SPOD LITHIUM CORP.

Financial Statements

Years ended July 31, 2024 and 2023

DMCL
DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
dmcl.ca

Independent Auditor's Report

To the Shareholders of Spod Lithium Corp.

Opinion

We have audited the financial statements of Spod Lithium Corp. (the "Company"), which comprise the statements of financial position as at July 31, 2024 and 2023, and the statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at July 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting 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 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 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.

Emphasis of Matter – Restatement of Comparative Information

We draw attention to Note 2.i of the financial statements, which describes certain comparative information presented for the year ended July 31, 2023 has been restated. Our opinion is not modified in respect of this matter.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements, which describes events or conditions that indicate the existence of a material uncertainty which may cast significant doubt about 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 financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter described in the Material Uncertainty Related to Going Concern section, we have determined that there are no other key audit matters to communicate in our report.

Other Information

Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis.

Our opinion on the 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 financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. 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. We have nothing to report in this regard.

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

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

In preparing the 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 financial statements, including the disclosures, and whether the 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 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 Barry Hartley.

DMCL.

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC

November 28, 2024

SPOD LITHIUM CORP.
Statements of Financial Position
As at July 31
(Expressed in Canadian dollars)

	Note	**2024**	2023 *(restated – see note 2.i)*
		$	$
ASSETS			
Current assets			
Cash		**1,162,793**	369,675
Sales tax receivable		**37,360**	97,969
Prepaid expenses and deposits	7	**9,978**	836,537
Short term investment	4, 7	**12,500**	12,500
Total current assets		**1,222,631**	1,316,681
Non-current assets			
Exploration and evaluation assets	4	**4,221,130**	2,595,702
Total non-current assets		**4,221,130**	2,595,702
Total assets		**5,443,761**	3,912,383
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable		**299,114**	4,532
Accrued liabilities		**73,522**	62,511
Due to related parties	7	**21,325**	3,588
Flow through share liability	4, 8	**387,758**	120,912
Total current liabilities		**781,719**	191,543
Shareholders' equity			
Share capital	5	**6,070,974**	4,616,696
Reserve	5	**118,906**	352,877
Deficit		**(1,527,838)**	(1,248,733)
Total shareholders' equity		**4,662,042**	3,720,840
Total liabilities and shareholders' equity		**5,443,761**	3,912,383

Nature and continuance of operations (Note 1)
Subsequent events (Note 4)

Approved on behalf of the Board of Directors:

"Mathieu Couillard"
Mathieu Couillard, CEO and Director

"Hani Zabaneh"
Hani Zabaneh, Director

The accompanying notes are an integral part of these financial statements

SPOD LITHIUM CORP.
Statements of Loss and Comprehensive Loss
For the years ended July 31, 2024 and 2023
(Expressed in Canadian dollars)

	Note	**2024**	2023 *(restated – see note 2.i)*
		$	$
Administrative expenses			
General and administrative		**44,200**	122,415
Consulting	7	**277,910**	127,588
Transfer agent and filing fees		**46,713**	64,557
Management fees	7	**171,000**	162,881
Legal and accounting	7	**114,898**	100,419
Share based compensation	5	**12,842**	12,337
		(667,563)	(590,197)
Other income (expenses)			
Impairment of exploration and evaluation assets	4	**(65,378)**	-
Reversal of flow-through share liability	8	**267,876**	111,178
Part 12.6 tax on flow-through shares	8	**(60,853)**	-
Net loss and comprehensive loss		**(525,918)**	(479,019)
Weighted average number of outstanding shares		**61,956,456**	45,830,959
Basic and diluted loss per share		**(0.01)**	(0.01)

The accompanying notes are an integral part of these financial statements

SPOD LITHIUM CORP.
Statements of Changes in Shareholders' Equity
For the years ended July 31, 2024 and 2023
(Expressed in Canadian dollars)

	Share capital				
	Number	Amount $	Reserve $	Deficit $	Total shareholders' equity $
Balance, July 31, 2023	51,168,715	4,616,696	352,877	(1,248,733)	3,720,840
Shares issued (Note 5)	15,025,443	1,746,920	-	-	1,746,920
Share issuance costs (Note 5)	-	(2,170)	-	-	(2,170)
Flow-through share premium (Notes 5 and 8)	-	(534,722)	-	-	(534,722)
Shares issued for evaluation and exploration asset (Notes 4 and 5)	3,325,000	244,250	-	-	244,250
Warrants expired (Note 5)	-	-	(246,813)	246,813	-
Share-based compensation (Note 5)	-	-	12,842	-	12,842
Net loss and comprehensive loss	-	-	-	(525,918)	(525,918)
Balance, July 31, 2024	**69,519,158**	**6,070,974**	**118,906**	**(1,527,838)**	**4,662,042**

	Share capital				
	Number	Amount $	Reserve $	Deficit *(restated – see note 2.i)* $	Total shareholders' equity *(restated – see note 2.i)* $
Balance, July 31, 2022	20,961,215	1,113,770	223,227	(769,714)	567,283
Shares issued (Note 5)	25,000,000	2,700,000	-	-	2,700,000
Share issuance costs (Note 5)	-	(192,033)	118,872	-	(73,161)
Shares issued for evaluation and exploration asset (Notes 4 and 5)	5,200,000	1,192,500	-	-	1,192,500
Shares issued on warrant exercises (Note 5)	7,500	2,459	(1,559)	-	900
Flow-through share premium (Notes 5 and 8)	-	(200,000)	-	-	(200,000)
Share-based compensation (Note 5)	-	-	12,337	-	12,337
Net loss and comprehensive loss	-	-	-	(479,019)	(479,019)
Balance, July 31, 2023	51,168,715	4,616,696	352,877	(1,248,733)	3,720,840

The accompanying notes are an integral part of these financial statements

SPOD LITHIUM CORP.
Statements of Cash Flows
For the years ended July 31, 2024 and 2023
(Expressed in Canadian dollars)

