ACME LITHIUM INC.

CONSOLIDATED FINANCIAL STATEMENTS

AS AT AND FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022

(In Canadian dollars)

Charlton
+Company

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of:
ACME Lithium Inc.

Opinion

We have audited the accompanying consolidated financial statements of ACME Lithium Inc. (the "Company"), which comprise the consolidated statements of financial position as at September 30, 2023 and 2022, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at September 30, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the consolidated financial statements, which indicates that the Company had a working capital deficit of $122,736 as at September 30, 2023 and, as of that date, the Company's deficit was $7,120,996. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended September 30, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, prepared under the conditions mentioned above, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<u>Assessment of Impairment of Exploration and Evaluation Assets</u>

As described in Note 8 of the consolidated financial statements, the carrying amount of the Company's exploration and evaluation assets is $11,858,801 as at September 30, 2023 and includes $590,705 of impairment. As more fully described in Note 3 to the financial statements, management assesses for indicators of impairment at each statement of financial position date.

The assessment of impairment indicators of exploration and evaluation assets is identified as a key audit matter due to significant judgment made by management, which in turn led to additional auditor judgment, subjectivity, and effort in performing procedures to evaluate audit evidence relating to the judgments made by management in this area that could give rise to the requirement to prepare an estimate of the recoverable amount of the exploration and evaluation assets.

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

- Evaluating management's assessment of impairment indicators;
- Evaluating the intent for the exploration and evaluation assets through discussion and communication with management;
- Assessing compliance with agreements and expenditure requirements including reviewing option agreements and flow through share obligations; and
- Obtaining, on a test basis through government websites, confirmation of title to ensure mineral rights underlying the exploration and evaluation assets are in good standing.

Other Information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

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

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

The engagement partner on the audit resulting in this independent auditor's report is Melyssa Charlton.

Charlton & Company

CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC
January 25, 2024

(Expressed in Canadian dollars)

	Notes	September 30, 2023	September 30, 2022
ASSETS			
Current assets			
Cash and cash equivalents		**$ 292,538**	$ 9,816,956
Amounts receivable	4	**39,468**	61,030
Prepaid expenses	5	**99,148**	107,393
		431,154	9,985,379
Non-current assets			
Prepaid expenses and deposits	5	**113,943**	210,165
Right-of-use asset	6	**156,086**	-
Property and equipment	7	**487,229**	181,904
Exploration and evaluation properties	8	**11,858,801**	3,792,216
		12,616,059	4,184,285
Total assets		**$ 13,047,213**	**$ 14,169,664**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	9	**$ 526,060**	$ 246,258
Current portion of lease liability	6	**27,830**	-
Due to related parties	13	-	93,705
Flow-through premium liability	14	-	594,615
		553,890	934,578
Non-current liabilities			
Non-current portion of lease liability	6	**137,664**	-
Total liabilities		**691,554**	934,578
Shareholders' equity			
Share capital	10	**16,109,186**	15,219,436
Reserves	11,12	**3,194,116**	3,194,116
Accumulated other comprehensive income		**173,353**	237,801
Deficit		**(7,120,996)**	(5,416,267)
Total shareholders' equity		**12,355,659**	13,235,086
Total liabilities and shareholders' equity		**$ 13,047,213**	$ 14,169,664

Nature and continuance of operations *(Note 1)*
Commitments (*Note 19*)
Subsequent events *(Note 8 and Note 21)*

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS ON JANUARY 25, 2024

"Vivian Katsuris"
Vivian Katsuris, Director

"Ioannis Tsitos"
Ioannis Tsitos, Director

ACME LITHIUM INC.
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022
(Expressed in Canadian dollars)

	Notes	September 30, 2023	September 30, 2022
Operating expenses			
Accounting	13	**$ 96,876**	$ 90,024
Conference and seminars		**52,406**	120,357
Consulting fees		**6,305**	-
Corporate development		**215,170**	87,790
Depreciation	6,7	**103,461**	17,495
Directors' fees	13	**60,000**	7,500
Insurance		**12,782**	-
Interest expense	6	**30,203**	927
Investor relations		**133,912**	96,076
Legal fees		**42,151**	53,695
Management fees	13	**302,000**	287,750
Marketing		**514,143**	1,060,693
Office and general		**80,439**	44,758
Property investigation		**55,123**	42,812
Regulatory and filing fees		**91,694**	78,584
Rent		**39,499**	36,000
Share-based compensation	11,13	**-**	2,108,191
Travel		**92,956**	37,476
		(1,929,120)	(4,170,128)
Loss on disposal of property and equipment	7	**(10,289)**	
Expense recovery of exploration and evaluation asset	8	**93,997**	-
Flow-through recovery	14	**594,615**	157,054
Foreign exchange loss		**(8,966)**	(3,619)
Rent income	4	**15,000**	**-**
Gain on sale of royalty	8	**-**	684,352
Write-off of exploration and evaluation assets	8	**(590,705)**	(253,528)
Interest income		**130,739**	61,874
Loss before other comprehensive income		**(1,704,729)**	(3,523,995)
Other comprehensive income			
Foreign currency translation (loss) gain		**(64,448)**	237,801
Loss and comprehensive loss for the year		**$ (1,769,177)**	$ (3,286,194)
Weighted average number of shares – basic		**58,232,163**	45,985,574
Weighted average number of shares – diluted		**58,232,163**	45,985,574
Basic loss per share		**$ (0.03)**	$ (0.07)
Diluted loss per share		**$ (0.03)**	$ (0.07)

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

ACME LITHIUM INC.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022
(Expressed in Canadian dollars)

	SHARE CAPITAL (Notes 10,11 and 12)						
	Number of shares	**Amount**	**Reserves**	**Subscriptions receivable**	**Accumulated other comprehensive income**	**Deficit**	**Total**
Balances, September 30, 2021	**36,327,814**	**$ 4,810,051**	**$ 822,744**	**$ (48,000)**	**$ -**	**$(1,892,272)**	**$ 3,692,523**
Shares issued for:							
Private placement	8,772,628	9,689,309	-	48,000	-	-	9,737,309
Mineral properties	750,000	855,000	-	-	-	-	855,000
Warrants exercised	7,645,625	1,137,375	-	-	-	-	1,137,375
Finders' warrants	-	(89,407)	89,407	-	-	-	-
Share issuance costs	-	(257,449)	-	-	-	-	(257,449)
Residual value of warrants issued	-	(173,774)	173,774	-	-	-	-
Flow through premium liability	-	(751,669)	-	-	-	-	(751,669)
Share-based compensation	-	-	2,108,191	-	-	-	2,108,191
Loss for the year	-	-	-	-	237,801	(3,523,995)	(3,286,194)
Balances, September 30, 2022	**53,496,067**	**$15,219,436**	**$3,194,116**	**$ -**	**$ 237,801**	**$(5,416,267)**	**$13,235,086**
Shares issued for:							
Mineral properties	850,000	412,250	-	-	-	-	412,250
Warrants exercised	4,775,000	477,500	-	-	-	-	477,500
Loss for the year	-	-	-	-	(64,448)	(1,704,729)	(1,769,177)
Balances, September 30, 2023	**59,121,067**	**$16,109,186**	**$3,194,116**	**$ -**	**$ 173,353**	**$(7,120,996)**	**$12,355,659**

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

ACME LITHIUM INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022
(Expressed in Canadian dollars)

	September 30, 2023	September 30, 2022
OPERATING ACTIVITIES		
Net loss for the year	**$ (1,704,729)**	$ (3,523,995)
Adjustments for:		
Loss on disposal of property and equipment	**10,289**	-
Depreciation	**103,461**	17,495
Flow-through recovery	**(594,615)**	(157,054)
Gain on sale of royalty	-	(684,352)
Write-off of exploration and evaluation assets	**590,705**	253,528
Interest on lease liability	**23,662**	-
Share-based compensation	-	2,108,191
Changes in non-cash working capital items:		
Accounts receivable	**21,562**	(44,908)
Prepaid expenses	**(8,382)**	(62,369)
Accounts payable and accrued liabilities	**(164,260)**	137,509
Cash used in operating activities	**(1,722,307)**	(1,955,955)
INVESTING ACTIVITIES		
Acquisition of property and equipment	**(284,735)**	(199,399)
Advances for exploration and evaluation assets	**9,726**	(76,482)
Sale of GOR royalty	-	833,526
Exploration and evaluation expenditures	**(7,922,829)**	(2,268,072)
Cash used in investing activities	**(8,197,838)**	(1,710,427)
FINANCING ACTIVITIES		
Proceeds from issuance of common shares	**477,500**	10,874,684
Share issuance costs	-	(257,449)
Lease payments	**(45,471)**	-
Cash provided by financing activities	**432,029**	10,617,235
Change in cash and cash equivalents	**(9,488,116)**	6,950,853
Effect of foreign exchange rate in cash	**(36,302)**	63,851
Cash and cash equivalents, beginning of year	**9,816,956**	2,802,252
Cash and cash equivalents, end of year	**$ 292,538**	$ 9,816,956
Cash	**$ 263,036**	$ 2,751,445
Cash equivalents	**$ 29,502**	$ 7,065,511

Supplemental cash flow information *(Note 18)*

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

1. NATURE AND CONTINUANCE OF OPERATIONS

ACME Lithium Inc. (the "Company" or "ACME") was incorporated under the provisions of the Business Corporations Act of British Columbia on January 31, 2017. On November 23, 2020, the Company changed its name from Hapuna Ventures Inc. to ACME Lithium Inc. and changed its principal business from technology to a mineral exploration company.

