GLOBAL LI-ION GRAPHITE CORP.

(An Exploration Stage Company)

CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)

For the years ended August 31, 2024 and 2023

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(Expressed in Canadian Dollars)

Baker Tilly WM LLP
900 – 400 Burrard Street
Vancouver, British Columbia
Canada V6C 3B7
T: +601.684.6212
F: +601.688.3497

vancouver@bakertilly.ca
www.bakertilly.ca

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Global Li-Ion Graphite Corp.:

Opinion

We have audited the consolidated financial statements of Global Li-Ion Graphite Corp. and its subsidiaries (together the "Company"), which comprise the consolidated statements of financial position as at August 31, 2024 and 2023, and the consolidated statements of comprehensive loss, consolidated statements of changes in equity, and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at August 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with IFRS Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which describes conditions indicating that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended August 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the *Material Uncertainty Related to Going Concern* section of our auditor's report, we have determined the matter described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Assessment of the existence of impairment indicators for exploration and evaluation assets	
Refer to note 5	Our approach to addressing the matter involved the following procedures, among others:
As at August 31, 2024, the carrying amount of the Company's exploration and evaluation assets was $2,863,616. At each reporting period, management assesses exploration and evaluation assets to determine whether there are any indicators of impairment. If any such indicators exist, the asset's recoverable amount is estimated. An impairment loss is recognized if the carrying amount of an asset exceeds its estimated recoverable amount. Management assesses exploration and evaluation assets for impairment based on, at minimum, the presence of any one of the following indicators: (i) the period for which the Company has the right to explore in the specific area has expired during the year or will expire in the near future, and is not expected to be renewed; (ii) substantive expenditure on further exploration for, and evaluation of, mineral resources in the specific area is neither budgeted nor planned; (iii) the Company has decided to discontinue exploration for and evaluation of mineral resources in the specific area; and/or (iv) for areas of likely development, available data indicates that the carrying amount exceeds the recoverable amount. No impairment indicators were identified by management as at August 31, 2024. We considered this a key audit matter due to the significance of the exploration and evaluation assets and the judgments made by management in their assessment of impairment indicators related to exploration and evaluation assets. These factors have resulted in a high degree of subjectivity in performing audit procedures, related to the judgment applied by management.	Evaluating the judgments made by management in determining the impairment indicators, which included the following: • Obtained, for a sample of claims by reference to government registries, evidence to support (i) the right to explore the area and (ii) claim expiration dates. • Read the board of directors' minutes and resolutions and obtained evidence supporting the continued and planned expenditures. • Assessed whether available data indicates the potential for commercially viable mineral resources. • Based on evidence obtained in other areas of the audit, considered whether other facts and circumstances suggest that the carrying amount may exceed the recoverable amount.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Management's Discussion and Analysis filed with the relevant Canadian securities commissions.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Graeme L. Cocke.

Baker Tilly WM LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, B.C.
December 30, 2024

GLOBAL LI-ION GRAPHITE CORP.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT AUGUST 31, 2024 AND 2023
(Expressed in Canadian Dollars)

	August 31, 2024	August 31, 2023
ASSETS		
Current		
Cash	$ 9,005	$ 7,337
Amounts receivable	897	31,752
GST recoverable	32,929	27,618
Deposits and prepaid expenses	39,608	74,750
Investment (Note 4)	3,000	3,000
	85,439	144,457
Non-Current		
Amounts due from related parties (Note 3)	176,095	130,559
Exploration and evaluation assets (Note 5)	2,863,616	2,827,937
Total Assets	$ 3,125,150	$ 3,102,953
LIABILITIES		
Current		
Accounts payable and accrued liabilities	$ 127,091	$ 178,795
Amounts due to related parties (Note 3)	562,765	503,515
Loans payable (Note 6)	215,442	141,158
Shares to be issued	10,376	34,200
	915,674	857,668
EQUITY		
Share capital (Note 7)	11,316,602	10,971,290
Share subscriptions receivable	(25,000)	-
Reserves	1,619,201	1,619,201
Deficit	(10,701,327)	(10,345,206)
	2,209,476	2,245,285
Total Liabilities and Equity	$ 3,125,150	$ 3,102,953

Nature and continuance of operations (Note 1)

