Q BATTERY METALS CORP.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTH PERIOD ENDED JULY 31, 2023

AND JULY 31, 2022

(UNAUDITED)

Notice of No Auditor Review of Interim Financial Statements

The accompanying unaudited financial statements have been prepared by management and approved by the Audit Committee.

The Company's independent auditors have not performed a review of these financial statements in accordance with the standards established by the Canadian Institute to Chartered Accountants for a review of interim financial statements by an entity's auditors.

Q BATTERY METALS CORP.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Expressed in Canadian Dollars)

	July 31, 2023 (Unaudited)	April 30, 2023 (Audited)
ASSETS		
Current		
Cash	$ 1,425	$ 53,557
Amounts receivables	41,766	77,551
Prepaid expenses	4,750	4,750
	47,941	135,858
Exploration and evaluation assets (Note 5)	2,839,263	2,826,515
	$ 2,887,204	$ 2,962,373
LIABILITIES		
Current		
Accounts payable and accrued liabilities	$ 286,594	$ 158,749
Flow-through premium	81,618	83,733
	368,212	242,482
SHAREHOLDERS' EQUITY		
Share capital (Note 6)	13,790,547	13,790,547
Reserves	1,712,932	1,712,932
Deficit	(12,984,487)	(12,783,588)
	2,518,992	2,719,891
	$ 2,887,204	$ 2,962,373

NATURE OF CONTINUANCE OF OPERATIONS (Note 1)

Approved and authorized for issue on behalf of the board on September 29, 2023:

"Richard Penn" Director

"Krystal Pineo" Director

Q BATTERY METALS CORP.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

(Expressed in Canadian Dollars) UNAUDITED

		Three months ended July 31, 2023		Three months ended July 31, 2022
EXPENSES				
Consulting fees	$	37,200	$	342,493
Investor communication		16,150		32,900
Management fees		60,000		60,000
Office and miscellaneous		255		101
Professional fees		78,508		138,318
Recovery of flow-through premium		(2,115)		–
Transfer agent and filing fees		4,839		21,264
Travel and promotion		6,062		59,207
Net loss and comprehensive loss end of period	$	200,899	$	654,283
Loss per share (basic and diluted)	$	(0.00)	$	(0.03)
Weighted average number of common share outstanding		53,258,049		19,852,211

Q BATTERY METALS CORP.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Expressed in Canadian Dollars) UNAUDITED

	Number of Shares	Amount	Reserves	Deficit	Total
		$	$	$	$
Balance, April 30, 2022	18,155,026	11,372,106	896,574	(9,647,657)	2,621,023
Issued for cash	2,081,319	498,615	25,964	–	524,579
Issued for services	383,296	191,648	–	–	191,648
Comprehensive loss for for the period	–	–	–	(654,283)	(654,283)
Balance, July 31, 2022	20,619,641	12,062,369	922,538	(10,301,940)	2,682,967
Balances, April 30, 2023	53,258,049	13,790,547	1,712,932	(12,783,588)	2,719,891
Comprehensive loss for the period	–	–	–	(200,899)	(200,899)
Balance, July 31, 2023	53,258,049	13,790,547	1,712,932	(12,984,487)	2,518,992

Q BATTERY METALS CORP.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in Canadian Dollars) UNAUDITED

		Three months ended July 31, 2023		Three months ended July 31, 2022
CASH PROVIDED BY (USED IN):				
OPERATING ACTIVITIES				
Net loss for the period	$	(200,899)	$	(654,283)
Items not involving cash:				
Stock - based payments		–		–
Recovery of flow-through premium		(2,115)		–
		(203,014)		(654,283)
Changes in non-cash working capital balances:				
Other receivable		35,785		(24,610)
Prepaid expenses		–		52,450
Accounts payable and accrued liabilities		127,845		59,650
Cash used in operating activities		(39,384)		(566,793)
INVESTING ACTIVITY				
Mineral property acquisition and exploration costs		(12,748)		(100,494)
Cash used in investing activity		(12,748)		(100,494)
FINANCING ACTIVITIES				
Shares issued for cash		–		524,579
Shares issued for service		–		191,648
Cash used in by financing activity		–		716,227
INCREASE IN CASH DURING THE PERIOD		(52,132)		48,940
CASH, BEGINNING OF PERIOD		53,557		108,051
CASH, END OF PERIOD	$	1,425	$	156,991
SUPPLEMENTAL DISCLOSURES				
Interest paid	$	–	$	–
Income taxes paid	$	–	$	–
Shares issued for services	$	–	$	191,648

1. NATURE OF OPERATIONS

Q Battery Metals Corp. (formerly Black Tusk Resources Inc.) (the "Company") was incorporated under the Business Corporations Act on November 18, 2016 in the province of British Columbia. The Company's common shares are traded on the Canadian Securities Exchange ("CSE") under the symbol "QMET". The Company operates in a single business segment focusing on mineral exploration in Canada. The principal business office of the Company is located at #500 – 666 Burrard Street, Vancouver, British Columbia, Canada, V6C 3P6.