The Company's corporate office is located at 318 - 1199 W Pender St, Vancouver, British Columbia, Canada, V6E 2R1 and its registered and records office address is at 2900-733 Seymour Street, Vancouver, British Columbia, Canada V6B 0S6. The Company's common shares are traded on the Canadian Securities Exchange ("CSE") under the symbol "ACME" and on the OTCQX Best Market ("OTCQX") under the symbol "ACLHF".

The Company is a mineral exploration company engaged in the acquisition, exploration and evaluation of natural resource properties located in the State of Nevada, USA, and in the provinces of Manitoba and Saskatchewan, Canada. To date, no mineral development projects have been completed and no commercial development or production has commenced.

As at September 30, 2023, the Company has not yet determined whether the properties are economically recoverable. The recoverability of amounts shown for exploration and evaluation properties 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 future profitable production from the properties or realizing proceeds from their disposition.

The Company is a reporting issuer in the Province of British Columbia, Alberta, and Ontario. All public filings for the Company can be found on the SEDARPLUS website www.sedarplus.ca.

Background

The Company was incorporated under the provisions of the Business Corporations Act of British Columbia on January 31, 2017, as a wholly owned subsidiary of Kona Bay Technologies Inc. ("Kona Bay") whose line of business was in technology. By December 19, 2020, the Company had disposed of all its digital business and related outstanding obligations to an arm-length purchaser.

On December 29, 2020, the Company entered into an Amalgamation Agreement (the "Amalgamation Agreement") with 1281524 B.C. Ltd. ("Subco") and 1266291 B.C. Ltd. ("Fundco") which closed on December 30, 2020. Pursuant to the Amalgamation Agreement, the following occurred: (i) Subco and Fundco amalgamated. (ii) The unit holders of Fundco received an equivalent number of units of the Company; and (iii) The amalgamated Company, "Amalco" became a wholly owned subsidiary of the Company.

Going concern

These consolidated financial statements (the "financial statements") have been prepared on a going concern basis, assuming that 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. As of September 30, 2023, the Company had a deficit of $7,120,996 (2022 - $5,416,267) and a working capital deficit of $122,736 (2022 – working capital $9,050,801). The Company expects to incur further losses in the development of its business. These circumstances comprise a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern.

As the Company is in early-stage exploration and it does not generate revenues, the continuing operations of the Company are dependent upon obtaining, in the short term, the necessary financing to meet the Company's operating commitments as they come due. There are no assurances that the Company will be able to obtain additional financial resources and/or achieve positive cash flows or profitability.

1. NATURE AND CONTINUANCE OF OPERATIONS (continued)

Over the past year, global stock markets have experienced great volatility and a significant weakening in the aftermath of COVID-19. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions. Volatility in financial markets subsequent to September 30, 2023, may have a significant impact on the Company's financial position. The duration and impact of the higher inflationary environment, as well as the effectiveness of government and central bank responses, remains unclear at this time.

2. BASIS OF PREPARATION

a) Statement of Compliance

The financial statements of the Company have been prepared in accordance with and using accounting policies in full compliance with International Financial Reporting Standards ("IFRS") and International Accounting Standards issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These financial statements were approved and authorized for issue in accordance with a resolution from the Board of Directors on January 25, 2024.

b) Basis of Measurement

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

c) Basis of Consolidation

These financial statements include the accounts of the Company and its subsidiary, ACME Lithium US Inc. ("ACME US"). Effective December 16, 2021, the Company amalgamated with its previously wholly owned subsidiary, 1266291 BC Ltd., and continued to act as one company under the name ACME Lithium Inc. The financial statements of the Company's subsidiary have been consolidated from the date that control commenced. Control is achieved when the Company has the power to govern the financial operating policies of an entity to obtain the benefits from its activities. All intercompany balances and transactions and income and expenses have been eliminated upon consolidation.

d) Presentation and Functional Currency

These financial statements are presented in Canadian dollars, which is the functional currency of the parent Company. The functional currency of the Company's wholly owned US subsidiary, ACME US, is the US Dollar.

Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At each financial position reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at the date of the statement of financial position. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Revenues and expenses are translated at the exchange rates prevailing on the dates of the transactions. Exchange gains and losses arising on translation are included in profit or loss.

For the purpose of presenting financial statements, the assets and liabilities of ACME US are translated into Canadian Dollars at the spot rate at the date of the statement of financial position. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during the period, in which case exchange rates at the dates of the transactions are used. Exchange differences are recognized in other comprehensive income and reported as a currency translation adjustment in equity.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Critical accounting judgments, estimates and assumptions – The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Critical Judgments

Going concern of operations - Management has made the determination that the Company will continue as a going concern for the following year.

Title to exploration assets - Although the Company has taken steps to verify title to its exploration properties, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfer and title may be affected by undetected defects.

Flow-through shares - the Company determines the flow-through share premium by allocating the total funds received between common share and flow-through premium liability by first assessing the fair value of the common shares issued, based on market price at issuance, with any excess considered being allocated to warrants (if any) and the flow-through premium.

Estimates

Share-based compensation - Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

Finders' warrants - Finders' warrants are valued using the Black-Scholes Option Pricing Model with assumptions such as volatility, risk free rate, and expected dividend. These assumptions are made based on the conditions prevalent on the date of issuance.

Sale of Royalty - Management's assessments related to the recognition of revenues for arrangements are based on estimates and assumptions. Where deferral of cash consideration about gross revenue royalty agreement is deemed appropriate, subsequent revenue recognition is often determined based on certain assumptions and estimates, the Company's continuing involvement in the arrangement and the benefits expected to be derived by the purchaser.

Impairment of exploration and evaluation assets - The application of the Company's accounting policy for exploration and evaluation expenditure requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available.

Deferred income taxes - The determination and recognition of deferred income tax assets or liabilities requires subjective assumptions regarding future income tax rates and the likelihood of utilizing tax carry forwards. Changes in these assumptions could materially affect the recorded amounts, and therefore do not necessarily provide certainty as to their recorded values.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Critical accounting judgments, estimates and assumptions (continued)

Estimates (continued)

Useful lives of property and equipment - Management exercises professional judgement when determining the useful life and residual values of property and equipment. Management estimates these inputs based on industry standards and previous experience assessing similar capital assets.

Leases - The application of IFRS 16 Leases requires the Company to make judgments and estimates that affect the measurement of right-of-use assets and liabilities. In determining the lease term, all facts and circumstances that create an economic incentive to exercise renewal options (or not exercise termination options) are considered. Assessing whether a contract includes a lease also requires judgment. Estimates are required to determine the incremental borrowing rate to measure liabilities where the interest rate in the lease is not readily available.

Cash and cash equivalents - The Company considers deposits with banks or highly liquid short-term interest-bearing securities that are readily convertible to known amounts of cash and those that have maturities of three months or less when acquired to be cash equivalents.

Property and equipment - On initial recognition, property and equipment are valued at cost, being the purchase price and directly attributable cost of acquisition or construction required to bring the asset to the location and condition necessary to be capable of operating in the manner intended by the Company.

Property and equipment are subsequently measured at cost less accumulated depreciation, less any accumulated impairment losses.