	2024	2023 *(restated – see note 2.i)*
	$	$
Cash provided by (used in):		
Operating activities		
Net loss	**(525,918)**	(479,019)
Adjustments for non-cash items		
Impairment of exploration and evaluation assets	**65,378**	-
Reversal of flow-through share liability	**(267,876)**	(111,178)
Share-based compensation	**12,842**	12,337
Part 12.6 taxes accrued	**39,554**	-
Changes in non-cash working capital items		
Sales tax receivable	**60,609**	(74,250)
Prepaids expenses and deposits	**826,559**	(836,537)
Accounts payable	**38,652**	(67,855)
Accrued liabilities	**(28,543)**	21,745
Due to related parties	**17,737**	(2,687)
Cash provided by (used in) operating activities	**238,994**	(1,537,444)
Financing activities		
Proceeds from warrant exercise	**-**	900
Proceeds from issuance of shares, net of costs	**1,744,750**	2,626,839
Cash provided by financing activities	**1,744,750**	2,627,739
Investing activities		
Exploration and evaluation assets expenditures	**(1,190,626)**	(757,249)
Cash used in investing activities	**(1,190,626)**	(757,249)
Change in cash during the year	**793,118**	333,046
Cash, beginning of the year	**369,675**	36,629
Cash, end of the year	**1,162,793**	369,675
Non-cash transactions:		
Exploration and evaluation assets in accounts payable	**289,149**	33,219
Shares issued for exploration and evaluation assets	**244,250**	1,192,500
Short-term investments received for exploration and evaluation assets	**-**	12,500

The accompanying notes are an integral part of these financial statements

1. NATURE AND CONTINUANCE OF OPERATIONS

Spod Lithium Corp. (the "Company" or "Spod") was incorporated on November 11, 2014 under the laws of British Columbia, Canada. On April 15, 2021, the Company changed its name to EEE Exploration Corp. and on September 21, 2022, the Company name was changed to Spod Lithium Corp. On June 21, 2021, the Company commenced trading on the Canadian Securities Exchange ("CSE" or "Exchange") under the symbol "SPOD", and on February 23, 2023, the common shares of the Company also began trading on the OTCQB under the symbol "EEEXF" and then "SPODF" on May 4, 2023. The Company is engaged in the business of mineral exploration. The Company's corporate head office is located at Suite 1170 - 1040 West Georgia Street, Vancouver, British Columbia, Canada.

These financial statements have been prepared on the basis of accounting principles applicable to a going concern which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Company's continuing operations, and its financial success will be dependent upon the extent to which it can successfully develop its exploration and evaluation assets and whether those assets contain ore reserves that are economically recoverable. The development of the Company's business may take many years to be successful and the amount of resulting income, if any, is difficult to determine with any certainty. On July 31, 2024, the Company had not yet achieved profitable operations, incurred a net loss of $525,918 (2023 - $479,019) for the years then ended, had a deficit of $1,527,838 (2023 - $1,248,733), and expects to incur further losses in the development of its business, all of which casts significant doubt about the Company's ability to continue as a going concern. These financial statements do not reflect any adjustments to the carrying values of assets and liabilities and the reported amounts of expenses and balance sheet classifications that would be necessary if the going concern assumption was not appropriate and such adjustments could be material.

These financial statements were approved by the Board of Directors on November 28, 2024.

2. MATERIAL ACCOUNTING POLICY INFORMATION AND BASIS OF PRESENTATION

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

These financial statements have been prepared on a historical cost basis, except for financial instruments classified at fair value through profit and loss or fair value through other comprehensive income, if applicable, which are stated at their fair value. These financial statements are presented in Canadian dollars, which is also the Company's functional currency. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

a) Significant accounting judgments and estimates

The preparation of these financial statements requires management to make judgments and estimates that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the year. Actual outcomes could differ from these judgments and estimates. The financial statements include judgments and estimates which, by their nature, are uncertain. The impacts of such judgments and estimates are pervasive throughout the 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 the revision affects both current and future periods.

2. MATERIAL ACCOUNTING POLICY INFORMATION AND BASIS OF PRESENTATION (cont'd)

a) Significant accounting judgments and estimates (cont'd)

Critical judgments exercised in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as follows:

Deferred income tax

The assessment of the probability of future taxable income in which deferred tax assets can be utilized is based on the Company's estimates of future profits or losses adjusted for significant nontaxable income and expenses and specific limits to the use of any unused tax loss or credit. The tax rules in the jurisdictions in which the Company operates are also taken into consideration. If a positive forecast of taxable income indicates the probable use of a deferred tax asset, especially when it can be utilized without a time limit, that deferred tax asset is usually recognized in full. The recognition of deferred tax assets that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances.

Recoverability of exploration and evaluation assets

Management has determined that exploration, evaluation and related costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including geologic and other technical information, history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, the quality and capacity of existing infrastructure facilities, evaluation of permitting and environmental issues and local support for the project.

Going concern

The assumption is that the Company is a going concern and will continue into the foreseeable future. The factors considered by management are disclosed in Note 1.

b) Share capital

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

c) Shared-based payments

Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the reserve. The fair value of options is determined using a Black–Scholes Option Pricing Model. 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.

2. MATERIAL ACCOUNTING POLICY INFORMATION AND BASIS OF PRESENTATION (cont'd)

d) Income taxes

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

Current tax expense is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous periods.