Approved and authorized for issue by the Directors on December 30, 2024:

"Jason Walsh" Director *"Geoff Watson"* Director

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

GLOBAL LI-ION GRAPHITE CORP.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
FOR THE YEARS ENDED AUGUST 31, 2024 AND 2023
(Expressed in Canadian Dollars)

	2024	2023
EXPENSES		
Administration fees (Note 8)	$ 13,272	$ 45,600
Advertising and awareness	4,745	-
Consulting fees (Note 8)	60,000	160,000
Foreign exchange	6,833	3,185
General and administrative (Note 8)	29,972	43,810
Interest (Note 6)	48,645	34,058
Professional fees (Note 8)	108,239	95,193
Travel, meals and entertainment	47,032	67,817
Bad debts	43,130	-
	(361,868)	(449,663)
Interest income	5,747	621
Unrealized loss on investment (Note 4)	-	(2,000)
Net and comprehensive loss	$ (356,121)	$ (451,042)
Loss per share – basic and diluted	$ (0.00)	$ (0.01)
Weighted average number of shares outstanding – basic and diluted	76,524,478	66,811,558

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

GLOBAL LI-ION GRAPHITE CORP.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED AUGUST 31, 2024 AND 2023
(Expressed in Canadian Dollars)

	Number of Shares	Share capital	Share subscriptions receivable	Reserves	Deficit	Total
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
Net and comprehensive loss for the year	-	-	-	-	(451,042)	(451,042)
Balance August 31, 2023	68,980,216	10,971,290	-	1,619,201	(10,345,206)	2,245,285
Private placement	11,800,000	295,000	(25,000)	-	-	270,000
Shares for loans payable	805,000	50,312	-	-	-	50,312
Net and comprehensive loss for the year	-	-	-	-	(356,121)	(356,121)
Balance August 31, 2024	81,585,216	$ 11,316,602	$ (25,000)	$ 1,619,201	$(10,701,327)	$ 2,209,476

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

GLOBAL LI-ION GRAPHITE CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED AUGUST 31, 2024 AND 2023
(Expressed in Canadian Dollars)

		2024		2023
CASH FLOWS USED IN OPERATING ACTIVITIES				
Net loss for the year	$	(356,121)	$	(451,042)
Accrued interest		46,822		34,058
Bad debts		43,130		-
Unrealized loss on investment		-		2,000
Changes in working capital:				
Amounts receivable		20,375		(21,267)
GST recoverable		(5,311)		(13,564)
Deposits and prepaid expenses		35,142		6,400
Accounts payable and accrued liabilities		183		88,264
Cash used in operating activities		(215,780)		(355,151)
CASH FLOWS FROM FINANCING ACTIVITIES				
Shares issued		270,000		175,200
Loans received		115,950		141,300
Loans repaid		(62,000)		-
Advances from (repayments to) related parties		(70,823)		84,057
Cash provided by financing activities		253,127		400,557
CASH FLOWS USED IN INVESTING ACTIVITIES				
Expenditures on exploration and evaluation assets		(35,679)		(56,583)
Cash used in investing activities		(35,679)		(56,583)
Change in cash		1,668		(11,177)
Cash, beginning		7,337		18,514
Cash, ending	$	9,005	$	7,337
Supplemental disclosures				
Taxes paid	$	-	$	-
Interest paid	$	1,823	$	-

The accompanying notes are an integral part of these 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 consolidated financial statements have been prepared in accordance with IFRS Accounting 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 year ended August 31, 2024, the Company has not generated revenues, net loss was $356,121 (2023: $451,042) and, as at August 31, 2024, it had working capital deficit of $830,235 (2023: $713,211). 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.

These 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. MATERIAL ACCOUNTING POLICY INFORMATION

(a) Statement of compliance

These consolidated financial statements are prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretation Committee ("IFRIC").

(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.

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.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(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. There were no significant estimates identified for the year ended August 31, 2024.

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.

(d) Exploration and evaluation assets

Pre-exploration costs or property investigation costs are expensed in the period in which they are incurred. Once the legal right to explore a property has been acquired, all costs related to the acquisition, exploration and evaluation are capitalized by property. Costs not directly attributable to exploration and evaluation activities, including general and administrative overhead costs, are expensed in the period in which they are incurred.