The Company utilizes the straight-line basis method of amortization. The amortization rates applicable to each category of property and equipment are as follows:

Machinery and equipment	straight-line basis	6 years
Furniture and fixtures	straight-line basis	7 years
Vehicle	straight-line basis	5 years
Computer	straight-line basis	5 years

Where an item of equipment comprises significant components with different useful lives, the components are accounted for as separate items of equipment. The depreciation method, useful life and residual values are assessed annually. An item of equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising from disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss in the consolidated statements of loss and comprehensive loss.

Impairment of non-financial assets - At each statement of financial position date, in accordance with IAS 36 "Impairment of Assets", the Company assesses whether there is any indication that any of those assets have suffered an impairment loss. If any indication exists, the Company estimates the asset's recoverable amount.

An impairment loss is recognized when the carrying amount of an asset, or its cash generating unit ("CGU"), exceeds its recoverable amount. Impairment losses are recognized in profit and loss for the reporting period. Impairment losses recognized in respect of cash generating units are allocated first to reduce the carrying amount of any goodwill allocated to those units, and then to reduce the carrying amount of other assets in the unit on a pro-rata basis.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of non-financial assets (continued)

An impairment loss for an individual asset or CGU shall be reversed if there has been a change in estimates used to determine the recoverable amount since the last impairment loss was recognized and is only reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

The recoverable amount is the greater of an assets or CGU fair value less costs to sell, and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. For an asset that does not generate largely independent cash inflows, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

Exploration and evaluation assets - Once the legal right to explore a property has been acquired, all expenditures related to acquisition, exploration, and evaluation of the properties ("E&E assets") (including option payments and annual fees to maintain the property in good standing) are capitalized and deferred by property until the project to which they relate is sold, abandoned, impaired, or placed into production. Costs not directly attributable to exploration and evaluation activities are expensed in the period in which they occur. Upon commencement of commercial production, the related accumulated costs are amortized against projected income using the units of production method over estimated recoverable reserves.

Management assesses carrying values of properties for which events and circumstances may indicate possible impairment on an annual basis. Impairment of a property is generally considered to have occurred if (1) the period for which the entity has the right to explore the area has expired or is not expected to be renewed; (2) substantive expenditures on further exploration is neither budgeted nor planned; (3) exploration has not led to discovery of commercially viable quantities; or (4) the carrying amount is unlikely to be recovered in full from successful development or sale. When a project is deemed to no longer have commercially viable prospects to the Company, exploration, and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditure costs, more than estimated recoveries, are written down to profit or loss.

Any option payments received by the Company from third parties, or any proceeds received by the Company from the sale of royalties on its properties from third parties are credited to the capitalized cost of the E&E assets. If payments received exceed the capitalized cost of the E&E assets, the excess is recognized as income in the period received.

Restoration and environmental obligations - The Company recognizes liabilities for statutory, contractual, constructive, or legal obligations associated with the retirement of long-term assets, when those obligations result from the acquisition, construction, development, or normal operation of the assets. The net present value of future restoration cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to the related asset along with a corresponding increase in the restoration provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The costs to prevent and control environmental impacts at specific properties are capitalized in accordance with the Company's accounting policy for exploration and evaluation assets.

As at year ended September 30, 2023 and 2022, the Company did not have any decommissioning liabilities.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Share capital - The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates the value to the more easily measurable component based on fair value and then the residual value, if any, to the less measurable component. Professional, consulting, regulatory and other costs directly attributable to financing transactions are recorded as deferred share issuance costs until the financing transactions are completed, if the completion of the transaction is considered likely; otherwise, they are expensed as incurred. Share issuance costs are charged to share capital when the related shares are issued. Deferred share issuance costs related to financing transactions that are not completed are charged to expenses.

Finders' warrants - Warrants issued to agents and brokers in connection with a financing are recorded at fair value using the Black-Scholes Option Pricing Model and charged to share issue costs associated with the offering with an offsetting credit to reserves in shareholders' equity.

Flow-through shares - Resource expenditure deductions for income tax purposes related to exploration activities funded by flow-through share arrangements are renounced to investors under Canadian income tax legislation. On issuance, the Company separates the flow-through share into i) a flow-through share premium, equal to the difference between the current market price of the Company's common shares and the issue price of the flow-through share and ii) share capital. Upon eligible exploration expenditures being incurred, the Company recognizes a deferred tax liability for tax reduction renounced to the shareholders. The premium is recognized as other income and the related deferred tax is recognized as a tax provision.

Proceeds received from the issuance of flow-through shares must be expended on Canadian resource property exploration within a period of two years. Failure to expend such funds after the end of the first year as required under the Canadian income tax legislation will result in a Part XII.6 tax to the Company on flow-through proceeds renounced under the "Look-back" Rule. When applicable, this tax is accrued as flowthrough share tax expense until paid.

Income taxes - Income tax expense comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity. Current tax expense is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

The Company provides for income taxes using the liability method of tax allocation. Under this method, deferred income tax assets and liabilities are determined based on temporary differences between the accounting and tax bases of existing assets and liabilities and are measured using enacted or substantially enacted tax rates expected to apply when these differences reverse. Deferred income tax assets are recognized to the extent that management has determined it is probable to be realized.

Revenue recognition - The Company may recognize other income from the sale of royalty interests on its wholly owned exploration properties. In these arrangements, the consideration received is based on a pre-determined fixed fee paid up front and is allocated to the performance obligations in the contracts. Fees associated with the purchase that are collected prior to being earned are recorded as deferred revenues. Revenue is recognized as the performance obligations are satisfied.

Share-based payments - The Company records all share-based payments at their fair value. 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 charged to reserves. The Company uses the Black-Scholes Option Pricing Model to estimate the fair value of share-based payments.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Share-based payments (continued)

The share-based payments costs are charged to operations over the stock option vesting period. Agents' options and warrants issued in connection with common share placements are recorded at their fair value on the date of issue as share issuance costs. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of stock options expected to vest. On the exercise of stock options and agents' options and warrants, share capital is credited for consideration received and for fair value amounts previously credited to reserves.

Earnings (Loss) per share - The Company uses the treasury stock method in computing earnings (loss) per share. Under this method, basic earnings (loss) per share is computed by dividing earnings (loss) available to common shareholders by the weighted average number of common shares outstanding during the period. Diluted earnings (loss) per share is calculated by adjusting the weighted average number of common shares outstanding using the treasury stock method, to reflect the potential dilution of securities that could result from the exercise of in-the-money stock options and warrants. Diluted loss per share excludes all dilutive potential equity instruments if their effect is anti-dilutive.

Financial instruments - The Company determines the classification of its financial instruments at initial recognition. The classification and measurement of financial assets after initial recognition at fair value depends on the business model for managing the financial asset and the contractual terms of the cash flows. Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding, are generally measured at amortized cost at each subsequent reporting period. All other financial assets are measured at their fair values at each subsequent reporting period, with any changes recorded through profit or loss or through other comprehensive income (which designation is made as an irrevocable election at the time of recognition).

After initial recognition at fair value, financial instruments are classified and measured at either:

i. Amortized cost;
ii. FVTPL, if the Company has made an irrevocable election at the time of recognition, or when required (for items such as instruments held for trading or derivatives); or
iii. FVTOCI, when the change in fair value is attributable to changes in the Company's credit risk.

The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified. Transaction costs that are directly attributable to the acquisition or issuance of a financial asset or financial liability classified as subsequently measured at amortized cost are included in the fair value of the instrument on initial recognition. Transaction costs for financial assets and financial liabilities classified at fair value through profit or loss are expensed in profit or loss.

The Company's cash and cash equivalents are carried at FVTPL and its amounts receivables, accounts payable and accrued liabilities, due to related parties and lease liability are recorded at amortized cost.

Impairment

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Impairment (continued)

Assets carried at amortized cost. If there is objective evidence that an impairment loss on assets carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

The carrying amount of the asset is then reduced by the amount of the impairment. The amount of the loss is recognized in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases, and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to the extent that the carrying value of the asset does not exceed what the amortized cost would have been had the impairment not been recognized. Any subsequent reversal of an impairment loss is recognized in profit or loss.

Derecognition of financial assets

The Company derecognizes financial assets only when the contractual rights to cash flow from the financial assets expire, or when it transfers the financial assets and substantially all the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the statements of loss and comprehensive loss.

Related party transactions - Parties are related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individuals or corporate entities. A transaction is a related party transaction when there is a transfer of resources or obligations between related parties.