Deferred income tax is recognized, using the asset and liability method, on temporary differences at the reporting date arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

On the issuance of flow-through shares, any premium received in excess of the market price of the Company's common shares is initially recorded as a liability ("flow-through share liability"). Provided that the Company has renounced the related expenditures, or that there is a reasonable expectation that it will do so, the flow-through tax liability is reduced on a pro-rata basis as the expenditures are incurred. If such expenditures are capitalized, a deferred tax liability is recognized. To the extent that the Company has suitable unrecognized deductible temporary differences, an offsetting recovery of deferred income taxes would be recorded.

e) Financial instruments

The following table shows the classification under IFRS 9:

Financial asset/ liability	Classification
Cash	Fair value through profit and loss
Short term investment	Fair value through profit and loss
Accounts payable	Amortized cost
Due to related parties	Amortized cost

(i) Classification

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

2. MATERIAL ACCOUNTING POLICY INFORMATION AND BASIS OF PRESENTATION (cont'd)

e) Financial instruments (cont'd)

(ii) Measurement

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

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

Impairment of financial assets at amortized cost
The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If, at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses.

The Company recognizes in the statements of comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

(iii) Derecognition

Financial assets

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

Financial liabilities

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

Gains and losses on derecognition are generally recognized in profit or loss.

2. MATERIAL ACCOUNTING POLICY INFORMATION AND BASIS OF PRESENTATION (cont'd)

e) Financial instruments (cont'd)

(iv) Fair value

The fair value of the Company's financial assets and liabilities approximates the carrying amount.

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

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

Cash is measured using level 1 inputs.

f) Loss per share

Basic loss per share is computed by dividing the net loss available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted loss per share is computed similar to basic loss per share except that the weighted average share outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods.

g) Exploration and evaluation assets

Exploration and evaluation expenditures incurred before the Company has obtained legal rights to explore an area of interest are expensed as incurred. All costs related to the acquisition, exploration and evaluation of mineral properties incurred subsequent to the acquisition of legal rights to explore are capitalized by property. Mineral properties acquired from entities under common control are recorded at the same carrying value which the common control entity carried the mineral properties at. If economically recoverable ore reserves are determined to exist, capitalized costs of the related property are reclassified as mining assets and amortized using the unit of production method. When a property is abandoned, all related costs are written off to operations. If, after management review, it is determined that the carrying amount of an exploration and evaluation asset is impaired, that asset is written down to its estimated net realizable value. An exploration and evaluation asset is reviewed for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable.

The amounts shown for exploration and evaluation assets do not necessarily represent present or future values. Their recoverability is dependent upon the discovery of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing and permitting to explore and complete the development of the properties, and future profitable production from the disposition of the metals produced from the properties or by sale.

Once technical feasibility and commercial viability of a mineral property has been established, the property is considered to be a development property and is classified as mine development assets in property, plant and equipment. The carrying value of the mineral property is tested for impairment before the expenditures are transferred.

(Expressed in Canadian dollars)

2. MATERIAL ACCOUNTING POLICY INFORMATION AND BASIS OF PRESENTATION (cont'd)

h) Impairment of long-lived assets

At the end of each reporting period the carrying amounts of the Company's assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate and its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Assets that have an indefinite useful life are not subject to amortization and are tested at each reporting period for impairment.

i) Restatement of comparative figures

Subsequent to the approval of the July 31, 2023 financial statements, the Company's directors and management investigated certain marketing and consulting expenses totaling $773,900 and discovered that the underlying services had not been provided prior to July 31, 2023. During the year ended July 31, 2024, the full amount of $773,900 was reimbursed to the Company. As a result, the comparative figures for the year ended July 31, 2023 were restated. The corrections made to the comparative figures are presented below.

Statement of Financial Position
In the statement of financial position for the year ended July 31, 2023, prepaid expenses and deposits were increased by $773,900 to reclassify consulting and marketing fees previously recorded in the statement of loss and comprehensive loss that were reimbursed to the Company during the current financial year. The deficit was decreased by $773,900 to reflect the changes in the net loss and comprehensive loss.

The following table shows the impact of the changes to the adjusted lines of the statement of financial position:

	As at July 31, 2023		
	As previously reported $	Impact $	Adjusted $
Prepaid expenses and deposits	62,637	773,900	836,537
Deficit	(2,022,633)	773,900	(1,248,733)

Statements of Loss and Comprehensive Loss
In the statement of loss and comprehensive loss for the year ended July 31, 2023, consulting fees were decreased by $112,400 and marketing expenses were decreased by $661,500 to reclassify expenses previously recorded in the statement of loss and comprehensive loss that were reimbursed to the Company during the current financial year.

(Expressed in Canadian dollars)

2. MATERIAL ACCOUNTING POLICY INFORMATION AND BASIS OF PRESENTATION (cont'd)

i) Restatement of comparative figures (cont'd)

The following table shows the impact of the changes to the adjusted lines of the statement of financial position:

	Year ended July 31, 2023		
	As previously reported $	Impact $	Adjusted $
Consulting	239,988	(112,400)	127,588
Marketing	661,500	(661,500)	-
Net loss and comprehensive loss	(1,252,919)	(773,900)	(479,019)

Statements of Changes in Shareholders' Equity
In the statement of changes in shareholders' equity, deficit was decreased by $773,900 to reflect the changes in the net loss and comprehensive loss.

The following table shows the impact of the changes to the adjusted lines of the statement of changes in shareholders' equity:

	As at July 31, 2023		
	As previously reported $	Impact $	Adjusted $
Deficit	(2,022,633)	773,900	(1,248,733)

Statements of Cash Flows
In the statement of cash flows, the net loss and comprehensive loss has been adjusted by $773,900 to reflect the changes in the net loss of the year ended July 31, 2023. Also, an amount of $773,900 was increased from the changes in non-cash working capital items for the prepaid expenses and deposits. The net impact on the cash used in operating activities was $nil.

3. RECENT ACCOUNTING PRONOUNCEMENTS AND ADOPTED POLICIES

Other than the adoption of the Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2), the Company did not adopt any new accounting standard changes or amendments in the current year that had a material impact on the Company's financial statements.

