

GLOBAL LI-ION GRAPHITE CORP.
(An Exploration Stage Company)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
(Unaudited – Prepared by management)

For the six months ended February 28, 2023 and 2022

GLOBAL LI-ION GRAPHITE CORP.
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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NOTICE TO READER

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

The accompanying condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

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

GLOBAL LI-ION GRAPHITE CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT FEBRUARY 28, 2023 AND AUGUST 31, 2022
(Expressed in Canadian Dollars)
(Unaudited – Prepared by management)

	February 28, 2023	August 31, 2022
ASSETS		
Current		
Cash	\$ 12,958	\$ 18,514
Amounts receivable	11,747	10,485
GST recoverable	23,489	14,054
Deposits and prepaid expenses	74,750	81,150
Investments (Note 4)	3,000	5,000
	125,944	129,203
Non-Current		
Amounts due from related parties (Note 3)	42,701	47,701
Exploration and evaluation assets (Note 5)	2,818,217	2,771,354
Total Assets	\$ 2,986,862	\$ 2,948,258
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 99,895	\$ 90,531
Amounts due to related parties (Note 3)	402,204	336,600
Loans payable (Note 6)	45,356	-
Share subscriptions received (Note 7)	-	107,500
	547,455	534,631
EQUITY		
Share capital (Note 7)	10,971,290	10,688,590
Shares to be issued	12,500	-
Reserves	1,619,201	1,619,201
Deficit	(10,163,584)	(9,894,164)
	2,439,407	2,413,627
Total Liabilities and Equity	\$ 2,986,862	\$ 2,948,258

Nature and continuance of operations (Note 1)

Approved and authorized for issue by the Directors on May 1, 2023:

Jason Walsh Director Geoff Watson Director

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

GLOBAL LI-ION GRAPHITE CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
FOR THE THREE AND SIX MONTHS ENDED FEBRUARY 28, 2023 AND 2022
(Expressed in Canadian Dollars)
(Unaudited – Prepared by management)

	For the three months ended		For the six months ended	
	February 28, 2023	February 28, 2022	February 28, 2023	February 28, 2022
EXPENSES				
Administration fees (Note 8)	\$ 11,400	\$ 11,400	\$ 22,800	\$ 22,800
Advertising and awareness	-	-	-	1,349
Consulting fees (Note 8)	80,000	31,000	110,000	64,000
Foreign exchange	1,660	(13,099)	3,464	(23,709)
General and administrative (Note 8)	6,162	9,007	25,488	16,206
Interest expense (Note 6)	1,592	-	1,592	-
Management fees (Note 8)	-	10,000	-	25,000
Professional fees (Note 8)	49,657	51,928	62,874	62,428
Share-based payments (Note 6)	6,264	-	6,264	-
Travel, meals and entertainment	23,818	20,669	35,559	35,263
	(180,553)	(120,905)	(268,041)	(203,337)
Interest income	-	-	621	143
Unrealized loss on investment (Note 4)	-	(8,000)	(2,000)	(17,000)
Net and comprehensive loss	\$ (180,553)	\$ (128,905)	\$ (269,420)	\$ (220,194)
Loss per share – basic and diluted	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)
Weighted average number of shares outstanding – basic and diluted	65,901,927	63,326,216	64,606,956	63,326,216

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

GLOBAL LI-ION GRAPHITE CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED FEBRUARY 28, 2023 AND 2022
(Expressed in Canadian Dollars)
(Unaudited – Prepared by management)

	Number of Shares	Share capital	Shares to be issued	Reserves	Deficit	Total
Balance August 31, 2021	63,326,216	\$ 10,688,590	\$ -	\$ 1,515,107	\$ (8,379,633)	\$ 3,824,064
Net loss for the period	-	-	-	-	(220,194)	(220,194)
Balance, February 28, 2022	63,326,216	10,688,590	-	1,515,107	(8,599,827)	3,603,870
Balance August 31, 2022	63,326,216	10,688,590	-	1,619,201	(9,894,164)	2,413,627
Private placement	5,654,000	282,700	-	-	-	282,700
Share-based payment	-	-	12,500	-	-	12,500
Net loss for the period	-	-	-	-	(269,420)	(269,420)
Balance February 28, 2023	68,980,216	\$ 10,971,290	\$ 12,500	\$ 1,619,201	\$(10,163,584)	\$ 2,439,407