Leases - At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset over a period in exchange for consideration. The Company assesses whether the contract involves the use of an identified asset, whether it has the right to obtain substantially all the economic benefits from the use of the asset during the term of the contract and it has the right to direct the use of the asset.

The right-of-use asset is subsequently depreciated from the commencement date to the earlier of the end of the lease term, or the end of the useful life of the asset. The right-of-use asset may be reduced due to impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

A lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date discounted by the interest rate implicit in the lease or if that rate cannot be readily determined the incremental borrowing rate. The lease liability is subsequently measured at amortized cost using the effective interest method. Lease payments included in the measurement of the lease liability comprise fixed payments, variable lease payments, and amounts expected to be payable at the end of the lease term.

The Company has recognized a right-of-use asset and lease liability for its long-term office lease that has a term of 5 years (Note 6). The lease payments associated with the lease is charged against the lease liability and right-of-use asset and is amortized on straight line basis over the period of lease term.

New accounting pronouncements - There are no new standards adopted during the year ended September 30, 2023. The following accounting standards interpretations have been issued but are not yet effective:

IAS 1 – Presentation of Financial Statements ("IAS 1") has been amended to clarify how to classify debt and other liabilities as either current or non-current. The amendment to IAS 1 is effective for the years beginning on or after January 1, 2023, with early application permitted. This amendment is not expected to have a significant impact on the consolidated financial statements of the Company upon adoption.

(Expressed in Canadian dollars)

4. AMOUNTS RECEIVABLE

The Company's amounts receivable for the years ended September 30, 2023 and 2022, are composed of the following:

	September 30, 2023	September 30, 2022
GST receivable	**$ 34,218**	$ 61,030
Rent receivable	**5,250**	-
	$ 39,468	$ 61,030

On April 1, 2023, The Company started renting out a portion of their office space to arm's length party on a month-to-month basis for a monthly fee of $2,625 inclusive of GST that resulted to a receivable of $5,250 for the year ended September 30, 2023 (2022 – $Nil).

5. PREPAID EXPENSES AND DEPOSITS

The Company's prepaid expenses and deposits for the years ended September 30, 2023 and 2022, are composed of the following:

	September 30, 2023	September 30, 2022
Current prepaid and deposits:		
Advertising and promotions	**$ 35,927**	$ 57,600
Rent	**-**	24,000
Transfer agent and filing fees	**8,286**	-
Management and Directors' fees	**27,727**	-
General office and admin expenses	**11,208**	-
Others	**16,000**	25,793
	$ 99,148	$ 107,393

	September 30, 2023	September 30, 2022
Non-current prepaid and deposits:		
Exploration advances	**$ 9,726**	$ 76,481
Lease security deposit (Note 6)	**21,000**	-
Equipment advances	**-**	103,123
Reclamation bond*	**83,217**	30,561
	$ 113,943	$ 210,165

*Reclamation bond is on the Company's Nevada properties. The bond can be refunded upon the faithful performance of the conditions and stipulations as set forth in the bond, the plan of operations and the regulations of the State of Nevada.

(Expressed in Canadian dollars)

6. RIGHT-OF-USE ASSET AND LEASE LIABILITY

The lease liability is initially measured at the present value of the lease payments to be made over the lease term, using the effective interest method for the present value determination. As the implicit rate in the lease is 18%, the Company applied the same to calculate the present value of its lease payments.

The Company has entered into lease agreement of its offices for 5 years expiring on November 30, 2027.

Many leases include one or more options to renew. The Company assumes renewals in the determination of the lease term if the renewals are deemed to be reasonably assured at lease commencement date. The Company's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

The continuity of the right-of-use asset ("ROU asset") and lease liability for the years ended September 30, 2023 and 2022, is as follows:

Right-of-use asset:		
Value of right-of-use assets as of September 30, 2022 and 2021	$	-
Additions		187,303
Depreciation		(31,217)
Value of right-of-use assets as of September 30, 2023	**$**	**156,086**
Lease liability:		
Lease liability recognized as of September 30, 2022 and 2021	$	-
Additions		187,303
Lease payments		(45,471)
Lease interest		23,662
Lease liability recognized as of September 30, 2023	**$**	**165,494**
Current portion	$	27,830
Long-term portion		137,664
	$	**165,494**

Following table reflects the undiscounted lease obligations payable during the five years subsequent to the year ended September 30, 2023:

	2024	2025	2026	2027	2028	Total
Office lease	$55,409	$56,420	$57,430	$58,441	$9,768	**$237,468**

As of September 30, 2023, the Company recognized $156,086 (2022 - $Nil) as right-of-use assets and lease liability of $165,494 in the statement of financial position (2022 – $Nil). The rent deposit amount of $21,000 is included in prepaids and deposits (2022 - $Nil) (Note 5). During the year ended September 30, 2023, the Company expensed $39,499 in variable common area maintenance costs.

(Expressed in Canadian dollars)

7. PROPERTY AND EQUIPMENT

	Machinery and Equipment	Furniture and fixtures	Computers	Vehicle	Total
Cost:					
Balance, September 30, 2021	$ -	$ -	$ -	$ -	$ -
Additions	108,308	22,392	-	68,699	199,399
Balance, September 30, 2022	108,308	22,392	-	68,699	199,399
Additions	374,655	8,939	4,264	-	387,858
Disposals				(10,289)	(10,289)
Balance, September 30, 2023	**$ 482,963**	**$ 31,331**	**$ 4,264**	**$ 58,410**	**$ 576,968**
Accumulated depreciation:					
Balance, September 30, 2021	$ -	$ -	$ -	$ -	$ -
Depreciation	9,026	1,599	-	6,870	17,495
Balance, September 30, 2022	9,026	1,599	-	6,870	17,495
Depreciation	53,175	4,476	853	13,740	72,244
Balance, September 30, 2023	**$ 62,201**	**$ 6,075**	**$ 853**	**$ 20,610**	**$ 89,739**
Net book value:					
September 30, 2022	$ 99,282	$ 20,793	$ -	$ 61,829	$ 181,904
September 30, 2023	**$ 420,762**	**$ 25,256**	**$ 3,411**	**$ 37,800**	**$ 487,229**

(Expressed in Canadian dollars)

8. EXPLORATION AND EVALUATION ASSETS

The Company's exploration and evaluation expenditures for the years ended September 30, 2023, are as follows:

	Clayton Valley, Nevada	Fish Lake Valley, Nevada	Cat-Euclid, Manitoba	Shatford, Manitoba	Birse Lake, Manitoba	Bailey Lake, Saskatchewan	Total
Acquisition costs							
Balance, September 30, 2022	$ 1,438,543	$ 148,065	$ 36,000	$ 84,000	$ 20,000	$ -	$ 1,726,608
Additions – cash	66,057	96,800	-	-	-	109,476	272,333
Additions - common shares	371,250	-	-	-	-	41,000	412,250
Foreign currency translation	(18,522)	(1,887)	-	-	-	-	(20,409)
Balance, September 30, 2023	**$ 1,857,328**	**$ 242,978**	**$ 36,000**	**$ 84,000**	**$ 20,000**	**$ 150,476**	**$ 2,390,782**
Exploration and evaluation costs							
Balance, September 30, 2022	$ 1,242,756	$ 139,113	$ 313,176	$ 453,733	$ 66,004	$ -	$ 2,214,782
Sale of GOR Royalty	-	-	(51,674)	(97,500)	-	-	(149,174)
Adjusted Balance, September 30, 2022	1,242,756	139,113	261,502	356,233	66,004	-	2,065,608
Consulting	4,300	33,345	67,965	62,338	-	-	167,948
Deficiency deposit	-	-	-	-	-	41,414	41,414
Drilling	2,715,827	-	41,367	2,682,406	2,084	-	5,441,684
Geological surveys	1,330,292	144,739	22,054	283,973	6,192	398,815	2,186,065
Maintenance fees	13,304	-	-	-	-	-	13,304
Testing and assaying	-	71,716	-	14,724	-	-	86,440
Travel	-	1,072	-	89,966	-	-	91,038
Foreign currency translation	(6,698)	(1,039)	-	-	-	-	(7,737)
Balance, September 30, 2023	**$ 5,299,781**	**$ 388,946**	**$ 392,888**	**$ 3,489,640**	**$ 74,280**	**$ 440,229**	**$ 10,085,764**
Impairment	-	-	-	-	-	(590,705)	(590,705)
Recovery on mineral property	-	(27,040)	-	-	-	-	(27,040)
Total, September 30, 2023	**$ 7,157,109**	**$ 604,884**	**$ 428,888**	**$ 3,573,640**	**$ 94,280**	**$ -**	**$ 11,858,801**