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. The Company determines that commercially viable prospects no longer exist when the period for which the Company has the right to explore the property has expired or is not expected to be renewed, substantive expenditure on further exploration and evaluation of mineral resources is neither budgeted nor planned, exploration and evaluation activities have not led to the discovery of commercially viable quantities of mineral resources and the Company has decided to discontinue such activities for the specific property, or if sufficient data exists to indicate that development of a specific property would be unlikely to recover the carrying amount of the associated capitalized exploration and evaluation expenditures. If there is an indication of impairment, and the Company determines the recoverable amount of the specific exploration and evaluation asset as the greater of the asset's value in use or fair value less costs of disposal, and comparing this to the carrying amount as at the reporting date. As a result, those exploration and evaluation expenditures, in excess of estimated recoveries, are written off to profit or loss.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(d) Exploration and evaluation assets (continued)

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 mines under construction.

Ownership in mineral properties involves certain inherent risks due to the difficulties of determining and obtaining clear title to claims as well as the potential for problems arising from the frequently ambiguous conveyancing history common to many mineral properties. The Company has investigated ownership of its mineral properties and, to the best of its knowledge, ownership of its interests are in good standing.

Exploration and evaluation assets are classified as intangible assets.

(e) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Financial assets and liabilities are offset and the net amount is reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

Financial assets

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

- those to be measured subsequently at fair value (either through other comprehensive income ("OCI") or through profit or loss); and
- those to be measured at amortized cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses are either recorded in profit or loss or OCI.

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Financial assets are considered in their entirety when determining whether their cash flows are solely payments of principal and interest.

Subsequent measurement of financial assets depends on their classification. There are three measurement categories under which the Company classifies its financial assets:

Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included as finance income using the effective interest method. The effective interest rate is the rate that discounts estimated future cash flows over the expected life of the financial instrument, or where appropriate, a shorter period. Cash, amounts receivable, deposits, and amounts due from related parties are classified in this category.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(e) Financial instruments (continued)

Fair value through OCI ("FVOCI"): Debt instruments that are held for collection of contractual cash flows and for selling the debt instruments, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains and losses, interest revenue, and foreign exchange gains and losses which are recognized in profit or loss. When the debt instrument is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains (losses). Interest income from these debt instruments is included as finance income using the effective interest method. The Company had no financial assets classified in this category.

Fair value through profit or loss: Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss on an investment that is subsequently measured at FVTPL is recognized in profit or loss in the period in which it arises. Investment is classified in this category.

<u>Financial liabilities</u>

A financial liability is classified as at FVTPL if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognized in profit or loss as incurred. The fair value changes to financial liabilities at FVTPL are presented as follows: where the Company optionally designates financial liabilities at FVTPL the amount of change in the fair value that is attributable to changes in the credit risk of the liability is presented in OCI; and the remaining amount of the change in the fair value is presented in profit or loss. The Company has designated shares to be issued and loans payable at FVTPL.

Other non-derivative financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest method.

At present, the Company classifies its remaining financial liabilities as held at amortized cost, which include accounts payable and accrued liabilities, and amounts due to related parties. These financial liabilities are classified as current liabilities as the related payments are due within 12 months, or on demand.

<u>Impairment</u>

The Company assesses all information available, including on a forward-looking basis the expected credit losses associated with any financial 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 at 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.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(f) Share capital

Common shares, options and warrants are classified as equity.

When units are issued, which include shares and warrants, the warrants are valued using the residual value method where proceeds are allocated to the common shares up to their fair value as determined by the current quoted trading price on the date of grant, and the balance, if any, to the warrants within reserves.

(i) Share issue costs

Share issue costs that are directly attributable to issuing new shares are deducted from equity, net of any tax effects.

Costs that are otherwise not incremental and directly attributable to issuing new shares, are recorded as an expense in profit or loss.

(ii) Equity instruments issued as consideration

The fair value of shares issued as purchase consideration is based upon the quoted trading price of those shares on the date of grant. Other equity instruments issued as purchase consideration in non-cash transactions are recorded at fair value determined by management using the Black-Scholes option pricing model.