The Company has not yet begun the process of assessing the impact of other new and amended standards that are effective for annual periods beginning on or after July 31, 2024 will have on its financial statements or whether to early adopt any of the new requirements. The Company does not expect the impact of such changed on the financial statements to be material, although additional disclosure may be required.

(Expressed in Canadian dollars)

4. EXPLORATION AND EVALUATION ASSETS

ONTARIO PROPERTIES

Byron Pegmatite Property

On June 7, 2022, the Company entered into a purchase option agreement to acquire a 100% interest in 46 unpatented mining claims located in the Province of Ontario, by the issuance of 300,000 Class A common shares and cash payments totaling $74,000 as follows:

On or before	Cash payments	Shares Issued
June 7, 2022	(Paid) $12,000	(Issued) 300,000
June 7, 2023	(Paid) $12,000	-
June 7, 2024	$20,000	-
June 7, 2025	$30,000	-
Total	$74,000	300,000

On successful exercise of the option, the Company will also grant the optionors an aggregate 1.5% net smelter returns royalty respecting the property. The Company will have the right to purchase 0.5% of the royalty (leaving a 1.0% royalty) at any time by paying an aggregate sum of $500,000 to the optionors.

During the year ended July 31, 2024, geological costs of $5,832 (2023 - $4,665) were incurred on this property. The Company has decided that upon the completion of an evaluation of this project, not to proceed with further exploration and have let the claims lapsed. Accordingly, the total project costs of $65,378 have been written off.

Barbara Property

On July 25, 2022, the Company entered into a purchase option agreement to acquire a 100% interest in two unpatented mining claims in the province of Ontario by making aggregate cash payments of $120,000 to the optionors and by issuing an aggregate of 800,000 Class A common shares.

On or before	Cash payments	Shares Issued
July 25, 2022	(Paid) $20,000	(Issued) 800,000
July 25, 2023	(Paid) $26,000	-
July 25, 2024	$30,000	-
July 25, 2025	$44,000	-
Total	$120,000	800,000

On successful exercise of the option, the Company will also grant the optionors an aggregate 1.5% net smelter returns royalty with respect to the Barbara Property. The Company will have the right to purchase 0.5% of the royalty (leaving a 1.0% royalty) at any time by paying an aggregate sum of $500,000 to the optionors.

During the year ended July 31, 2024 and 2023 there were no costs incurred on this property. As at July 31, 2024 total project costs are $114,000 (July 31, 2023 - $114,000).

Subsequent to July 31, 2024, the Company paid the amount of $30,000 that was due on July 25, 2024.

(Expressed in Canadian dollars)

4. EXPLORATION AND EVALUATION ASSETS (continued)

ONTARIO PROPERTIES (continued)

Ferdinand Property

On July 25, 2022, the Company entered into a purchase option agreement to acquire a 100% interest in two unpatented mining claims in the province of Ontario by making aggregate cash payments of $50,200 to the optionors, and by incurring minimum exploration expenditures of $30,000 on the property as follows:

On or before	Cash payments	Exploration Expenditures
July 25, 2022	(Paid) $5,200	-
July 25, 2023	(Paid) $10,000	$30,000
July 25, 2024	$15,000	-
July 25, 2025	$20,000	-
Total	$50,200	$30,000

On successful exercise of the option, the Company will also grant the optionors an aggregate 1.5% net smelter returns royalty with respect to the Ferdinand Property. The Company will have the right to purchase 0.5% of the royalty (leaving a 1.0% royalty) at any time by paying an aggregate sum of $500,000 to the optionors.

The Company has not yet incurred the total $30,000 in exploration expenditures but is engaged in negotiations with the optionor to fulfil this commitment.

During the year ended July 31, 2024, geological costs of $19,800 (2023 - $nil) were incurred on this property. As at July 31, 2024 total project costs are $35,000 (July 31, 2023 - $15,200).

Subsequent to July 31, 2024, the Company paid the amount of $15,000 that was due on July 25, 2024.

North Nipigon Property

On November 24, 2022, the Company closed a property purchase agreement to acquire the North Nipigon exploration property comprising 401 mineral claims located north of the town of Nipigon, Ontario. The Company acquired 100% interest in the property by making an aggregate cash payment of $65,000 and by issuing an aggregate 4,000,000 Class A common shares to the sellers on the closing of the agreement with a fair value of $1,080,000. The property is subject to a 2% net smelter return royalty.

For the year ended July 31, 2024, acquisition costs of $33,501 (2023 - $1,145,000) for claims renewal and exploration costs of $156,585 (2023 - $400,527) were incurred on this property. On March 20, 2024, the Company announced that it has been selected to receive a $200,000 Ontario Junior Exploration Program ("OJEP") grant from the Government of Ontario. A total of $111,884 was received during the year ended July 31, 2024, the remaining being expected once additional exploration costs will be incurred. As at July 31, 2024 total project costs are $1,623,729 (July 31, 2023 - $1,545,527).

(Expressed in Canadian dollars)

4. EXPLORATION AND EVALUATION ASSETS (continued)

ONTARIO PROPERTIES (continued)

Barbara Li Project

On March 5, 2024, the Company entered into a purchase option agreement to acquire a 100% interest in eighty unpatented mining claims in the province of Ontario by making aggregate cash payments of $84,000 to the optionors and by issuing an aggregate of 275,000 Class A common shares.

On or before	Cash payments	Shares Issued
March 5, 2024	(Paid) $12,000	(Issued) 275,000 (Note 5)
March 5, 2025	$18,000	-
March 5, 2026	$24,000	-
March 5, 2027	$30,000	-
Total	$84,000	275,000

On successful exercise of the option, the Company will also grant the optionors an aggregate 1.5% net smelter returns royalty with respect to the Barbara Li Project. The Company will have the right to purchase 0.5% of the royalty (leaving a 1.0% royalty) at any time by paying an aggregate sum of $500,000 to the optionors.