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

GLOBAL LI-ION GRAPHITE CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED FEBRUARY 28, 2023 AND 2022
(Expressed in Canadian Dollars)
(Unaudited – Prepared by management)

	For the six months ended	
	February 28, 2023	February 28, 2022
CASH FLOWS USED IN OPERATING ACTIVITIES		
Net loss for the period	\$ (269,420)	\$ (220,194)
Accrued interest	1,592	-
Share-based payment	6,264	-
Unrealized loss on investments	2,000	17,000
Changes in working capital:		
Amounts receivable	(1,262)	(1,056)
GST recoverable	(9,435)	(5,419)
Deposits and prepaid expenses	6,400	(14,950)
Accounts payable and accrued liabilities	9,364	51,108
Cash used in operating activities	(254,497)	(173,511)
CASH FLOWS FROM FINANCING ACTIVITIES		
Shares issued	175,200	-
Loans received	50,000	-
Advances from related parties	70,604	31,017
Cash provided by financing activities	295,804	31,017
CASH FLOWS USED IN INVESTING ACTIVITIES		
Expenditures on exploration and evaluation assets	(46,863)	(30,667)
Cash used in investing activities	(46,863)	(30,667)
Change in cash	(5,556)	(173,161)
Cash, beginning	18,514	236,534
Cash, ending	\$ 12,958	\$ 63,373
Supplemental disclosures		
Taxes paid	\$ -	\$ -
Interest paid	\$ -	\$ -

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Global Li-Ion Graphite Corp. (the “Company”) was incorporated under the laws of the province of British Columbia on November 6, 2014. The Company’s principal business is the exploration and evaluation of mineral resources. The Company’s corporate office is located at 908 - 510 Burrard Street, Vancouver B.C. Effective July 11, 2017, the Company completed a corporate name change from “Thelon Diamonds Ltd.” to “Global Li-Ion Graphite Corp.” and effective July 14, 2017, the Company trades on the Canadian Securities Exchange (the “CSE”) under the symbol LION.

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) 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 business for the foreseeable future. During the six months ended February 28, 2023, the Company has not generated revenues, net loss was \$269,420 (2022: \$220,194) and, as at February 28, 2023, it had working capital deficit of \$421,511 (August 31, 2022: \$405,428). The ability of the Company to remain in operation as a going concern is dependent on its ability to obtain necessary financing, generate positive cash flows and, ultimately, the achievement of profitable operations.

In March 2020, the World Health Organization declared a global pandemic related to the virus known as COVID-19. The expected impacts on global commerce are anticipated to be far reaching. To date there have been significant effects on the world’s equity markets and the movement of people and goods has become restricted. Due to market uncertainty, the Company may be restricted in its ability to raise additional funding. The impact of these factors on the Company is not yet determinable; however, they may have a material impact on the Company’s financial position, results of operations and cash flows in future periods. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its operations in future periods.

These events and conditions create a material uncertainty which may cast significant doubt upon the Company’s ability to continue as a going concern and, therefore, the Company may be unable to realize its assets and discharge its liabilities in the normal course of business. As the outcome of these matters cannot be predicted at this time, these consolidated financial statements do not include any adjustments to the amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue in business. These adjustments could be material.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of Compliance

These condensed interim consolidated financial statements are prepared in accordance with International Accounting Standards 34 - Interim Financial Reporting of the International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretation Committee (“IFRIC”). The consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company’s annual consolidated financial statements as at and for the year ended August 31, 2022.

(b) Basis of Preparation, consolidation and functional currency

These consolidated financial statements have been prepared on a historical cost basis, except for financial instruments measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Basis of Preparation, consolidation and functional currency (continued)

The consolidated financial statements include Global Li-Ion Graphite Corp. and its wholly owned subsidiary Khensani Limited (“Khensani”) from the date of acquisition, April 4, 2018, which owns 100% of Avana Industrial Minerals (“AIM”). All inter-company transactions have been eliminated.

Subsidiaries are entities over which the Company has exposure, or has rights, to variable returns from its involvement, and has the ability to use power over the investee to direct the relevant activities of the entity to affect its returns.

The functional currency of an entity is the currency of the primary economic environment in which the entity operates. The functional currency of the Company, and its wholly owned subsidiaries, is the Canadian dollar, which is also the Company’s presentation currency.