(g) Share-based payments

The Company accounts for stock options and warrants granted to directors, officers, employees, and non-employees at fair value. The fair value of the options and warrants to employees, including directors, at the date of the grant is determined using the Black-Scholes option pricing model and share-based payments is accrued and charged to operations or share capital using the graded vesting method, with an offsetting credit to reserves, over the vesting periods. The fair value of stock options granted to non-employees is measured based on the fair value of the goods and services received, unless that fair value cannot be estimated reliably, in which case the fair value is determined with reference to the fair value of the instruments granted, and is re-measured at the earlier of each financial reporting or vesting date, and any adjustment is charged or credited to operations upon re-measurement.

The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

When the stock options and warrants are exercised, the applicable amounts of reserves are transferred to share capital. For those stock options and warrants that expire unexercised or are cancelled, the applicable amount is not reclassified to another component of equity.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(h) Income/(loss) per share

Basic income/(loss) per share is calculated by dividing the income/(loss) for the period by the weighted average number of shares outstanding. The Company uses the treasury stock method of calculating fully diluted income per share amounts, whereby any proceeds from the exercise of stock options or other dilutive instruments are assumed to be used to purchase common shares at the average market price during the period. The assumed conversion of outstanding options and warrants has an anti-dilutive impact for the reported periods thus fully diluted loss per share is the same as basic loss per share.

(i) Foreign currency transactions

Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, the monetary assets and liabilities that are denominated in foreign currencies are translated at the rate of exchange at the consolidated statement of financial position date while non-monetary assets and liabilities are translated at historical rates. Exchange gains and losses arising on translation are reflected in profit or loss for the period.

(j) Income taxes

Income tax comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case the income tax is recognized directly in equity.

Current income tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

In general, deferred tax is recognized in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the consolidated statement of financial position date and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that the assets can be recovered.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(k) Changes in accounting policies

There were no material changes to the Company's accounting policies during the year ended August 31, 2024.

New accounting standards issued but not yet effective are as follows:

Amendments to IAS 1 - Presentation of Financial Statements

In October 2022, the IASB issued amendments to IAS 1, Presentation of Financial Statements titled non-current liabilities with covenants. These amendments sought to improve the information that an entity provides when its right to defer settlement of a liability is subject to compliance with covenants within 12 months after the reporting period. These amendments to IAS 1 override but incorporate the previous amendments, Classification of liabilities as current or noncurrent, issued in January 2020, which clarified that liabilities are classified as either current or non-current depending on the rights that exist at the end of the reporting period. Liabilities should be classified as non-current if an entity has a substantive right to defer settlement for at least 12 months at the end of the reporting period. The amendments are effective for annual periods beginning on or after January 1, 2024, with early adoption permitted. Retrospective application is required on adoption. We do not expect these amendments to have a material effect on the consolidated financial statements.

Amendments to IAS 7 and IFRS 7 - Supplier Finance Arrangements

In May 2023, the IASB issued amendments to IAS 7, Statement of Cash Flows and IFRS 7, Financial Instruments Disclosures to provide guidance on disclosures related to supplier finance arrangements that enable users of financial statements to assess the effects of these arrangements on the entity's liabilities and cash flows and on the entity's exposure to liquidity risk. The amendments are effective for annual periods beginning on or after January 1, 2024, with early adoption permitted. We do not expect these amendments to have a material effect on the consolidated financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 requires entities to classify income and expenses into five categories, three of which are new – i.e. operating, investing and financing – and the income tax and discontinued operation categories. The new standard sets out detailed requirements for classifying income and expenses into each category. These amendments are effective for annual periods beginning on or after January 1, 2024. We do not expect these amendments to have a material effect on the consolidated financial statements.

3. AMOUNTS DUE TO AND FROM RELATED PARTIES

Bios Energy Corp., Bua Capital Management Ltd., Incubara Capital Corp., Walsh Bros Holdings Inc., Swiss EMX, XRApplied Technologies Inc. ("XRApplied"), GRWiNC, 667981 BC J ROOZ and Zadar Minerals Corp. 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.