The Company's principal business activities include the acquisition and exploration of mineral property assets. As at July 31, 2023, the Company had not yet determined whether the Company's mineral property asset contains ore reserves that are economically recoverable. The recoverability of amount shown for exploration and evaluation asset is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development of and the future profitable production from the property or realizing proceeds from its disposition. The outcome of these matters cannot be predicted at this time and the uncertainties cast significant doubt upon the Company's ability to continue as a going concern.

The Company had a deficit of $12,984,487 as at July 31, 2023, which has been funded by the issuance of equity. The Company's ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs.

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

2. SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

The financial statements are prepared in accordance with IAS 34 Interim Financial Reporting ("IAS34") using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). They do not include all financial information required for full annual financial statements and should be read in conjunction with the Audited Financial Statements of the Company for the year ended April 30, 2023.

The financial statements are prepared in accordance with accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretation of the International Financial Reporting Interpretation Committee ("IFRIC").

The financial statements were authorized for issue by the Board of Directors on September 29, 2023.

(Expressed in Canadian Dollars) UNAUDITED

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

There have been no material revisions to the nature of judgments and estimates of amounts reported in the Company's April 30, 2023 annual financial statements.

4. ACCOUNTING STANDARDS AND AMENDMENTS ISSUED BUT NOT YET ADOPTED

The Company has performed an assessment of new standards issued by the IASB that are not yet effective and has determined that any new standards that have been issued would have no or very minimal impact on the Company's financial statements.

5. EXPLORATION AND EVALUATION ASSETS

	Acquisition costs	Exploration costs	Total
	$	$	$
Balance, April 30, 2021	1,242,500	1,141,745	2,384,245
Additions	–	126,406	126,406
Balance, April 30, 2022	1,242,500	1,268,151	2,510,651
Additions	820,538	257,126	1,077,664
Impairment	(750,000)	(11,800)	(761,800)
Balance, April 30, 2023	1,313,038	1,513,477	2,826,515
Additions	–	12,748	12,748
Balance, July 31, 2023	1,313,038	1,526,225	2,839,263

Cluster Project

On February 5, 2019, the Company entered into a mineral claim purchase agreement to purchase 100% interest in the mineral property called the Cluster Project, located in Val-D'Or, Quebec. In consideration for the Cluster Project, the Company made cash payment of $25,000 and issued 100,000 common shares to the vendor during the year ended April 30, 2019.

During the year ended April 30, 2020, the Company acquired additional claims which are incorporated in the cluster project.

(Expressed in Canadian Dollars) UNAUDITED

5. EXPLORATION AND EVALUATION ASSETS (*continued*)

Cluster Project *(continued)*

As at July 31, 2023, the project is still at an early exploration stage. The Company has incurred the following acquisition and deferred exploration costs as at July 31, 2023:

	Cluster Project
	$
Balance, April 30, 2021	1,316,745
Deferred Exploration Costs	
Exploration costs for the year	103,481
Balance, April 30, 2022	**1,420,226**
Deferred Exploration Costs	
Exploration costs for the year	257,126
Balance, April 30, 2023 and July 31, 2023	**1,677,352**

McKenzie East Project

On November 12, 2019, the Company entered into a share purchase agreement to purchase 100% of the outstanding shares of Golda Resources Inc. ("Golda"). At the time of acquisition, Golda held a 100% interest in the mineral property called the McKenzie East Project, located in Quebec. As consideration, the Company issued 550,000 common shares to the owners of Golda and paid $15,000 cash to a third party consultant

As at July 31, 2023, the project is still at an early exploration stage. The Company has incurred the following exploration expenditures as at July 31, 2023:

	McKenzie East Project
	$
Balance, April 30, 2021	317,500
Deferred Exploration Costs	
Exploration costs for the year	11,125
Balance, April 30, 2022 and 2023 and July 31, 2023	**328,625**

(Expressed in Canadian Dollars) UNAUDITED

5. EXPLORATION AND EVALUATION ASSETS *(continued)*

South Rim Project

On January 13, 2020, the Company entered into a share purchase agreement to purchase 100% of the shares of Chalice Gold Exploration Corp. (“Chalice”). At the time of acquisition, Chalice held a 100% interest in the mineral property called the South Rim Project, located in British Columbia. In consideration, the Company issued 1,000,000 common shares to the owners of Chalice.