(c) Significant accounting estimates and judgments

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates

Significant assumptions about the future that management has made and other sources of estimation uncertainty at the end of the reporting period that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made relate to the following:

- i. The recoverable amount of exploration and evaluation assets.

Critical accounting judgments

In the preparation of these consolidated financial statements, management has made judgments, aside from those that involve estimates, in the process of applying the accounting policies. The judgments which may have an effect on the amounts recognized in the consolidated financial statements include the following:

- i. The determination of the functional currencies of the Company and its subsidiaries; and
- ii. The assessment of impairment indicators for the exploration and evaluation assets.

(g) Changes in accounting policies

The Company has not yet adopted certain standards, interpretations to existing standards and amendments which have been issued but have an effective date later than February 28, 2023. These updates are not currently relevant to the Company or are not expected to have a material impact on these condensed interim consolidated financial statements and are therefore not discussed herein.

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NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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3. AMOUNTS DUE TO AND FROM RELATED PARTIES

Bios Energy Corp., Bua Capital Management Ltd., Bua Group Holdings, Incubara Capital Corp., Swiss EMX, XRApplied Technologies Inc. (“XRApplied”), GRWiNC, and 667981 BC J ROOZ are companies with directors in common with the Company. Unless otherwise noted amounts due from and to related parties are unsecured, non-interest bearing and have no fixed terms of repayment.

Amounts due from related parties

	February 28, 2023	August 31, 2022
Director	\$ 3,940	\$ 3,940
Bios Energy Corp.	2,750	10,250
Swiss EMX	15,968	20,967
XRApplied Technologies Inc.	20,043	12,544
Total	\$ 42,701	\$ 47,701

Amounts due to related parties

	February 28, 2023	August 31, 2022
Bua Capital Management Ltd.	\$ 84,120	\$ 79,154
Bua Group Holdings	31,825	23,510
Incubara Capital Corp.	27,484	12,511
667981 BC J ROOZ	5,250	5,250
GRWiNC	11,025	3,675
Director	242,500	212,500
Total	\$ 402,204	\$ 336,600

The amount due to Incubara Capital Corp. includes \$19,384 which represents outstanding interest on a previous interest-bearing debt that was settled in the year ended March 31, 2019. The interest portion remain unsettled. The debt is presented net of amounts due from Incubara Capital Corp. of \$27,484.

4. INVESTMENTS

As at February 28, 2023, the fair value of the 100,000 common shares of XRApplied was \$3,000 (August 31, 2022: \$5,000). The Company recorded an unrealized loss on investment of \$2,000 (2022: \$17,000) during the six months ended February 28, 2023.

5. EXPLORATION AND EVALUATION ASSETS

a) Lac de Gras property

During the year ended August 31, 2016, the Company acquired an interest in the Lac de Gras property, Northwest Territories. The Company holds a 29.46 % interest in 3 claims, pursuant to a NMT Head Agreement with Peregrine Diamonds Ltd. The property is subject to a Gross Overriding Royalty (“GOR”) of 4% on diamonds and a net smelter royalty (“NSR”) of 4% on all metals, of which 50% of either of these royalties can be purchased for \$4,000,000.

In addition to the royalty noted above, royalty payments would also be required to be made to the Government of the Northwest Territories in the event of future production.

In 2017, management wrote down the costs accumulated on the Lac de Gras property to \$10,000 as an asset impairment.

b) Neuron Graphite Project

On October 27, 2017, and amended October 25, 2019, the Company entered into an option agreement to purchase a 100% interest in the Neuron Graphite Project in the Thompson mining district of Northern Manitoba from Callinex Mines Inc. (“Callinex”).

The Company may exercise its option to acquire 100% of the Neuron Graphite Project from Callinex by:

- Paying \$200,000 cash (paid) and issuing 1,000,000 common shares (issued – fair value of \$760,000) to Callinex within three days of signing the option agreement; and
- Issuing 1,000,000 common shares to Callinex on the second anniversary of signing the option agreement. On November 7, 2019, the Company agreed to extend the deadline to issue these common shares by one full year. In consideration for this extension, the Company issued an additional 250,000 common shares to Callinex valued at \$22,500. On October 25, 2020, Callinex and the Company entered into a second amendment agreement to extend the deadline to issue 1,000,000 common shares to Callinex by October 27, 2021. As at the date of approval of these consolidated financial statements, the 1,000,000 common shares had not yet been issued.