(Expressed in Canadian Dollars)

3. AMOUNTS DUE TO AND FROM RELATED PARTIES (continued)

Amounts due from related parties

	August 31, 2024	August 31, 2023
Director	$ 3,940	$ 3,940
Bios Energy Corp.	5,831	2,750
Bua Capital Management Ltd.	83,375	75,300
Incubara Capital Corp.	20,201	9,844
Swiss EMX	15,967	15,967
Stars US LLC	31,903	-
XRApplied	-	22,758
Zadar Minerals Corp.	14,878	-
Total	$ 176,095	$ 130,559

Amounts due to related parties

	August 31, 2024	August 31, 2023
667981 BC J ROOZ	$ 5,250	$ 5,250
Bua Capital Management Ltd.	149,631	170,506
Director	332,500	272,500
GRWiNC	56,000	35,875
Incubara Capital Corp.	19,384	19,384
Total	$ 562,765	$ 503,515

The amount due to Incubara Capital Corp. includes an amount of $19,384 which represents outstanding interest on a previous interest-bearing debt that was settled during the year ended August 31, 2019. The interest portion remains unsettled.

4. INVESTMENT

As at August 31, 2024, the fair value of the 100,000 common shares of XRApplied was $3,000 (2023: $3,000). The Company recorded an unrealized loss on its investment of $Nil (2023: $2,000) during the year ended August 31, 2024.

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, in the Northwest Territories. The Company holds a 29.46 % interest in 3 claims, pursuant to a New Money Tranche 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.

5. EXPLORATION AND EVALUATION ASSETS (continued)

b) 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 fee.

(Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS (continued)

	Lac de Gras	Madagascar Graphite	Total
Acquisition Costs			
Balance, August 31, 2022	$ 10,000	$ 2,584,032	$2,594,032
Additions – cash	-	13,271	13,271
Balance, August 31, 2023	$ 10,000	$ 2,597,303	$2,607,303
Additions – cash	-	17,085	17,085
Balance, August 31, 2024	$ 10,000	$ 2,614,388	$2,624,388
Deferred Exploration Costs			
Balance, August 31, 2022	$ -	$ 177,322	$ 177,322
Technical reports	-	10,867	10,867
Other	-	32,445	32,445
Balance, August 31, 2023	$ -	$ 220,634	$ 220,634
Technical reports	-	563	563
Other	-	18,031	18,031
Balance, August 31, 2024	$ -	$ 239,228	$ 239,228
Balance at August 31, 2023	$ 10,000	$ 2,817,937	$2,827,937
Balance at August 31, 2024	$ 10,000	$ 2,853,616	$2,863,616

(Expressed in Canadian Dollars)

6. LOANS PAYABLE

During the years ended August 31, 2023 and 2024, the Company entered into promissory note agreements with Walsh Bros Holdings Inc., which is a company with directors in common with the Company, in the total amount of $94,700 (Note 8). The loans are subject to an interest rate of 10% per annum, unsecured and were repayable on September 30, 2024. In addition, the Company must pay a 25% stock bonus fair valued at $21,050 based on the 10 day trading average prior to the date of the loans. On January 10, 2024, the Company issued 314,800 common shares related to the stock bonus on the principal amount of $78,700 (Note 7). During the year ended August 31, 2024, the Company repaid $4,500 (2023 - $nil).

During the years ended August 31, 2023 and 2024, the Company entered into promissory note agreements with Incubara Capital Corp., which is a company with directors in common with the Company, in the total amount of $148,050 (Notes 3 and 8). The loans are subject to an interest rate of 10% per annum, unsecured and were repayable on June 30, 2024. In addition, the Company must pay a 25% stock bonus fair valued at $35,013 based on the 10 day trading average prior to the date of the loans. On January 10, 2024, the Company issued 490,200 common shares related to the stock bonus on the principal amount of $122,550 (Note 7). During the year ended August 31, 2024, the Company repaid $57,500 (2023 - $nil)

During the year ended August 31, 2023, a third-party creditor provided a loan to the Company in the amount of $4,500. The loan is unsecured, non-interest bearing and repayable on demand.

During the year ended August 31, 2024, the Company entered into a promissory note agreement with Zadar Minerals Corp., which is a company with directors in common with the Company, in the total amount of $10,000 (Notes 3 and 8). The loan is unsecured, non-interest bearing and repayable on demand.