During the year ended July 31, 2024, acquisition costs of $31,250 (2023- $nil) were incurred on this property. As at July 31, 2024 total project costs are $31,250 (July 31, 2023 - $nil).

QUEBEC PROPERTIES

Golden Moon Property

On August 31, 2020, the Company entered into a property option agreement where it can acquire up to an 80% interest in the Golden Moon Property, comprised of 10 claims located in the Province of Quebec, by spending $450,000 on the property on or before December 31, 2023, or cash payments in lieu thereof and issuing 1,500,000 common shares. During September 2020, the Company issued 500,000 shares with a fair value of $25,000 in terms of the option agreement.

During January 2022, the Company acquired a 20% interest in the Golden Moon Property for $10,000.

During March 2022, the Company acquired the remaining 80% interest in the Golden Moon Property by issuing 1,000,000 common shares with a fair value of $180,000 as consideration. Upon acquiring the remaining 80% interest in the property, the original option agreement from August 31, 2020, was terminated.

The Company now owns a 100% interest in the Golden Moon Property, subject to: a 1% net smelter returns royalty on the property that the Company has granted to Noranda Royalties Inc. (“Noranda”) on three mineral claims (the “Noranda Royalty”) and a 1% net smelter returns royalty on seven mineral claims comprising the property that the Company previously granted to the prospectors of the property (the “Prospector Royalty”). The Company has the right to repurchase the Noranda Royalty at any time for $500,000, and the Company also has the right to repurchase the Prospector Royalty at any time for $500,000.

(Expressed in Canadian dollars)

4. EXPLORATION AND EVALUATION ASSETS (continued)

QUEBEC PROPERTIES (continued)

Golden Moon Property (continued)

On October 26, 2022, and amended on October 31, 2023, the Company granted GIA Resources Inc. ("GIA"), a company related through officer in common, an option to earn a 100% interest in the Golden Moon Property, subject to the underlying Noranda Royalty and Prospector Royalty on the property. To earn a 100% interest in the property, GIA is required to make aggregate exploration expenditures of $450,000 on the property and to issue an aggregate of 1,700,000 common shares to Spod as follows:

On or before	Shares Received	Exploration Expenditures
October 26, 2022	(Received) 250,000	-
October 31, 2024	300,000	$100,000
October 31, 2025	500,000	Additional $150,000
October 31, 2026	650,000	Additional $200,000
Total	1,700,000	$450,000

GIA has the right to accelerate the exploration expenditures and share issuances and is entitled to make cash payments to the Company in lieu of incurring the exploration expenditures.

During the year ended July 31, 2023, the Company received 250,000 common shares of GIA with a fair value of $12,500, which was recorded as a short-term investment with a corresponding reduction to project costs (Note 7). During the year ended July 31, 2024, $128 (2023 - $nil) was incurred to renew the property claim and drilling costs of $3,320 (2023 - $nil) were incurred on this property. As at July 31, 2024 total project costs are $433,482 (July 31, 2023 - $430,034).

As of the date of these financial statements, GIA has not yet met the obligations due October 31, 2024. The Company is negotiating with GIA about extending the option agreement.

Lithium Grande 4 Property

On July 6, 2022, amended on July 4, 2023 and again on May 29, 2024, the Company entered into an option agreement to acquire a 100% interest in 41 mining claims in the province of Quebec by making aggregate cash payments of $325,000 and issuing an aggregate of 3,000,000 common shares to the optionor as follows:

On or before	Cash payments	Shares Issued	Exploration Expenditures
July 6, 2022	(Paid) $25,000	(Issued) 500,000	-
July 6, 2023	(Paid) $50,000	(Issued) 700,000	-
August 13, 2023	-	-	$350,000
December 31, 2024*	(Paid) $100,000	(Issued) 1,175,000*	Additional $500,000
December 31, 2025*	$150,000	1,375,000*	Additional $1,000,000
Total	$325,000	3,750,000	$1,850,000

**On May 29, 2024, the option agreement was amended to extend the date on which the Company must spend at least $500,000 in exploration expenditures from July 4, 2024 to December 31, 2024, and the minimum of $1,000,000 from July 4, 2025 to December 31, 2025. The Company also amended the July 4, 2024 issuance of 800,000 shares to 1,175,000 shares and the July 4, 2025 issuance of 1,000,000 shares to 1,375,000 shares to be issued on or before December 31, 2025. The extended dates and modified number of shares are shown in the table above.*

Upon completing all earn-in obligations, the Company will own 100% of the Lithium Grande 4 project, subject to a 2% net smelter return royalty in favor of Noranda. The royalty may be reduced at any time from two percent (2%) to one percent (1%) by paying $1,000,000 to the optionor.

(Expressed in Canadian dollars)

4. EXPLORATION AND EVALUATION ASSETS (continued)

QUEBEC PROPERTIES (continued)

Lithium Grande 4 Property (continued)

During the year ended, July 31, 2024, the Company paid $100,000 and issued 1,175,000 Class A common shares to the sellers as anniversary payments with a fair value of $70,500 (Note 5).

During the year ended July 31, 2024, acquisition costs of $170,500 (2023 - $122,276) and geological costs of $572,027 (2023 - $110,088) were incurred on this property. As at July 31, 2024, total project costs are $1,047,391 (July 31, 2023 - $304,864).

The first requirement to incur $350,000 in exploration expenditures on the property has been met.