The Company also issued 100,000 common shares with a fair value of \$76,000 as a finder’s fees.

5. EXPLORATION AND EVALUATION ASSETS (continued)

The Company is also required to issue 3,000,000 common shares to Callinex on the earlier of completing a Preliminary Economic Assessment, Pre-Feasibility Study or Feasibility Study on or before the third anniversary of signing the option agreement. These common shares were due on October 27, 2021, but have not been issued.

During the year ended August 31, 2022, the Company impaired the mineral property as the option agreement with Callinex had expired and no new agreement was entered into. The impairment write-down of the property costs in full amounted to \$1,110,995 for the year ended August 31, 2022.

c) Madagascar Graphite Project

On September 13, 2017, the Company entered into a memorandum of understanding (“MOU”) with Avana Resources Limited (“Avana”) to acquire a 100% interest in Avana’s graphite interests in Madagascar. On April 4, 2018, the Company entered into and closed a definitive share purchase agreement with Avana for the acquisition of Avana’s graphite interests in Madagascar. Pursuant to this agreement the Company acquired 100% of Khensani Limited which owns 100% of Avana Industrial Minerals (“AIM”) which entered into an agreement to acquire certain mining permits from the original permit holders. The project comprises 3 mining exploitation permits totaling 4,375 hectares (10,811 acres), in the vicinity of Andasibe in Toamasina Province in Madagascar (collectively, the “Property”).

Pursuant to the MOU and definitive share purchase agreement to acquire a 100% interest in the Property, the Company will make the following cash and share payments to Avana:

- US\$40,000 within one day of signature of the MOU (paid);
- US\$100,000 within 5 business days of signature of the Definitive Agreement (paid);
- US\$100,000 within 30 business days of signature of the Definitive Agreement (paid);
- EUR\$200,000 to be directed to certain third parties in respect of an agreement to transfer the Property from the original permit holders to AIM (paid);
- 4,000,000 common shares of the Company within 10 business days of approval by the CSE of the transaction (issued – fair value of \$1,720,000);
- Upon the Company achieving an annualized production rate from the Property of at least 5,000 tons of graphite oxide per year as calculated on a monthly basis for at least three consecutive months;
 - (i) US\$1,000,000 in cash or in common shares of the Company; and
 - (ii) The greater in terms of value of either 1,000,000 common shares of the Company or common shares of the Company worth US\$1,000,000.

The Company also issued 333,797 common shares with a fair value of \$143,533 as a finder’s fees.

d) MVZ Silver-Gold Mine

During the year ended August 31, 2021, the Company entered into a letter agreement with Grupo Minero Diflor S.A. de C.V., a private Mexican company, to acquire a 100% interest in the MVZ Silver-Gold Mine Property in Chihuahua, Mexico. Subsequently, the Company abandoned the property resulting in an asset impairment loss of \$18,615 during the year ended August 31, 2021.

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5. EXPLORATION AND EVALUATION ASSETS (continued)

	Lac de Gras	Neuron Graphite	Madagascar Graphite	MVZ Silver- Gold Mine	Total
Acquisition Costs					
Balance, August 31, 2021	\$ 10,000	\$ 1,058,500	\$ 2,573,929	\$ -	\$3,642,429
Additions – cash	-	-	10,103	-	10,103
Write-down	-	(1,058,500)	-	-	(1,058,500)
Balance, August 31, 2022	\$ 10,000	\$ -	\$ 2,584,032	\$ -	\$2,594,032
Additions – cash	-	-	3,551	-	3,551
Balance, February 28, 2023	\$ 10,000	\$ -	\$ 2,587,583	\$ -	\$2,597,583
Deferred Exploration Costs					
Balance, August 31, 2021	\$ -	\$ 52,495	\$ 135,238	\$ -	\$ 187,733
Technical reports	-	-	5,297	-	5,297
Other	-	-	36,787	-	36,787
Write-down	-	(52,495)	-	-	(52,495)
Balance, August 31, 2022	\$ -	\$ -	\$ 177,322	\$ -	\$ 177,322
Technical reports	-	-	10,867	-	10,867
Other	-	-	32,445	-	32,445
Balance, February 28, 2023	\$ -	\$ -	\$ 220,634	\$ -	\$ 220,634
Balance at August 31, 2022	\$ 10,000	\$ -	\$ 2,761,354	\$ -	\$2,771,354
Balance at February 28, 2023	\$ 10,000	\$ -	\$ 2,808,217	\$ -	\$2,818,217

6. LOANS PAYABLE

During the six months ended February 28, 2023, the Company entered into a promissory note agreement with a third party creditor in the total amount of \$50,000. The loans are subject to an interest rate of 25% per annum, unsecured and repayable on June 30, 2023. In addition, the Company must pay a 25% stock bonus valued at \$12,500.