	August 31, 2024	August 31, 2023
Balance at beginning of year	$ 141,158	$ -
Loans received	115,950	141,300
Loans repaid	(62,000)	-
Transaction costs	(26,488)	(34,200)
Interest	46,822	34,058
Balance at end of year	$ 215,442	$ 141,158

7. SHARE CAPITAL AND SHARE-BASED PAYMENT 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. The warrants were allocated $nil value under the residual value method.

On January 10, 2024, the Company closed a non-brokered private placement and issued 11,800,000 units at a price of $0.025 per unit for gross proceeds of $295,000. 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 $0.10 per share in the first year of the exercise period and at a price of $0.20 per share in the second year of the exercise period until January 10, 2026. The warrants were allocated $nil value under the residual value method.

(Expressed in Canadian Dollars)

7. SHARE CAPITAL AND SHARE-BASED PAYMENT RESERVES (continued)

On January 10, 2024, the Company issued 805,000 common shares related to the stock bonus on loans payable (Note 6), recorded at a fair value of $50,312.

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, 2022	4,500,000	$ 0.15
Expired	(2,000,000)	0.18
Outstanding, August 31, 2022	2,500,000	0.12
Expired	(2,500,000)	0.12
Outstanding, August 31, 2024	-	$ -

During the year ended August 31, 2023, a total of 2,000,000 stock options with exercise prices ranging from $0.12 to $0.245 per share expired unexercised.

During the year ended August 31, 2024, a total of 2,500,000 stock options with an exercise price of $0.12 per share expired unexercised.

(Expressed in Canadian Dollars)

7. SHARE CAPITAL AND SHARE-BASED PAYMENT 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, August 31, 2023	5,654,000	0.15
Issued	11,800,000	0.10
Expired	(5,654,000)	0.15
Outstanding, August 31, 2024	11,800,000	$ 0.10

During the year ended August 31, 2023, 8,417,334 warrants with an exercise price of $0.10 per share expired unexercised.

During the year ended August 31, 2024, 5,654,000 warrants with an exercise price of $0.15 per share expired unexercised.

Warrants outstanding at August 31, 2024 are as follows:

Number of warrants	Exercise price	Issue date	Expiry date
11,800,000	Year 1 $0.10 / Year 2 $0.20	January 10, 2024	January 10, 2026
11,800,000			

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.

(Expressed in Canadian Dollars)

8. RELATED PARTY BALANCES AND TRANSACTIONS (continued)

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

	August 31, 2024	August 31, 2023
Consulting fees	$ 60,000	$ 110,000
Interest expense	10,899	20,355
Occupancy costs, included in general and administrative	-	6,400
Professional fees	42,000	42,000
	$ 112,899	$ 178,755

Refer to Note 3 for balances owing to and from to related parties, Note 4 for an investment in a related party and Note 6 for loans payable to related parties as at August 31, 2024 and 2023.

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 reserves, share subscriptions receivable and deficit. The Company's capital totaled $2,209,476 as at August 31, 2024 (2023: $2,245,285). 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, amounts due to related parties, shares to be issued and loans payable. The fair value of these financial instruments, except for investment, shares to be issued and loans payable which are 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 shares to be issued and loans payable are measured at FVTPL using level 3 inputs. The shares to be issued are considered to be a derivative liability closely related to the loans payable. They have been measured at fair value based on 25% of the face value of the loans payable, which are current liabilities. The loans payable have been fair valued using an effective interest rate of 35%.

10. FINANCIAL RISK MANAGEMENT

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 not material, there is no guarantee that the amounts will be recovered in full. The Company has provided an allowance for doubtful accounts against amounts receivable and amounts due from related parties in the amount of $43,130. The Company's exposure to and management of credit risk has not changed materially during the year ended August 31, 2024.

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 $830,235 as at August 31, 2024, which includes $9,005 of cash to settle current liabilities of $915,674. Management is assessing various options to raise funds including the issuance of shares and units. The Company closed a private placement of units at $0.025 per unit for 8,900,000 units for total proceeds of $222,500 in October 2024. The Company's exposure to and management of liquidity risk has not changed materially during the year ended August 31, 2024.

