remaining warrants vest by dividing the amount of any advance under the credit facility by the exercise price of the warrants. The fair value of the vested warrants was estimated to be $798,188 and was capitalized as a prepaid financing expense (See Note 8).

The 3,966,639 warrants issued as part of units are valued using the residual method, with a value of $619,537 for the year ended February 29, 2024 (2023 - $Nil, 2022 - $Nil). The fair value of the 1,264,194 finders' warrants issued in relation to the private placements that took place during the year was estimated to be $248,900 at the grant date.

The following is a summary of warrants outstanding and exercisable as at February 29, 2024:

Expiry date	Number of warrants outstanding	Number of warrants exercisable	Exercise price $	Weighted average life remaining
August 23, 2024	80,640	80,640	0.25	0.48
December 31, 2025	10,024,498	10,024,498	0.50	1.84
April 24, 2026	1,607,789	1,607,789	1.25	2.15
December 31, 2028	5,250,000	2,625,000	0.40	4.83
	16,962,927	**14,337,927**		

The fair value of finders' and loan commitment warrants was estimated based on the Black Scholes pricing model with the following weighted average inputs:

Weighted Averages	February 29, 2024	February 28, 2023	February 28, 2022
Share price	$0.40	$0.30	-
Dividend yield	Nil	Nil	-
Exercise price	$0.43	$0.37	-
Risk-free interest rate	3.76%	3.48%	-
Expected volatility	100%	100%	-
Expected expiration	4.43	2.48	-

14. Related Party Transactions

Related parties and related party transactions impacting the accompanying financial statements are summarized below and include transactions with the following individuals or entities:

Key management personnel

Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

(Expressed in Canadian Dollars)

Key management personnel compensation is comprised of:

	For the three years ended		
	February 29, 2024	**February 28, 2023**	**February 28, 2022**
	$	**$**	**$**
Share based compensation	1,020,491	320,160	-
Management fees	306,000	308,389	-
Professional fees	125,000	-	12,500
Directors' fees	86,400	66,500	-
Financing fees	66,516	-	-
Consulting fees	30,000	-	-
	1,634,407	695,049	12,500

Due from related parties

	February 29, 2024	February 28, 2023	February 28, 2022
	$	$	$
Prepaids	-	30,000	-
	-	**30,000**	**-**

The prepaid balance includes amounts paid to a director in advance for director fees.

Due to related parties

	February 29, 2024	February 28, 2023	February 28, 2022
	$	$	$
Accounts payable	-	79,290	58,617
	-	**79,290**	**58,617**

The accounts payable balance includes amounts payable to key management personnel for services.

During the year ended February 28, 2023, the Company issued a promissory note payable of $850,000 to a related party. This promissory note was paid in cash in full during the year ended February 28, 2023. Further details of the transaction may be found in Note 10.

The financing fee relates to warrants granted by the Company to key management personnel pursuant to the Credit Facility with the management. Further details may be found in Note 8.

15. Financial Instruments

Financial instruments are agreements between two parties that result in promises to pay or receive cash or equity instruments. The Company classifies its financial instruments as follows: cash and cash equivalents, and investments at FVTPL and restricted cash and accounts payable at amortized cost. The carrying values of these instruments approximate their fair values due to their short term to maturity.

(Expressed in Canadian Dollars)

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 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 following table sets forth the Company's financial assets measured at fair value by levels within the fair value hierarchy:

	For the two years ended			
	Level 1 **$**	**Level 2** **$**	**Level 3** **$**	**Total** **$**
Cash and cash equivalents				
As of February 29, 2024	7,496,238	-	-	7,496,238
As of February 28, 2023	1,180,318	-	-	1,180,318
Long-term investments				
As of February 29, 2024	-	-	132,988	132,988
As of February 28, 2023	-	-	83,060	83,060

The investments in Level 3 include the investment in privately held companies that are not quoted on an exchange. Management believes that the price of the shares in the investee's most recent private placement approximates the fair value.

The Company is exposed in varying degrees to a variety of financial instrument related risks:

Credit risk
Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company is exposed to a significant credit risk as its maximum exposure relates to cash and restricted cash totaling $7,521,238. The Company mitigates the credit risk of cash by depositing with only reputable financial institutions. The Company also assesses the credit quality of counterparties, taking into account their financial position, past experience and other factors.

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 as at February 29, 2024, has $7,496,238 in cash and cash equivalents and $25,000 in restricted cash and $2,532,332 in financial liabilities, which represents the Company's maximum exposure to liquidity risk.

The Company has no financial liabilities with a contractual maturity greater than one year. As at February 29, 2024, the Company has sufficient working capital to satisfy its financial liabilities.

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.

(a) Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The risk that the Company will realize a loss as a result of a change in the interest rate is low, as the Company has no investments or liabilities with variable interest rates.