	Six months ended February 28, 2023	Year ended August 31, 2022
Balance at beginning of period	\$ -	\$ -
Loans received	50,000	-
Transaction costs	(12,500)	-
Amortization of transaction costs	6,264	-
Interest	1,592	-
Balance at end of period	\$ 45,356	\$ -

7. SHARE CAPITAL AND RESERVES

a) Authorized

An unlimited number of common shares, without par value.

b) Issued

On January 18, 2023, the Company closed a non-brokered private placement and issued 5,654,000 units at a price of \$0.05 per unit for gross proceeds of \$282,700. Each unit consists of one common share and one share purchase warrant. Each warrant is exercisable to acquire one common share at an exercise price of \$0.15 per share until January 18, 2024.

c) Options

The Company has an incentive stock option plan (the “Plan”), whereby the Company may grant stock options to directors, officers, employees or consultants. Under the Plan, options are exercisable up to a maximum of 5 years and vest as determined by the Board of Directors and are required to have an exercise price no less than the closing market price of the Company's shares on the trading day immediately preceding the day on which the Company announces the grant of options. The Plan provides for the issuance of up to 10% of the Company's issued common shares at the date of the grant. Options awarded under the Plan are equity settled.

Option transactions and the number of options outstanding are summarized as follows:

	Number of options	Weighted average exercise price
Outstanding, August 31, 2021 and 2022	4,500,000	\$ 0.15
Expired	(2,000,000)	0.18
Outstanding, February 28, 2023	2,500,000	\$ 0.12

Options outstanding and exercisable at February 28, 2023 are as follows:

Number of options	Exercise price	Grant date	Expiry date	Remaining life (years)
2,500,000	\$0.12	February 20, 2020	April 10, 2024*	1.12
2,500,000	\$0.12			1.12

*During the year ended August 31, 2022, 2,500,000 stock options exercisable at \$0.12 per share expired on February 20, 2022. On April 10, 2022, the options were reissued with a new expiration date of April 10, 2024. This modification resulted in the recognition of additional share-based payment expense of \$104,094. The inputs to the Black-Scholes option pricing model to calculate the fair value of the share-based payment expense were: stock price \$0.075, exercise price \$0.12, expected life of 2 years, volatility of 128%, annual dividend rate of 0% and interest rate of 2.43%.

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7. SHARE CAPITAL AND RESERVES (continued)

d) Warrants

Warrant transactions and the number of warrants outstanding are summarized as follows:

	Number of warrants	Weighted average exercise price
Outstanding, August 31, 2021 and 2022	8,417,334	\$ 0.10
Issued	5,654,000	0.15
Expired	(8,417,334)	0.10
Outstanding, February 28, 2023	5,654,000	\$ 0.15

Warrants outstanding at February 28, 2023 are as follows:

Number of warrants	Exercise price	Issue date	Expiry date
5,654,000	\$0.15	January 18, 2023	January 18, 2024
5,654,000	\$0.15		

8. RELATED PARTY BALANCES AND 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. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the Company, directly or indirectly. Key management personnel include directors and officers of the Company.

The Company paid or accrued fees to companies controlled by key management personnel as follows:

	February 28, 2023	February 28, 2022
Administration fees	\$ 22,800	\$ 22,800
Professional fees	21,000	21,000
Management and consulting fees	60,000	85,000
Occupancy costs, included in general and administrative	6,400	5,600
	\$ 110,200	\$ 134,400

Refer to Note 3 for balances owing to and from related parties as at February 28, 2023 and August 31, 2022.