(Expressed in Canadian dollars)

8. EXPLORATION AND EVALUATION ASSETS (continued)

The Company's exploration and evaluation expenditures for the year ended September 30, 2022, are as follows:

	Clayton Valley, Nevada	Fish Lake Valley, Nevada	Cat Euclid, Manitoba	Shatford, Manitoba	Birse Lake, Manitoba	Warm Springs, Oregon	Total
Acquisition costs							
Balance, September 30, 2021	$ 433,947	$ 71,867	$ 36,000	$ 84,000	$ -	$ -	$ 625,814
Additions – cash	64,035	72,924	-	-	20,000	100,334	257,293
Additions - common shares	855,000	-	-	-	-	-	855,000
Foreign currency translation	85,561	3,274	-	-	-	-	88,835
Balance, September 30, 2022	**$1,438,543**	**$ 148,065**	**$ 36,000**	**$ 84,000**	**$ 20,000**	**$ 100,334**	**$ 1,826,942**
Exploration and evaluation costs							
Balance, September 30, 2021	$ 257,792	$ 35,093	$ 13,500	$ 13,500	$ -	$ -	$ 319,885
Consulting	157,832	71,418	47,616	114,893	31,004	-	422,763
Geological surveys	158,821	29,965	226,996	305,821	35,000	153,194	909,797
Drilling	415,612	-	25,064	19,519	-	-	460,195
Maintenance fees	30,809	-	-	-	-	-	30,809
Reports and administration	109,564	1,822	-	-	-	-	111,386
Travel	26,928	1,098	-	-	-	-	28,026
Foreign currency translation	85,398	(283)	-	-	-	-	85,115
Balance, September 30, 2022	**$1,242,756**	**$ 139,113**	**$ 313,176**	**$ 453,733**	**$ 66,004**	**$ 153,194**	**$ 2,367,976**
Impairment	**-**	**-**	**-**	**-**	**-**	**(253,528)**	**(253,528)**
Sale of GOR royalty	**-**	**-**	(51,674)	(97,500)	**-**	**-**	**(149,174)**
Total, September 30, 2022	**$2,681,299**	**$ 287,178**	**$ 297,502**	**$ 440,233**	**$ 86,004**	**$ -**	**$ 3,792,216**

(Expressed in Canadian dollars)

8. EXPLORATION AND EVALUATION ASSETS (continued)

Clayton Valley, Nevada

On May 12, 2021, the Company entered into an assignment agreement with an arm's length party to acquire a 100% interest in 64 claims, comprising the CC, CCP and SX placer lithium claims (the "Project Claims"), located in Clayton Valley, Esmeralda County, Nevada. Under the terms of the agreement, the Company needs to undertake the following to exercise its option: pay cash payments of US$278,500 ($241,564 – US$178,500), issue 5,250,000 common shares (2,250,000 aggregate issued; 750,000 issued in current year with fair value of $371,250), and incur a total of US$2,750,000 in exploration and development expenditures ($3,718,000 – US$2,750,000 incurred). The Company also paid an initial deposit of $6,416 (US$5,000) to reimburse the arm's length party. The property is subject to a 3.0% Gross Overriding Royalty ("GOR"). The Company has the right to buy back one-half of the royalty for US$1,500,000 for a period of 3 years following the commencement of commercial production.

The following are the terms of the agreement:

	Cash Payment	Common Shares	Exploration expenditures
	$ (in USD)	#	$ (in USD)
On the Approval Date March 2, 2021 (paid and issued)	78,500	750,000	-
On or before March 2, 2022 (paid and issued)	50,000	750,000	250,000
On or before March 2, 2023 (paid and issued)	50,000	750,000	500,000
On or before March 2, 2024	50,000	1,000,000	1,000,000
On or before March 2, 2025	50,000	2,000,000	1,000,000
Total	**278,500**	**5,250,000**	**2,750,000**

In connection with the option agreement entered with the arm's length party, the Company is required pay an advance royalty payment of US$200,000 on the 5th anniversary of the effective date of the agreement, and continuing each annual anniversary date thereafter, until he the property is in production. The cash advances will be credited against future royalty payments due.

FLV Property (Fish Lake Valley, Nevada)

On November 9, 2020, the Company entered into a mineral property purchase and sale agreement (the "FLV agreement") with an arm's length party, whereby the Company acquired 81 lode mining claims located in Esmeralda County, Nevada, USA. Under the terms of the FLV agreement, the right, title, and interest in the FLV claims was purchased by paying consideration of $50,000 (paid) and by issuing 100,000 common shares (issued with a fair value of $3,000).

On October 9, 2021, the Company staked 63 new claims (FLV-2) by paying $34,982 (US$ 28,047).

On March 15, 2023, the Company staked 63 new claims (FLV-3) by paying $38,820 (US$28,713).

On February 6, 2023, the Company entered into a Letter of Intent (the "LOI Agreement") with an arm's length party whereby the Purchaser can acquire up to 100% of the 144 FLV mining claims. The Company received $27,040 (US$20,000) as part of the LOI Agreement. On March 20, 2023, the Company received a termination notice from the arm's length party with regards to the LOI Agreement.

(Expressed in Canadian dollars)

8. EXPLORATION AND EVALUATION ASSETS (continued)

FLV Property (Fish Lake Valley, Nevada) (continued)

On March 9, 2023, the Company granted a Gross Overriding Royalty of 0.5% on all products mined, produced or otherwise recovered from the FLV property to a third party in accordance with a Master Teaming Agreement entered into during the year.

As at September 30, 2023, the Company holds 207 mineral claims in relation to FLV.

Shatford and Cat-Euclid Lake Properties

On September 9, 2021, the Company entered into a staking agreement to acquire mineral rights in Euclid and Shatford Lake areas of Southeast Manitoba. The Euclid group has six (6) claim blocks and Shatford group has 21 claim blocks. These claims are royalty-free and not subject to any agreement. For the year ended September 30, 2022, initial staking, claim fees and geological surveys were incurred for two properties in Manitoba – the Euclid Lake and Shatford Lake properties.

During the year ended September 30, 2022, the Company entered a term sheet with an arm's length party for the sale of royalties in the Cat-Euclid and Shatford lake property. As consideration for the sale, the Company received $833,526 (US$650,000) in cash for the purchase of a 2% gross overriding revenue royalty. The proceeds from this transaction were recorded as a reduction to the exploration and evaluation assets. As the proceeds exceeded the capitalized cost of the exploration and evaluation assets of $149,174 as of April 5, 2022, the excess proceeds of $684,352 is recognized as a gain on sale of royalty in the statement of loss and comprehensive loss.

Birse Lake Property

The Company has staked 10 new claims, located east of Shatford lake. These claims are royalty-free and not subject to any agreement.

Bailey Lake Property

On December 5, 2022, the Company entered into a purchase agreement to acquire 100% interest in the 5 mineral claims in the North Central region of Saskatchewan, Canada. To earn the interest, the Company was required to pay consideration of (i) $9,476 on closing (paid on December 7, 2022), and (ii) grant a 1% Net Smelter Return Royalty calculated on the gross value of all products derived and shipped from the property.

On December 6, 2022, the Company entered into an option agreement to acquire a 100% interest in the 13 mineral claims in Bailey Lake, located in the northeastern region of Saskatchewan, Canada. To exercise this option, the Company must pay to the owner an aggregate of $450,000 ($100,000 paid), issue and deliver an aggregate of 450,000 shares (100,000 issued with a fair value of $41,000) and incur an aggregate of $1,554,000 of expenditures on the property in accordance with the following schedule:

	Cash Payment	Common Shares	Exploration expenditures
	$	#	$
On or before December 7, 2022 (paid and issued)	100,000	100,000	-
On or before December 5, 2023	150,000	150,000	388,500
On or before date December 5, 2024	200,000	200,000	518,000
On or before December 5, 2025	-	-	647,500
Total	**450,000**	**450,000**	**1,554,000**

(Expressed in Canadian dollars)

8. EXPLORATION AND EVALUATION ASSETS (continued)

Bailey Lake Property (continued)

The property is subject to a 2.0% Net Smelter Return Royalty of the gross value of all products derived and shipped from the property. The Company has the right to buy back one-half of the royalty (1% NSR) for $2,000,000 for a period of 24 months following the commencement of commercial production.