As at July 31, 2023, the Company had no future plans for exploration on the South Rim Project and subsequent to year end the Company allowed the claims to expire. Therefore, the Company fully impaired the South Rim Project during the year ended April 30, 2023.

	South Rim Project
	$
Balance, April 30, 2021	750,000
Exploration costs for the year	11,800
Balance, April 30, 2022	**761,800**
Deferred Exploration Costs	
Exploration costs for the year	–
Impairment	(761,800)
Balance, April 30, 2023 and July 31, 2023	**–**

Pegalith Project

On February 2, 2023, the Company entered into a share purchase agreement (the “Share Purchase Agreement”) with shareholders of 1394627 B.C. Ltd. (“1394627”) under which the Company acquired all of 1394627’s issued and outstanding common shares. 1394627 was the registered holder of 11 mineral exploration claims located in the Quebec lithium district, 25 kilometres north of Gatineau, Quebec. In exchange for the purchase of 1394627’s shares, the Company paid $16,000 in cash, and issued 4,600,000 units valued at $785,331. Each unit is comprised of one common share and one share purchase warrant exercisable into one common share at an exercise price of $0.10 for a period of two years from the date of issuance.

In connection with the transaction, the Company also paid other transaction costs totalling $19,207.

The acquisition of 1394627 did not constitute a business combination, as 1394627 did not meet the definition of a business, and therefore has been accounted for as an asset purchase of mineral property interests with the Company acquiring the outstanding shares of 1394627 on February 8, 2023. The consideration for the acquisition of 1394627 has been based on the total consideration paid for the mineral property claims.

(Expressed in Canadian Dollars) UNAUDITED

5. EXPLORATION AND EVALUATION ASSETS *(continued)*

The following table summarizes the fair value of the total consideration paid and the aggregate fair value of identified assets acquired and liabilities assumed:

Purchase price	**$**
4,600,000 common shares of the Company issued	460,000
4,600,000 warrants of the Company issued	325,331
Cash paid	16,000
Transaction costs	19,207
	820,538
Net assets acquired	
Exploration and evaluation assets	820,538

	$
Balance, April 30, 2022	–
Acquisition costs	820,538
Balance, April 30, 2023	820,538
Exploration costs	12,748
Balance, July 31, 2023	**833,286**

The Company uses the Black-Scholes option model to calculate the fair value of warrants issued. The following assumptions were used for the Black-Scholes valuation of warrants issued to the shareholders of 1394627: Share price: $0.10, risk-free interest rate: 3.84%, expected life of warrants: 2 years, dividend rate: 0%, annualized volatility: 145%.

Environmental

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates. The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation. The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in material liability to the Company.

Environmental legislation is becoming increasingly stringent and the expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions.

If the restrictions adversely affect the scope of exploration and development on the mineral properties, the potential for production on the property may be diminished or negated.

6. SHARE CAPITAL

a) Authorized:

The Company is authorized to issue an unlimited number of common shares without par value.

b) Escrow Shares:

There are no common shares hold in escrow as at July 31, 2023.

c) Issued and Outstanding:

As at July 31, 2023 there were 53,253,049 common shares issued and outstanding.

During the year ended April 30, 2023:

On May 5, 2022, the Company completed a private placement for 1,096,000 units at $0.25 per unit. Each unit consists of one common share and one share purchase warrant. Each warrant entitles the holder to purchase one additional share at $0.50 per share for a period of two years. The Company paid finders' fees of $11,360 in cash and granted 45,440 finders' warrants in connection with the private placement.

On June 16, 2022, the Company completed a private placement for 959,034 flow through units at $0.30 per unit. Each unit consists of one flow-through common share and one share purchase warrant. Each warrant entitles the holder to purchase one additional share at $0.60 per share for a period of three years. The Company issued 26,285 shares as a finder's fee. The Company paid finders' fees of $25,771 in cash and granted 59,618 finders' warrants in connection with the private placement.

On June 16, 2022, the Company issued 383,296 common shares to settle liabilities totaling $191,648. The company recorded $30,000 as a gain on settlement of one of the liabilities.