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. Market risk is comprised of interest rate risk, other price risk and currency 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 Company's exposure to interest rate risk is limited to the fixed rate of interest on the loans payable, which is 10%. Fluctuations in the prime rate of interest will not impact the cash flows of the Company, due to the interest rate being fixed, and the Company does not believe that the loans payable have a material fair value risk due to changes in the interest rates, as the notes payable are current liabilities. The Company's exposure to and management of interest rate risk has not changed materially during the year ended August 31, 2024.

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 investment primarily relates to the change in the market price of the investment in XRApplied common shares. As at August 31, 2024, the Company owns 100,000 common shares. Each common share is fair valued at $0.03 (2023: $0.03). A 10% change in the market price of XRApplied common shares would have an impact of approximately $300 (2023: $300) 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 year ended August 31, 2024.

(Expressed in Canadian Dollars)

10. FINANCIAL RISK MANAGEMENT (continued)

Currency 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 currency risk on its foreign currency denominated cash, and accounts payable and accrued liabilities. As at August 31, 2024, the Company held US$608 cash, and US$30,281 accounts payable and accrued liabilities. As at August 31, 2024, 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 currency risk has not changed materially during the year ended August 31, 2024.

11. INCOME TAXES

Income tax recovery varies from the amount that would be computed from applying the combined federal and provincial income tax rates to income (loss) before taxes as follows:

		For the year ended August 31, 2024		For the year ended August 31, 2023
Loss before taxes	$	(356,121)	$	(451,042)
Statutory Canadian corporate tax rate		27.00%		27.00%
Anticipated tax expense (recovery)		(96,000)		(122,000)
Difference resulting from:				
Items not deductible for tax purposes and other		18,000		12,000
Share issue costs		-		-
Adjustment to prior year provisions		41,000		(30,000)
Change in unrecognized deferred tax assets		37,000		140,000
Deferred income taxes (recovery)	$	-	$	-

(Expressed in Canadian Dollars)

11. INCOME TAXES (continued)

The significant components of the Company's deferred tax assets and liabilities are as follows:

	August 31, 2024	August 31, 2023
Allowable capital losses	$ 44,000	$ 44,000
Exploration and evaluation assets	645,000	698,000
Investment	31,000	31,000
Non capital loss carry forwards	1,812,000	1,733,000
Other	12,000	-
Share issue costs	-	1,000
Net deferred tax assets	2,544,000	2,507,000
Unrecognized deferred tax assets	(2,544,000)	(2,507,000)
Net deferred tax asset	$ -	$ -

The Company has available non-capital losses for Canadian income tax purposes of $6,712,000 which may be carried forward to reduce taxable income in future years. If not utilized, the non-capital losses will expire as follows:

Year of expiry	Amount
2044	$ 291,000
2043	409,000
2042	287,000
2041	915,000
2040	466,000
2039	1,049,000
2038	2,483,000
2037	237,000
2036	349,000
2035	129,000
2034	97,000
	$ 6,712,000

As at August 31, 2024, the Company has $2,629,000 (2023: $2,594,000) of tax pools related to its exploration and evaluation assets which can be used to reduce future taxable income and which can be carried forward indefinitely.

(Expressed in Canadian Dollars)

12. SEGMENTED INFORMATION

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

	Canada	**Madagascar**	**TOTAL**
	$	**$**	**$**
For the Year Ended August 31, 2024			
Net loss	(356,121)	-	(356,121)
As at August 31, 2024			
Current assets	85,439	-	85,439
Non-current assets	186,095	2,853,616	3,039,711
Total liabilities	879,478	36,196	915,674

	Canada	**Madagascar**	**TOTAL**
	$	**$**	**$**
For the Year Ended August 31, 2023			
Net loss	(451,042)	-	(451,042)
As at August 31, 2023			
Current assets	144,457	-	144,457
Non-current assets	140,559	2,817,937	2,958,496
Total liabilities	815,557	42,111	857,668

13. SUBSEQUENT EVENTS

In October 2024, the Company closed a non-brokered private placement and issued 8,900,000 units at a price of $0.025 per unit for gross proceeds of $222,500. 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 $0.10 per share in the first year of the exercise period and at a price of $0.20 per share in the second year of the exercise period for a period of two years from the closing date.

On December 3, 2024, the Company entered into amended promissory notes with Walsh Bros Holdings Inc. and Incubara Capital Corp. (Note 6), which reduced the stock bonus from 25% to 20% on a prospective basis.