MegaLi Property

On August 3, 2022, amended on August 3, 2023 and again on May 29, 2024, the Company entered into a purchase option agreement to acquire a 50% interest in 78 mineral claims in the province of Quebec by making the commitments to the optionors as follows:

On or before	Cash payments	Shares Issued	Exploration Expenditures
August 3, 2022	(Paid) $25,000	(Issued) 500,000	-
August 3, 2023	(Paid) $50,000	(Issued) 700,000	$350,000
December 31, 2024*	(Paid) $100,000	(Issued) 1,175,000*	Additional $500,000
December 31, 2025*	$150,000	1,375,000*	Additional $1,000,000
Total	$325,000	3,750,000	$1,850,000

**On May 29, 2024, the option agreement was amended to extend the date on which the Company must spend at least $500,000 in exploration expenditures from August 4, 2024 to December 31, 2024, and the minimum of $1,000,000 from August 4, 2025 to December 31, 2025. The Company also amended the August 4, 2024 issuance of 800,000 shares to 1,175,000 shares and the July 4, 2025 issuance of 1,000,000 shares to 1,375,000 shares to be issued on or before December 31, 2025. The extended dates and modified number of shares are shown in the table.*

On successful exercise of the option, the Company will have acquired a 50% interest in the property and the parties will be deemed to have formed a joint venture for the purposes of the continued exploration of the property. Under the joint venture, the Company will be the first operator on the property and each party will be required to contribute its proportionate share of all property expenditures or be diluted accordingly. If a party is diluted to a 2% or lower joint venture interest in the property, then that party's interest in the property will convert into a 2% net smelter returns royalty.

During the year ended, July 31, 2023, the Company paid $25,000 and issued 500,000 Class A common shares to the sellers on the closing of the agreement with a fair value of $42,500 (Note 5). On August 3, 2023, the option agreement was amended to extend the requirement to incur $350,000 to September 18, 2023. The requirement to incur $350,000 in exploration expenditures on the property has been met.

During the year ended, July 31, 2024, the Company paid $150,000 and issued 1,875,000 Class A common shares to the sellers as anniversary payments with a fair value of $154,500 (Note 5).

During the year ended July 31, 2024, acquisition costs of $304,500 (2023- $68,381) and geological costs of $505,247 (2023 - $58,150) were incurred on this property. As at July 31, 2024 total project costs are $936,278 (July 31, 2023 - $126,531).

(Expressed in Canadian dollars)

4. EXPLORATION AND EVALUATION ASSETS (continued)

	ONTARIO, CANADA					
	Byron Pegmatite	*Barbara*	Ferdinand	North Nipigon	Barbari Li Project	Total Ontario Properties
	$	$	$	$	$	$
Balance, July 31, 2022	**42,000**	**88,000**	**5,200**	**-**	**-**	**135,200**
Acquisition costs	12,881	26,000	10,000	1,145,000	-	1,193,881
Exploration costs						
Geological	4,665	-	-	400,527	-	405,192
Total additions	17,546	26,000	10,000	1,545,527	-	1,599,073
Option payment received	-	-	-	-	-	-
Balance, July 31, 2023	**59,546**	**114,000**	**15,200**	**1,545,527**	**-**	**1,734,273**
Acquisition costs	-	-	-	33,501	31,250	64,751
Exploration costs						
Geological	5,832	-	19,800	156,585	-	182,217
Total additions	5,832	-	19,800	190,086	31,250	246,968
Impairment	(65,378)	-	-	-	-	(65,378)
Grant on exploration costs received	-	-	-	(111,884)	-	(111,884)
Balance, July 31, 2024	**-**	**114,000**	**35,000**	**1,623,729**	**31,250**	**1,803,979**

	QUEBEC, CANADA				
	Golden Moon Property	*Lithium Grande 4* Property	MegaLi Property	Total Quebec Properties	Total All Locations
	$	$	$	$	$
Balance, July 31, 2022	**442,534**	**72,500**	**-**	**515,034**	**650,234**
Acquisition costs	-	122,276	68,381	190,657	1,384,538
Exploration costs					
Geological	-	110,088	58,150	168,238	573,430
Total additions	-	232,364	126,531	358,895	1,957,968
Option payment received	(12,500)	-	-	(12,500)	(12,500)
Balance, July 31, 2023	**430,034**	**304,864**	**126,531**	**861,429**	**2,595,702**
Acquisition costs	128	170,500	304,500	475,128	539,879
Exploration costs					
Geological	-	572,027	505,247	1,077,274	1,259,490
Drilling	3,320	-	-	3,320	3,320
Total additions	3,448	742,527	809,747	1,555,722	1,802,690
Impairment	-	-	-	-	(65,378)
Grant on exploration costs received	-	-	-	-	(111,884)
Balance, July 31, 2024	**433,482**	**1,047,391**	**936,278**	**2,417,151**	**4,221,130**

5. SHARE CAPITAL

Common shares

The Company has authorized an unlimited number of Class A common shares without par value.

At July 31, 2024, the Company had 69,519,158 Class A common shares issued and outstanding (July 31, 2023 – 51,168,715)

Share issuances for the year ended July 31, 2024

On August 3, 2023, the Company issued 700,000 Class A common shares with a fair value of $84,000 pursuant to the property option agreement to acquire up to 50% of the MegaLi Property (Note 4).

On October 31, 2023, the Company received total proceeds of $303,170 through the issuance of 4,330,999 Class A common shares of the Company at a price of $0.07 per unit. Each unit consists of one Class A common share and one-half of one transferable Class A common share purchase warrant exercisable for an additional common share at $0.12 per share for 24 months from the date of issuance. The 2,165,500 warrants were valued at $nil, calculated using the residual value method. The Company incurred $670 in legal fees in connection with this financing.

On December 27, 2023, the Company received total proceeds of $1,443,750 through the issuance of 10,694,444 flow-through Class A common shares of the Company at a price of $0.135 per unit. Each unit consists of one Class A common share and one-half of one transferable Class A common share purchase warrant exercisable for an additional common share at $0.12 per share for 24 months from the date of issuance. The 5,347,722 warrants were valued at $nil, calculated using the residual value method. The Company incurred $1,500 in legal fees in connection with this financing. The Company recorded a flow-through premium of $534,722 (Note 8).