On December 1, 2022, the Company issued 3,580,000 common shares to settle liabilities totaling $179,000. The company recorded $7,000 as a loss on settlement of one of the liabilities.

On December 2, 2022, the Company completed a private placement for 6,207,367 flow through units at $0.06 per unit. Each unit consists of one flow-through common share and one half of one share purchase warrant. Each warrant will entitle the holder to purchase an additional share at a price of $0.10 per share for a two-year term. The Company paid finders' fees of $57,200 in cash in connection with the private placement.

On December 2, 2022, the Company completed a private placement for 10,588,583 units at $0.05 per unit. Each unit consists of one common share and one half of one share purchase warrant. Each warrant will entitle the holder to purchase an additional share at a price of $0.075 per share for a two-year term. The Company paid finders' fees of $46,100 in cash in connection with the private placement.

On December 29, 2022, the Company completed a private placement for 4,390,956 flow through units at $0.06 per unit. Each unit consists of one flow-through common share and one half of one share purchase warrant. Each warrant will entitle the holder to purchase an additional share at a price of $0.10 per share for a two-year term.

On December 29, 2022, the Company completed a private placement for 1,604,835 units at $0.05 per unit. Each unit consists of one common share and one half share purchase warrant. Each whole warrant entitles the holder to purchase one additional share at $0.075 per share for a period of two years.

(Expressed in Canadian Dollars) UNAUDITED

6. SHARE CAPITAL (continued)

c. Issued and Outstanding: (continued)

On February 8, 2023, the Company issued 4,600,000 common shares pursuant to a share purchase agreement to acquire 1394627 B.C. Ltd.

On March 31, 2023, the Company completed a private placement for 1,666,667 flow through units at $0.12 per unit. Each unit consists of one flow-through common share and one half of one share purchase warrant. Each warrant entitles the holder to purchase one additional share at $0.16 per share for a period of two years. The Company paid finders' fees of $20,000 in cash and granted 166,667 finders' warrants in connection with the private placement.

During the period ended July 31, 2022, the Company had the no share capital transactions.

d) Options

The changes in options during the period ended July 31, 2023 are summarized as follows:

	Number of Options	Weighted Average Exercise Price
Balance April 30, 2022	**685,000**	**$0.70**
Granted	5,124,999	$0.07
Expired	(685,000)	$0.70
Balance April 30, 2023 and July 31, 2023	**5,124,999**	**$0.07**

A summary of options outstanding at July 31, 2023 is as follows:

Expiry Date	Weighted Average Remaining Contractual Life in Years	Exercise Price	Options Issued and Exercisable
November 25, 2024	1.33	$0.070	1,950,000
February 21, 2025	1.57	$0.075	3,174,999
		$0.073	5,124,999

(Expressed in Canadian Dollars) UNAUDITED

6. SHARE CAPITAL (continued)

d) Options (continued)

During the period ended April 30, 2023, the Company issued a total of 5,124,999 options to Consultants, Directors and Officers. The options are exercisable at prices ranging from $0.07 to $0.075, expire on November 25, 2024 and February 21, 2025 and vested immediately upon grant. The weighted average remaining contractual life of the options is 1.47 years.

The following assumptions were used for the Black-Scholes valuation of options issued:

	2023	2022
Share price	$0.07 - $0.075	-
Risk – free interest rate	3.81% - 4.12%	-
Expected life of warrants	2 years	-
Dividend rate	0%	-
Annualized volatility	221.6%- 225.3%	-

The fair value per option issued is $0.073.

For the period ended April 30, 2023, the Company recognized stock-based compensation of $333,823 relating to stock options granted.

e) Warrants

A summary of warrants outstanding at July 31, 2023 is as follows:

Expiry Date	Weighted Average Remaining Contractual Life in Years	Exercise Price	Warrants issued and exercisable
August 13, 2025	2.04	$0.80	326,162
September 23, 2025	2.15	$1.00	4,248,781
November 9, 2023	0.28	$1.00	398,750
December 9, 2023	0.36	$0.50	1,525,000
December 21, 2023	0.39	$0.450	700,000
May 5, 2024	0.77	$0.50	1,141,440
June 16, 2025	1.88	$0.60	1,044,936
December 2, 2024	1.34	$0.075	5,365,292
December 2, 2024	1.34	$0.10	3,103,684
December 29, 2024	1.42	$0.075	802,418
December 29, 2024	1.42	$0.10	2,195,478
February 8, 2025	1.53	$0.10	4,600,000
March 31, 2025	1.67	$0.16	1,000,001
			26,451,942

(Expressed in Canadian Dollars) UNAUDITED

6. SHARE CAPITAL (continued)

e) Warrants continued

The weighted average remaining contractual life of the warrants is 1.43 years.