(b) Foreign currency risk
Foreign currency risk is the risk that the fair value of future cash flows of the Company's financial instruments will fluctuate as a result of changes in foreign exchange rates. As of February 29, 2024, a portion of the Company's financial assets, comprising long-term investments, are held in Great British Pound ("GBP"). 1% change in the exchange rate would result in a change of net loss or gain by $1,330. The impact of fluctuations in foreign exchange rates is not significant and, accordingly, a sensitivity analysis has not been provided.

(c) Price risk
Price risk is related to equity and commodity price risks. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. As the Company holds no significant equity or commodity related investments or assets, the Company has minimal exposure to price risk.

16. Capital Risk Management

The Company considers its capital to be comprised of shareholders' equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares. Although the Company has been successful at raising funds in the past through the issuance of capital stock, it is uncertain whether it will continue this method of financing due to the current difficult market conditions.

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

(Expressed in Canadian Dollars)

Management reviews the capital structure on a regular basis to ensure that the above objectives are met. There have been no changes to the Company's approach to capital management during the years ended February 29, 2024, February 28, 2023 and 2022. The Company is not subject to externally imposed capital requirements.

17. Income Taxes

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	2024 **$**	**2023** **$**	**2022** **$**
Loss for the year	(8,292,468)	(3,188,364)	(64,517)
Expected income tax recovery based on statutory rate	(2,239,000)	(861,000)	17,000
Change in statutory, foreign tax, foreign exchange rates and other	6,000	(6,000)	-
Permanent differences	336,000	127,000	-
Impact of flow through shares	481,000	150,000	-
Share issue cost	(169,000)	(96,000)	-
Adjustment to prior years provision versus statutory tax returns	(640,000)	(1,264,000)	-
Change in unrecognized deferred tax assets	2,225,000	1,950,000	(17,000)
Total income tax expense (recovery)	**-**	**-**	**-**

The significant components of the Company's deferred tax assets that have not been included on the statement of financial position are as follows:

	2024 $	**2023** **$**	**2022** **$**
Deferred tax assets			
Share issue costs	207,000	77,000	-
Exploration and evaluation assets	680,000	253,000	-
Marketable securities	(7,000)	-	-
Allowable capital losses	749,000	57,000	-
Non-capital losses available for future periods	2,587,000	1,604,000	41,000
	4,216,000	**1,991,000**	**41,000**
Net unrecognized deferred tax assets	(4,216,000)	(1,991,000)	(41,000)
Net deferred tax assets	-	-	-

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the statement of financial position are as follows:

(Expressed in Canadian Dollars)

	2024 $	Expiry Date Range	2023 $	Expiry Date Range	2022 $	Expiry Date Range
Temporary Differences						
Exploration and evaluation assets	2,517,000	No expiry date	935,000	No expiry date	-	No expiry date
Share issue costs	796,000	2045 to 2048	285,000	2044 to 2047	-	No expiry date
Marketable securities	(50,000)	No expiry date	-	-	-	-
Allowable capital losses	2,775,000	No expiry date	209,000	No expiry date	-	No expiry date
Non-capital losses available for future periods	9,580,000	2028 to 2044	5,940,000	2027 to 2043	153,000	2027 to 2042
Canada	9,580,000	2028 to 2044	5,940,000	2027 to 2043	153,000	2027 to 2042

18. Segmented Information

The Company has one operating segment involved in the exploration of mineral properties. All of the Company's operations and long-lived assets for the year ended February 29, 2024 were in Canada.

19. Subsequent Events

(a) Issuance of shares

On April 5, 2024, the Company issued 84,616 common shares upon the exercise of RSUs for services received from a consultant.

On April 16, 2024, the Company issued 200,000 common shares pursuant to the signing of a collaboration agreement with respect to its proposed phosphate mine and Lithium Iron Phosphate (LFP) cathode active material plant project in the Saguenay-Lac-Saint-Jean Region of Quebec, Canada.

On May 31, 2024, the Company issued 470,250 common shares to the officers and directors, and 325,933 common shares to several consultants upon the exercise of RSUs for services received.

(b) Issuance of options

On April 16, 2024, the Company granted 250,000 options exercisable at $0.40 per common share to a consultant. The options vest as follows: (i) 25% on September 30, 2024, (ii) 25% on March 31, 2025, (iii) 25% on September 30, 2025, and (iv) 25% on March 31, 2026. These options expire three years from the grant date.

(c) Issuance of RSUs

On April 30, 2024, a consultant of the Company was granted 140,000 RSUs. 14,000 RSUs vest on May 31, 2024 and the remaining RSUs vest in increments of 42,000 on August 31, 2024, November 30, 2024 and February 28, 2025.

On May 7, 2024, several consultants of the Company were granted an aggregate of 290,000 RSUs. The RSUs vest as follows: (i) 116,000 on August 31, 2024, (ii) 87,000 on November 30, 2024, and (iii) 87,000 on February 28, 2025.