On March 12, 2024, the Company issued 275,000 Class A common shares with a fair value of $19,250 pursuant to the property option agreement to acquire up to 100% interest in 80 unpatented mining claims of the Barbara Li Project (Note 4).

On May 29, 2024, the Company issued 1,175,000 Class A common shares with a fair value of $70,500 pursuant to the property option agreement to acquire up to 50% of the MegaLi Property (Note 4).

On May 29, 2024, the Company issued 1,175,000 Class A common shares with a fair value of $70,500 pursuant to the property option agreement to acquire up to 100% of the Lithium Grande 4 Property (Note 4).

Share issuances for the year ended July 31, 2023

On August 3, 2022, the Company issued 500,000 Class A common shares with a fair value of $42,500 pursuant to the property option agreement to acquire up to 50% of the MegaLi Property (Note 4).

On September 1, 2022, the Company issued 15,000,000 Class A common shares of the Company and at a price of $0.10 per share and 10,000,000 flow-through Class A common shares at a price of $0.12 per share for gross proceeds of $2,700,000. The Company paid fees of $65,232 and issued 571,800 broker warrants. The warrants are valued at $118,872 using the Black-Scholes Option Pricing Model with the following assumptions: risk free rate of 3.67%, expected life of 1 year, expected volatility of 118%, and dividend yield of nil%. The Company also incurred $7,929 in legal fees in connection with this financing. The Company recorded a flow-through premium of $200,000 (Note 8).

On October 20, 2022, the Company issued 7,500 Class A common shares upon exercise of broker warrants at $0.12 for gross proceeds of $900. The value transferred from reserves to share capital was $1,559.

On November 24, 2022, the Company issued 4,000,000 Class A common shares with a fair value of $1,080,000 pursuant to the property purchase agreement to acquire 100% of the North Nipigon Property (Note 4).

(Expressed in Canadian dollars)

5. SHARE CAPITAL (continued)

On July 4, 2023, the Company issued 700,000 Class A common shares with a fair value of $70,000 pursuant to the property option agreement to acquire up to 100% of the Lithium Grande 4 Property (Note 4).

Preferred shares

The Company has authorized an unlimited number of Class B preferred shares without par value. There are no preferred shares issued to date.

Escrow shares

On June 21, 2021, the Company's common shares were approved for listing on the CSE. In accordance with the policies of the CSE, certain officers and directors entered into an agreement with the Company and a trustee, whereby they agreed to deposit 5,325,000 common shares in escrow. 10% was released to the escrow shareholders on June 21, 2021 and an additional 15% will be released to the escrow shareholders on each of the dates that are 6, 12, 18, 24, 30 and 36 months after the first release. At July 31, 2024, there were no shares remaining in escrow (July 31, 2023 - 1,597,500).

Warrants

The continuity of the Company's outstanding warrants is as follows:

	July 31, 2024		**July 31, 2023**	
	Number of warrants	Weighted average Exercise price $	Number of warrants	Weighted average Exercise price $
Warrants, beginning of the year	3,154,300	0.19	2,590,000	0.20
Issued	7,512,722	0.12	571,800	0.12
Expired	(3,154,300)	0.19	-	-
Exercised [(1)]	-	-	(7,500)	0.12
Warrants, end of the year	7,512,722	0.12	3,154,300	0.19

[(1)]The share price of the Company on the date the warrants were exercised was $0.24.

At July 31, 2024, the following warrants were outstanding and exercisable:

Number of Warrants Outstanding	**Number of Warrants Exercisable**	**Exercise price ($)**	**Expiry date**
2,165,500	2,165,500	0.12	October 31, 2025
5,347,222	5,347,222	0.12	December 27, 2025
7,512,722	7,512,722		

The weighted average remaining life of warrants at July 31, 2024 was 1.4 years.

Stock Options

The Company has an incentive stock option plan in place under which it is authorized to grant options to executive officers, directors, employees, and consultants to acquire up to 10% of the outstanding issued common shares. The exercise price of options granted under the plan will be determined by the board of directors but will not be less that the greater of the closing market price of the Company's Common Shares on the Exchange on (a) the trading day prior to the date of grant of the options; and (b) the date of grant of the stock options.

(Expressed in Canadian dollars)

5. SHARE CAPITAL (continued)

The continuity of the Company's outstanding stock options is as follows:

	July 31, 2024		July 31, 2023	
	Number of options	Weighted average Exercise price $	Number of options	Weighted average Exercise price $
Options, beginning of the year	1,150,000	0.10	1,000,000	0.10
Granted	300,000	0.05	150,000	0.10
Cancelled	(250,000)	0.10	-	-
Options, end of the year	1,200,000	0.10	1,150,000	0.10

At July 31, 2024, the following options were outstanding and exercisable:

Number of Options Outstanding	Number of Options Exercisable	Exercise price ($)	Expiry date
750,000	750,000	0.10	April 13, 2026
150,000	150,000	0.10	July 20, 2028
300,000	300,000	0.05	June 25, 2029
1,200,000	1,200,000		

The weighted average remaining life of stock options at July 31, 2024 was 2.8 years.

During the year ended on July 31, 2024, the Company granted 300,000 stock options, exercisable at $0.05 per share for a term of 5 years. The options vested upon grant. The Company determined the grant date fair value of $12,842, which was recognized as share-based compensation.

During the year ended on July 31, 2023, the Company granted 150,000 stock options, exercisable at $0.10 per share for a term of 5 years. The options vested upon grant. The Company determined the grant date fair value of $12,337, which was recognized as share-based compensation.

The fair value of all compensatory options granted is estimated on the grant date using the Black-Scholes Options Pricing Model.

The weighted average of the inputs used in the calculation of the fair value of the stock options on the date of issue are as follows:

	July 31, 2024	July 31, 2023
Volatility	126.65%	115.75%
Expected life	5 years	5 years
Risk-free interest rate	3.41%	3.86%
Expected dividend yield	0.00%	0.00%

Reserve

The reserves records items recognized as share-based compensation expense and other share-based payments until such time that the stock options or warrants are exercised, at which time the corresponding amount will be transferred to share capital.