Subsequent to the year end, the Company decided not to pursue the renewal of their agreement on the claims in Bailey Lake Property in order to focus on other properties. As a result, the Company recognized an impairment loss and wrote off the full balance of $590,705 during the year ended September 30, 2023.

Oregon Properties

On March 23, 2022, the Company staked 340 new mining claims located in southeast Oregon. During the year ended September 30, 2022, the Company incurred $253,528 in expenditures on the property. However, it decided to focus on other properties and as a result, the Company recorded an impairment loss of $253,528 during the year ended September 30, 2022.

During the year ended September 30, 2023, the Company has recognized $93,997 (US$69,700) as an expense recovery on mineral property from a refund received for maintenance and location relating to this property.

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

As at September 30, 2023 and 2022, the Company's accounts payable consist of the following:

		September 30, 2023		September 30, 2022
Accounts payable	**$**	**412,175**	$	196,223
Accrued liabilities		**113,885**		50,035
	$	**526,060**	$	246,258

10. SHARE CAPITAL

Authorized

The Company has authorized share capital of an unlimited number of common shares and preferred shares without par value. Common and/or preferred shares are entitled to receive dividends when they are declared by the Board of Directors.

Issued and Outstanding Common Shares

As of September 30, 2023, the Company has a total issued and outstanding common shares: 59,121,067 (2022 – 53,496,067).

Private Placement Financing and Share Issuances

During the year ended September 30, 2023, the Company had the following capital transactions:

During the year ended September 30, 2023, 4,775,000 warrants were exercised into common shares at $0.10 per share for total gross proceeds of $477,500.

On March 2, 2023, 750,000 common shares with a fair value of $0.495 issued as per the mineral property acquisition agreement of Clayton Valley, Nevada (Note 8).

On December 7, 2022, 100,000 common shares with a fair value of $0.41 were issued as per the mineral property acquisition agreement of Bailey Lake, Saskatchewan (Note 8).

10. SHARE CAPITAL (continued)

During the year ended September 30, 2022, the Company had the following capital transactions:

For the year ended September 30, 2022, 6,900,000 warrants were exercised into common shares at $0.10 per share for total gross proceeds of $690,000 and 745,625 warrants were exercised into common shares at $0.60 per share for total gross proceeds of $447,375.

On May 19, 2022, the Company completed its second and final tranche of its non-brokered private placement financing through the issuance of 231,482 units (the "Units") at a price of $1.08 per Unit for aggregate gross proceeds of $250,000. The Units consist of one common share and one half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share at a price of $1.40 per share for three years.

Also on May 19, 2022, the Company completed a non-brokered flow-through financing with another arm's length party. The Flow-Through Private Placement ("FT Private Placement") consisted of 666,668 units (the "FT Units") at a price of $1.50 per Unit for aggregate gross proceeds of $1,000,002. The FT Units consist of one flow-through common share and one-half of one non-flow through common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share at a price of $1.80 per share for two years. The Company paid aggregate finder's fee of $95,900 cash, 46,667 compensation warrants exercisable for two years at $1.50 and 16,204 compensation warrants exercisable for two years at $1.08.

On May 13, 2022, the Company completed a non-brokered private placement (the "Private Placement") through the issuance of 3,194,976 units (the "Units") at a price of $1.08 per Unit for aggregate gross proceeds of $3,450,574. The Units consist of one common share and one half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share at a price of $1.40 per share for three years. A residual value of $143,774 was assigned to the warrants.

Also on May 13, 2022, the Company completed a non-brokered flow-through financing with another arm's length party. The Flow-Through Private Placement ("FT Private Placement") consisted of 666,668 units (the "FT Units") at a price of $1.50 per Unit for aggregate gross proceeds of $1,000,002. The FT Units consist of one flow-through common share and one-half of one non-flow through common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share at a price of $1.80 per share for two years. The Company paid aggregate finder's fee of $91,550 cash, 46,667 compensation warrants exercisable for two years at $1.50 and 16,204 compensation warrants exercisable for two years at $1.08. A residual value of $30,000 was assigned to the warrants.

On March 9, 2022, the Company issued 3,179,500 units (the "Units") in a non-brokered private placement at a price of $0.94 per Unit for gross proceeds of $2,988,730. Each Unit consists of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share for two years at a price of $1.22 per share.

On March 2, 2022, the Company issued 750,000 shares at a fair value of $1.14 per share for the Clayton Valley Project.

On December 16, 2021, the Company closed its flow-through financing – a non-brokered private placement –through the issuance of 833,334 units at a price of $1.20 per unit for aggregate proceeds of $1,000,001. Part of the proceeds were recognized as Flow-through premium liability amounting to $191,667 and shall be recognized as income over a period of 12 months from closing date (Note 14). Each Unit consists of one flow-through common share and one-half of one non-flow through common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share at a price of $1.50 per share for two years. Finders' fees totaling $70,000 cash and 58,333 compensation warrants exercisable for two years at an exercise price of $1.20 were paid to an arm's length party.

(Expressed in Canadian dollars)

10. SHARE CAPITAL (continued)

Shares held in Escrow

Pursuant to an escrow agreement dated March 25, 2021, (the "Escrow Agreement"), a total of 3,242,244 common shares held by principals of the Company were placed under escrow of which 2,269,571 common shares were released and 972,673 (2022 – 1,945,346) common shares are still in escrow. Out of the remaining shares held in escrow, 486,337 will be released on October 28, 2023, and the remaining will be released on April 28, 2024.

11. STOCK OPTIONS

The Company has a stock option plan for directors, officers, employees, and consultants (the "Stock Option Plan"). The aggregate number of shares issuable pursuant to options granted under the plan is limited to 10% of the Company's issued and outstanding common shares at the time the options are granted. The number of shares reserved for issuance to any individual director, officer or consultant shall not exceed 5% of the issued and outstanding common shares. The number of incentive stock options granted to any one consultant, or a person employed to provide investor relations activities in any 12-month period must not exceed 2% of the total issued shares of the Company. The exercise price of each option is determined by the Board.

On April 14, 2022, the Company granted an aggregate of 2,000,000 incentive stock options to directors, consultants, and employees as per the Company's Stock Option Plan, with an exercise price of $1.28 per share for a period of five years from the date of grant. 1,500,000 options were fully vested on grant date and the remaining 500,000 options vested on August 14, 2022. The estimated fair value of the options was $1,910,992. The Company expensed the entire amount as share-based compensation during the year ended September 30, 2022. The options were fairly valued using Black-Scholes Option Pricing Model with the following assumptions: average risk-free rate - 2.58%; expected life – 5 years; expected volatility – 100%; forfeiture rate – Nil and expected dividends – Nil.

On April 28, 2022, the Company granted an aggregate of 225,000 incentive stock options to a consultant as per the Company's Stock Option Plan, with an exercise price of $1.30 per share for a period of three years from the date of grant. The options vested on August 28, 2022. The estimated fair value of the options was $174,658. The Company expensed the entire amount as share-based compensation during the year ended September 30, 2022. The options were fairly valued using Black-Scholes Option Pricing Model with the following assumptions: average risk-free rate – 2.58%; expected life – 3 years; expected volatility – 100%; forfeiture rate – Nil and expected dividends – Nil.

As of September 30, 2023, the Company has 3,550,000 (2022 – 3,550,000) incentive stock options outstanding. A summary of the Company's stock options outstanding for the years ended September 30, 2023 and 2022 are as follows:

Year ended	**September 30, 2023**		September 30, 2022	
	Number of options	**Weighted average exercise price**	Number of options	Weighted average exercise price
Outstanding, opening	**3,550,000**	**$ 1.10**	1,325,000	$ 0.80
Granted	**-**	**-**	2,225,000	1.28
Outstanding, closing	**3,550,000**	**1.10**	3,550,000	1.10
Exercisable	**3,550,000**	**$ 1.10**	3,550,000	$ 1.10

(Expressed in Canadian dollars)

11. STOCK OPTIONS (continued)

The following table summarizes information regarding stock options outstanding as of September 30, 2023:

Date issued	Number of options outstanding	Exercise price	Expiration date
July 9, 2021	1,325,000	$ 0.80	July 9, 2026
April 14, 2022	2,000,000	1.28	April 14, 2027
April 28, 2022	225,000	1.30	April 28, 2025
Total options outstanding	**3,550,000**		
Total options exercisable	**3,550,000**		

The weighted average remaining life of the options is 3.13 years (2022 – 4.13 years).