9. CAPITAL DISCLOSURES

The Company's principal source of capital is from the issuance of common shares. The Company's capital management objective is to obtain sufficient capital to explore current exploration and evaluation assets, and to develop new business opportunities for the benefit of its shareholders. To meet the objectives, management monitors the Company's ongoing capital requirements on specific business opportunities on a case by case basis. The capital structure of the Company consists of equity attributable to common shareholders, consisting of issued share capital, share-based payment reserve and deficit. The Company's capital totaled \$2,439,407 as at February 28, 2023 (August 31, 2022: \$2,413,627). The Company is not subject to any externally imposed capital requirements. There has been no change in the Company's approach to capital management from the previous year.

10. FINANCIAL RISK MANAGEMENT

The Company's financial instruments consist of cash, deposits, amounts receivable, amounts due from related parties, investment, accounts payable and accrued liabilities, subscriptions received in advance, amounts due to related parties and loans payable. The fair value of these financial instruments, except for investment which is discussed below, approximates their carrying amounts, due to their short terms to maturity.

Financial instruments measured at fair value are classified into one of the 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 Company's investment is measured at FVTPL using Level 1 inputs.

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

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company has credit risk in the amount of its cash, deposits, amounts receivable and amounts due from related parties, with the carrying amounts of each representing the Company's maximum exposure to credit risk. The Company manages credit risk by placing cash and deposits with major Canadian financial institutions. Management assesses the recoverability of amounts receivable and amounts due from related parties. While management believes that credit risk related to amounts receivable and due from related parties is nominal, there is no guarantee that the amounts will be recovered in full. The Company had not provided an allowance for doubtful accounts against any of the amounts receivable or amounts due from related parties. The Company's exposure to and management of credit risk has not changed materially during the six months ended February 28, 2023.

10. FINANCIAL RISK MANAGEMENT (continued)

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company has a working capital deficit of \$421,511 as at February 28, 2023, which includes \$12,958 of cash to settle current liabilities of \$547,455. Management is assessing various options to raise funds including the issuance of shares and units. The Company closed a private placement of units at \$0.05 per unit for 5,654,000 units for total proceeds of \$282,700 on January 18, 2023. The Company's exposure to and management of liquidity risk has not changed materially during the six months ended February 28, 2023.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

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 Company's exposure to interest rate risk is not material. The Company's exposure to and management of interest rate risk has not changed materially during the six months ended February 28, 2023.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, whether those changes are caused by factors specific to the individual financial instrument or its issuer or by factors affecting all similar financial instruments traded in the market. The other price risk associated with the Company's current investments primarily relates to the change in the market price of the investment in XRApplied common shares. As at February 28, 2023, the Company owns 100,000 common shares. Each common share is fair valued at \$0.03 (August 31, 2022: \$0.05). A 10% change in the market price of XRApplied common shares would have an impact of approximately \$300 (2022: \$2,000) on profit or loss. Management believes there is other price risk related to this investment. While the Company will seek to maximize the proceeds it receives from the sale of its investment, there is no assurance as to the timing of disposition or the amount that will be realized. The Company's exposure to and management of other price risk has not changed materially during the six months ended February 28, 2023.

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to foreign exchange rate risk on its foreign currency denominated cash, and accounts payable and accrued liabilities. As at February 28, 2023, the Company held US\$1,183 cash, and US\$29,734 accounts payable and accrued liabilities. As at February 28, 2023, a 10% change in the foreign exchange rate would have impacted profit or loss by approximately \$4,000. The Company's exposure to and management of foreign exchange risk has not changed materially during the six months ended February 28, 2023.

GLOBAL LI-ION GRAPHITE CORP.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED FEBRUARY 28, 2023 AND 2022
(Expressed in Canadian Dollars)
(Unaudited – Prepared by management)

11. SEGMENTED INFORMATION

The assets and operations of the Company are located in Canada and Madagascar.

	Canada	Madagascar	TOTAL
	\$	\$	\$
For the Six Months Ended February 28, 2023			
Net loss	(269,420)	-	(269,420)
As at February 28, 2023			
Current assets	125,944	-	125,944
Non-current assets	52,701	2,808,217	2,860,918
Total liabilities	516,333	31,122	547,455
	Canada	Madagascar	TOTAL
	\$	\$	\$
For the Six Months Ended February 28, 2022			
Net loss	(220,194)	-	(220,194)
As at August 31, 2022			
Current assets	129,203	-	129,203
Non-current assets	57,701	2,761,354	2,819,055
Total liabilities	515,029	19,602	534,631