During the year ended April 30, 2023, the Company issued a total of 271,725 agent warrants (2022 – 50,000) related to private placements. The agent warrants are exercisable between $0.16 and $0.60 per share and are exercisable for a period of two years from the date of issue.

The Company uses the Black-Scholes option model to calculate the fair value of warrants issued to finders and brokers. The following assumptions were used for the Black-Scholes valuation of warrants issued to finders and brokers for the years ended April 30, 2023 and 2022:

The following assumptions were used for the Black-Scholes valuation of warrants issued to finders:

	2023	**2022**
Share price	$0.16 - $0.60	$0.03
Risk – free interest rate	2.69% - 3.64%	0.98%
Expected life of warrants	2 years	2 years
Dividend rate	0%	0%
Annualized volatility	150.3% - 232.4%	152%

The fair value per agent's warrant issued is $0.10 (2022 - $0.02).

7. 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. 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.

The following amounts are due to related parties and have been included in accounts payable and accrued liabilities:

	July 31, 2023	**April 30, 2023**
	$	$
Accounts payable and accrued liabilities	60,000	Nil

The amounts are due to a company controlled by the Chief Executive Officer ("CEO") of the Company. The amounts are non-interest bearing, unsecured and are due upon demand.

The Company had the following related party transactions for the three month period ended:

	July 31, 2023	**July 31, 2022**
	$	$
Management fees	60,000	60,000

7. RELATED PARTY BALANCES AND TRANSACTIONS (continued)

Key management includes directors and key officers of the Company, including the President, CEO and Chief Financial Officer. Management fees were provided by a company owned or controlled by the CEO.

8. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the sourcing and exploration of its resource property. The Company does not have any externally imposed capital requirements to which it is subject.

The Company considers the aggregate of its share capital, contributed surplus and deficit as capital. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares or dispose of assets or adjust the amount of cash.

9. FINANCIAL INSTRUMENTS AND FINANCIAL RISK

International Financial Reporting Standards 7, *Financial Instruments: Disclosures*, establishes a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair Value of Financial Instruments

The Company's financial assets include cash and are classified as Level 1. The carrying value of these instruments approximates their fair values due to the relatively short periods of maturity of these instruments.

Assets measured at fair value on a recurring basis were presented on the Company's statements of financial position as at July 31, 2023 are as follows:

	Fair Value Measurements Using			
	Quoted Prices in Active Markets For Identical Instruments (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
	$	$	$	$
Cash	1,425	–	–	1,425

9. FINANCIAL INSTRUMENTS AND FINANCIAL RISK

Fair value

The fair value of the Company's financial instruments approximates their carrying value as at July 31, 2023 because of the demand nature or short-term maturity of these instruments.

Financial risk management objectives and policies

The Company's financial instruments include cash and accounts payable. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

(i) *Currency risk*

The Company's expenses are denominated in Canadian dollars. The Company's corporate office is based in Canada and current exposure to exchange rate fluctuations is minimal.

The Company does not have any significant foreign currency denominated monetary liabilities. The principal business of the Company is the identification and evaluation of assets or a business and once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval and acceptance by regulatory authorities.

(ii) *Interest rate risk*

The Company is exposed to interest rate risk on the variable rate of interest earned on bank deposits. The fair value interest rate risk on bank deposits is insignificant as the deposits are short-term.

The Company has not entered into any derivative instruments to manage interest rate fluctuations.

(iii) *Credit risk*

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. To minimize the credit risk the Company places these instruments with a high quality financial institution.

(iv) *Liquidity risk*

In the management of liquidity risk of the Company, the Company maintains a balance between continuity of funding and the flexibility through the use of borrowings. Management closely monitors the liquidity position and expects to have adequate sources of funding to finance the Company's projects and operations.

10. SUBSEQUENT EVENT

The Company acquired 100% of the issued and outstanding shares of 1412814 B.C. Ltd. which owns 101 claims in the Pontax River Area of James Bay Regin of Quebec. As consideration, the Company issued 5,800,000 common shares of the Company to the shareholders of 1412814 B.C. Ltd.

The Company issued 1,630,000shares to settle $81,500 in debt at a deemed value of $0.05 per share.