6. FINANCIAL INSTRUMENTS

	Ref.	**July 31, 2024**	**July 31, 2023**
		$	$
Other financial assets	a	1,175,293	382,175
Other financial liabilities	b	(320,439)	(8,120)

a. Comprised of cash and short term investment.
b. Comprised of accounts payable and due to related party.

The Company has determined the estimated fair values of its financial instruments based on appropriate valuation methodologies; however, considerable judgment is required to develop these estimates. The fair values of the Company's financial instruments are not materially different from their carrying values.

The Company's financial instruments are exposed to certain financial risks, which include the following:

Credit risk
Credit risk is the risk of loss due to the counterparty's inability to meet its obligations. The Company's exposure to credit risk is on its cash. Risk associated with cash is managed through the use of major banks which are high credit quality financial institutions as determined by rating agencies. Other receivables comprise sales tax refunds from the Canadian federal government. Credit risk has been assessed as low.

Liquidity risk
Liquidity risk is the risk that the Company will encounter difficulties in meeting obligations when they become due. The Company ensures that there is sufficient capital in order to meet short-term operating requirements, after taking into account the Company's holdings of cash. Liquidity risk has been assessed as high.

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 comprises three types of risk: currency risk, interest rate risk and price risk.

Currency Risk
Currency risk is the risk of change in profit or loss that arises from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Company does not have any assets or liabilities denominated in foreign currencies and engages in very few transactions denominated in a foreign currency; therefore, its exposure to currency risk is low.

Interest Rate Risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk.

Price risk
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, other than those arising from interest rate risk or foreign currency risk. The Company is exposed to price risk on its short term investment. Price risk is assessed as high.

(Expressed in Canadian dollars)

7. RELATED PARTY TRANSACTIONS

As at July 31, 2024, due to related parties includes $21,325 (July 31, 2023 – $3,588) to directors, officers or companies controlled by a director or an officer. The amounts are unsecured, non-interest bearing and have no fixed terms of repayment. At July 31, 2024 management fees of $6,000 (July 31, 2023 - $16,400) were included in prepaid expenses.

The Company considers officers and members of the Board of Directors as related parties. Key management costs for the year ended July 31, 2024 totals $197,950 (2023 - $176,881). Remuneration was made to the following officers and directors, or to companies controlled by these officers and directors:

	July 31, 2024 $	July 31, 2023 $
Management fees paid or accrued to a company controlled by the former CEO	72,000	143,881
Management fees paid or accrued to a company controlled by the CEO	35,000	-
Management fees paid or accrued to the former CFO and director	20,000	19,000
Management fees paid or accrued to a company controlled by the CFO	18,000	-
Management fees paid or accrued to two directors	14,000	7,000
Management fees paid or accrued to a company controlled by a director	12,000	7,000
Legal fees paid or accrued to a company controlled by the spouse of the CFO	26,950	-
	197,950	176,881

During the year ended July 31, 2024, the Company paid $150,000 and issued 1,875,000 Class A common shares as anniversary payments on the MegaLi property to the seller, a company related as a director is also an officer of the seller.

During the year ended July 31, 2024, a director purchased 80,000 units for $5,600 (Note 5).

As at July 31, 2024, the Company holds 250,000 common shares of GIA Resources Inc., a company related through officer in common, with a fair value of $12,500 (July 31, 2023 - $12,500) (Note 4).

8. FLOW-THROUGH SHARE LIABILITY

For the purposes of calculating any premium related to the issuances of flow-through shares, the Company compares the market price of its shares to the subscription price of flow-through shares to determine if there was a premium paid on the flow-through shares (Note 5). As a result, the Company's flow-through liability on issuance of flow-through shares in connection with the private placements is as follows:

	July 31, 2024 $	July 31, 2023 $
Balance, beginning of the year	120,912	32,090
Addition (Note 5)	534,722	200,000
Reversal	(267,876)	(111,178)
Balance, end of the year	387,758	120,912

As of July 31, 2024, the Company is committed to spending approximately $1,046,947 (July 31, 2023 - $725,470) in connection with its flow-through offerings. Failure to incur the required eligible expenditures will result in penalties and taxes and the Company will also be liable to indemnify the shareholders for their income taxes and penalties. During the year ended July 31, 2024, the Company paid $21,299 (2023 - $nil) and accrued $39,554 (2023 - $nil) as Part 12.6 taxes on the unspent balance.

(Expressed in Canadian dollars)

9. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders.

The Company considers the items included in shareholders' equity and cash as capital. The Company manages the capital structure and makes adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets. The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund exploration activities. To secure the additional capital necessary to pursue these plans, the Company intends to raise additional funds through the equity or debt financing. There were no changes in the Company's approach to capital management since inception. The Company is not subject to any external capital requirements.

10. INCOME TAXES

A reconciliation of income taxes at statutory tax rates is as follows:

	2024	**2023** *(restated – see note 2.i)*
	$	**$**
Loss for the year	(525,918)	(479,019)
Statutory tax rate	27%	27%
Expected recovery of income taxes	(141,998)	(129,335)
Non-deductible items and other	(55,661)	(41,511)
Renunciation of flow-through expenditures	75,192	154,826
Change in benefit not recognized	122,467	16,020
Deferred income tax recovery	-	-

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

	2024	**2023** *(restated – see note 2.i)*
	$	**$**
Non-capital losses	529,843	345,530
Share issuance costs	13,145	17,451
Exploration and evaluation assets	(261,568)	(204,028)
	281,419	158,952

Losses in Canada that reduce future income for tax purposes expire as follows:

	$
2038	71,757
2039	57,907
2040	55,359
2041	222,655
2042	295,444
2043	576,618
2044	682,641
	1,962,381