12. WARRANTS

A summary of changes in the Company's share purchase warrants outstanding for the years ended September 30, 2023 and 2022 is as follows:

	September 30, 2023		September 30, 2022	
	Number of warrants	**Weighted average exercise price**	Number of warrants	Weighted average exercise price
Outstanding, opening	**13,329,704**	**$ 0.69**	16,404,940	$ 0.24
Granted	**-**	**-**	4,570,389	1.40
Exercised	**(4,775,000)**	**0.10**	(7,645,625)	0.15
Expired	**(297,857)**	**0.40**	-	-
Outstanding, closing	**8,256,847**	**$ 1.04**	13,329,704	$ 0.69

Finders' warrants

On May 19, 2022, the Company granted 16,204 warrants to finders with an exercise price of $1.08 per share and 46,667 warrants exercisable at $1.50 for a period of two years from date of grant. The estimated fair value of the warrants was $33,533, recorded during the year ended September 30, 2022, in connection with the issuance of these warrants. The warrants were fairly valued using Black-Scholes Option Pricing Model with the following assumptions: average risk-free rate – 2.71%; expected life – 2 years; expected volatility – 100%; forfeiture rate – Nil and expected dividends – Nil.

Also on May 13, 2022, the Company granted 16,204 warrants to finders with an exercise price of $1.08 per share and 46,667 warrants exercisable at $1.50 for a period of two years from date of grant. The estimated fair value of the warrants was $29,081, recorded during the year ended September 30, 2022, in connection with the issuance of these warrants. The warrants were fairly valued using Black-Scholes Option Pricing Model with the following assumptions: average risk-free rate - 2.68%; expected life – 2 years; expected volatility – 100%; forfeiture rate – Nil and expected dividends – Nil.

On December 16, 2021, the Company granted 58,333 warrants to finders with an exercise price of $1.20 per share for a period of two years from date of grant. The estimated fair value of the warrants was $26,793, recorded during the year ended September 30, 2022, in connection with the issuance of these warrants. The warrants were fairly valued using Black-Scholes Option Pricing Model with the following assumptions: average risk-free rate - 0.90%; expected life – 2 years; expected volatility – 100%; forfeiture rate – Nil and expected dividends – Nil.

(Expressed in Canadian dollars)

12. WARRANTS (continued)

The following table summarizes information regarding share purchase warrants outstanding as of September 30, 2023:

Date issued	Number of warrants	Exercise price	Expiry date
June 21, 2021	2,635,883	0.60	June 21, 2025*
July 2, 2021	1,050,575	0.60	July 2, 2025*
December 16, 2021	416,667	1.50	December 16, 2023**
December 16, 2021	58,333	1.20	December 16, 2023**
March 9, 2022	1,589,750	1.22	March 9, 2024
May 13, 2022	16,204	1.08	May 13, 2024
May 13, 2022	46,667	1.50	May 13, 2024
May 13, 2022	333,334	1.80	May 13, 2024
May 13, 2022	1,597,488	1.40	May 13, 2025
May 19, 2022	16,204	1.08	May 19, 2024
May 19, 2022	46,667	1.50	May 19, 2024
May 19, 2022	115,741	1.40	May 19, 2025
May 19, 2022	333,334	1.80	May 19, 2024
	8,256,847		

*On June 9, 2023, the share purchase warrants issued by the Company on June 21, 2021 and July 2, 2021 that set to expire last June 21, 2023 and July 2, 2023 have been extended for another two (2) years to June 21, 2025 and July 2, 2025, respectively.

**Subsequent to year end, 475,000 warrants with exercise prices between $1.20 and $1.50 expired unexercised.

The weighted average exercise price of the warrants as of September 30, 2023, is $1.04, and the weighted average remaining life of the warrants is 1.27 years (2022 – $0.69 and 0.91 years, respectively).

Warrants held in escrow

Pursuant to an escrow agreement dated March 25, 2021, (the "Escrow Agreement"), a total of 1,575,000 warrants held by principals of the Company were placed under escrow. Of that number, As of September 30, 2023, a total of 472,500 (2022 – 945,000) remained in escrow.

On October 28, 2022 and April 28, 2023, a total of 472,500 warrants were released from escrow.

13. RELATED PARTY TRANSACTIONS

The Company has identified its directors and certain senior officers as its key personnel and the compensation costs for key personnel and companies related to them were recorded at their exchange amounts as agreed upon by transacting parties.

As of September 30, 2023, the Company has $Nil (2022 – $93,705) due to related parties broken down as follows:

	September 30, 2023	September 30, 2022
CEO	**$ -**	$ 79,000
CFO and Corporate Secretary	**-**	14,705
Total	**$ -**	$ 93,705

(Expressed in Canadian dollars)

13. RELATED PARTY TRANSACTIONS (continued)

During the years ended September 30, 2023 and 2022, the Company entered the following transactions with related parties:

	September 30, 2023	September 30, 2022
Management fees	$ 302,000	$ 287,750
Directors' fees	60,000	7,500
Accounting fees	59,492	43,157
Share-based compensation	-	1,433,244
Total	**$ 421,492**	$ 1,771,651

(a) Management fees were paid or accrued to the following:

	September 30, 2023	September 30, 2022
Company controlled by the CEO	**$ 212,000**	$ 211,000
Company controlled by the CFO	**90,000**	76,750
Total	**$ 302,000**	$ 287,750

(b) Accounting fees of $59,492 were paid to a company controlled by the Company's CFO and Corporate Secretary (2022 – $43,157).

(c) Director fees were paid or accrued to the following:

	September 30, 2023	September 30, 2022
Company controlled by Director	**$ 30,000**	$ -
Director	**30,000**	7,500
Total	**$ 60,000**	$ 7,500

14. FLOW-THROUGH PREMIUM LIABILITY

December 16, 2021, FT Financing
On December 16, 2021, the Company issued 833,334 flow-through units for gross proceeds of $1,000,001 and recognized a deferred flow-through premium of $191,667, non-cash, as the difference between the amounts recognized in common shares and the amounts the investors paid for the units.

As of September 30, 2023, the flow-through premium liability outstanding relating to these flow-through shares was $Nil (2022 – $34,613). The Company spent $1,000,001 in eligible exploration expenditures as of September 30, 2023.

For the year ended September 30, 2023, the Company recognized flow-through income of $34,613 (2022 – $157,054).

May 13, 2022, FT Financing
On May 13, 2022, the Company issued 666,668 flow-through units for gross proceeds of $1,000,002 and recognized a deferred flow-through premium of $280,001, non-cash, as the difference between the amounts recognized in common shares and the amounts the investors paid for the units.

As of September 30, 2023, the flow-through premium liability outstanding relating to these flow-through shares was $Nil (2022 – $280,001). The Company spent $1,000,002 in eligible exploration expenditures as of September 30, 2023.

For the year ended September 30, 2023, the Company recognized flow-through income of $280,001 (2022 – $Nil).

(Expressed in Canadian dollars)

14. FLOW-THROUGH PREMIUM LIABILITY (continued)

May 19, 2022, FT Financing
On May 19, 2022, the Company issued 666,668 flow-through units for gross proceeds of $1,000,002 and recognized a deferred flow-through premium of $280,001, non-cash, as the difference between the amounts recognized in common shares and the amounts the investors paid for the units.

As of September 30, 2023, the flow-through premium liability outstanding relating to these flow-through shares was $Nil (2022 – $280,001). The Company spent $1,000,002 in eligible exploration expenditures as of September 30, 2023.

For the year ended September 30, 2023, the Company recognized flow-through income of $280,001 (2022 – $Nil).

15. CAPITAL MANAGEMENT

The Company's capital currently consists of common shares of $16,109,186. The Company's objective when managing capital is to safeguard the entity's ability to continue as a going concern, meet financial obligations, have sufficient capital to achieve and maintain profitable operations and to provide returns for shareholders and benefits for other stakeholders. As of September 30, 2023, the Company had a working capital deficit of $122,736 (2022 – working capital $9,050,801). Management expects to raise additional capital from the capital markets or from private placements of securities.

16. SEGMENT INFORMATION

The Company operates in one business segment, the exploration of mineral properties. The Company conducts its operations in Canada and the USA. Geographic information is as follows:

September 30, 2023	**Canada ($)**	**USA ($)**	**Total ($)**
Total assets	**5,218,170**	**7,829,043**	**13,047,213**
Loss (income) for the year	**1,744,382**	**(39,653)**	**1,704,729**

September 30, 2022	Canada ($)	USA ($)	Total ($)
Total assets	10,008,210	4,161,454	14,169,664
Loss for the year	3,239,933	284,062	3,523,995

17. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company is exposed through its operations to the following financial risks:

- Market Risk
- Credit Risk
- Liquidity Risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies, and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

General Objectives, Policies, and Processes

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies and, while retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's finance function.

17. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

General Objectives, Policies, and Processes (continued)

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. Further details regarding these policies are set out below.

Fair value of financial instruments

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 that are accessible at the measurement date for identical, unrestricted assets or liabilities.
- Level 2 – Quoted prices in markets that are not active, or inputs that are not observable, either directly or indirectly, for substantially the full term of the asset or liability.
- Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

The Company's cash and cash equivalents is recorded as a level 1 financial asset. The fair value of the Company's financial instruments carried at amortized cost approximates their carrying values due to their short term to nature of maturity.

Risk Management

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices are comprised of four types of risk: foreign currency risk, interest rate risk, commodity price risk and equity price risk. The company is primarily exposed to foreign currency risk.

Foreign Currency Risk

Foreign currency risk is the risk that a variation in exchange rates between the Canadian Dollar and United States Dollar or other foreign currencies will affect the Company's operations and financial results. The Company is exposed to currency risk to the extent that monetary assets and liabilities held by the Company are not denominated in Canadian dollars. The Company has not entered into any foreign currency contracts to mitigate this risk.

The Company is exposed to currency risk through the following monetary assets and liabilities denominated in foreign currencies:

		September 30, 2023	September 30, 2022
Cash and cash equivalents	USD$	**21,042**	843,975
Prepaid expenses and deposits	USD$	**17,400**	-
Reclamation bond	USD$	**63,144**	24,197
Accounts payable and accrued liabilities	USD$	**259,872**	6,579

Based on the above net exposures and if all other variables remain constant, a 10% change in the value of the foreign currency against the Canadian dollar would result in an increase or decrease of $36,146 (2022 - $86,159) in loss and comprehensive loss.

(Expressed in Canadian dollars)

17. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments which are potentially subject to credit risk for the Company consist of cash and cash equivalents. Most of the Company's cash and cash equivalents are maintained with a federally regulated financial institution with reputable credit and may be redeemed upon demand. The Company considers this risk to be minimal as of September 30, 2023.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The key to success in managing liquidity is the degree of certainty in the cash flow projections. If future cash flows are uncertain, the liquidity risk increases.

The Company's objective is to ensure that it has sufficient cash on demand to meet expected operational expenses. To achieve this objective, the Company will prepare annual capital expenditure budgets which will be regularly monitored and updated as necessary. The Company monitors its risk of shortage of funds by monitoring the maturity dates of existing trade and other accounts payable.

18. SUPPLEMENTAL CASH FLOW INFORMATION

The Company incurred the following non-cash financing and operating transactions during the years ended September 30, 2023 and 2022.

	September 30, 2023	September 30, 2022
	$	$
Shares issued for exploration and evaluation assets	**412,500**	855,000
Flow-through premium liability	**-**	751,669
Deferred revenue applied against exploration property	**-**	149,174
Fair value of warrants issued to finders	**-**	173,774
Accounts payable and accrued liabilities	**360,354**	9,997
Lease liability	**187,303**	-

19. COMMITMENTS

The Company has certain commitments related to key management compensation for $30,500 per month with no specific expiry of terms (Note 13).

The Company has certain commitments in connection with its mineral properties (Note 8).

The Company is bound by a management agreement with the CEO according to which, in the event of termination of the agreement, the Company will be liable for the remaining balance of fees and a lump sum equal to seven months on his standing management fees including GST, totaling $132,300.

On December 1, 2022, the Company entered into a 5-year lease agreement for its office premises with annual fees of $54,567 beginning in December 2022, with a 1.8% increase each year during the 5-year term (Note 6).

(Expressed in Canadian dollars)

20. DEFERRED INCOME TAXES

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

	September 30, 2023	September 30, 2022
Loss for the year	**$ (1,769,177)**	$ (3,286,194)
Expected income tax recovery (27%)	**(478,000)**	(887,000)
Share issuance costs	**(70,000)**	(70,000)
Change in statutory, foreign tax, foreign exchange rates and other	**56,000**	92,000
Permanent differences	**(153,000)**	322,000
Impact of flow through share	**589,000**	221,000
Adjustment to prior years provision versus statutory tax returns	**-**	84,000
Change in unrecognized deductible temporary differences	**56,000**	238,000
Income tax recovery	**$ -**	$ -

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

	September 30, 2023	September 30, 2022
Deferred tax assets:		
Non-capital losses available for future periods	**$ 1,089,000**	$ 617,000
Exploration and evaluation assets	**(546,000)**	(135,000)
Property and equipment	**134,000**	115,000
Share issue costs	**61,000**	85,000
	738,000	682,000
Unrecognized deferred tax assets	**(738,000)**	(682,000)
Net deferred tax assets	**$ -**	$ -

Deferred tax assets are recognized to the extent that it is probable that taxable income will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilized.

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

	September 30, 2023	September 30, 2022
Temporary differences:	**$**	$
Non-capital loss available for future periods	**4,042,000**	2,295,000
Exploration and evaluation assets	**(2,022,000)**	(498,000)
Property and equipment	**497,000**	425,000
Share issue costs	**227,000**	315,000

Based upon the level of historical taxable income and projections for future taxable income over the years in which the potential deferred tax assets are deductible, management has not recognized any deferred income tax assets.

(Expressed in Canadian dollars)

20. DEFERRED INCOME TAXES (continued)

Subject to certain restrictions, the Company has non-capital losses of $4,042,000 available to reduce future Canadian and US taxable income. The non-capital losses expire as follows:

Year			
2041 to 2043	$	4,012,000	Canada
No expiry	$	31,000	USA

21. SUBSEQUENT EVENTS

a) On October 28, 2023, 486,337 common shares and 236,250 warrants were released from escrow.

b) On October 31, 2023, the Company closed a first tranche of the non-brokered private placement financing that was previously announced on September 6, 2023, and issued 1,851,660 units at $0.15 per unit for aggregate gross proceeds of up to $277,749. Each unit will be comprised of one common share and one-half of one transferable common share purchase warrant, with each whole warrant entitling the holder to purchase one additional common share at a price of $0.30 CAD for two years from closing. A cash finders' fee of $9,100 and 60,666 finders' warrants exercisable for two years at an exercise price of $0.15 were paid in connection with the Offering.

c) On December 16, 2023, 475,000 warrants with exercise prices between $1.20 and $1.50 expired unexercised.

d) On December 20, 2023, the Company entered into a binding Letter of Intent ("LOI") with Show Lake Resources LTD. ("Snow Lake") pursuant to which the Company will grant Snow Lake the option to earn up to 90% undivided interest in the mineral claims at its Manitoba lithium pegmatite project areas, located at southeastern Manitoba, Canada. To exercise this option, Snow Lake is to pay a total of $500,000 cash and incur a total of $1,800,000 in exploration expenditures over a two year period in accordance with the following schedule:

Date of Completion	Cash Payment	Exploration Expenditures	Earn-in
	$	$	
Initial Payment	20,000	-	
Upon Execution	130,000	-	
First Year	150,000	600,000	51%
Second Year	200,000	1,200,000	90%

e) On January 12, 2024, the Company entered into a property option agreement with non-arms length party. Pursuant to which, the Company grants the option to acquire all right, title and interest in FLV Property subject to a NSR in consideration for the completion of a series of cash payments, issuance of shares, and incurring minimum exploration expenditures. The optionee's commitments in relation to the option agreement are summarized below:

Payment	Date of Completion	Cash Payment (USD)	Exploration Expenditures (USD)	Shares (Value, USD)
		$	$	$
First Payment	Within 5 days of the effective date, January 12, 2024 (received)	50,000	-	-
Second Payment	On or before May 12, 2024	100,000	-	-
Expenditures	On or before January 12, 2025	-	500,000	-
Third Payment	On the date the optionee becomes listed	450,000	-	675,000
Fourth Payment	On or before 1 year from listing date	375,000	-	1,312,500
Fifth Payment	On or before 2 years from listing date	500,000	-	1,312,500
Sixth Payment	On or before the date the optionee measures a mineral resource of no less than 6 million tons of lithium carbonate equivalent	500,000	-	3,000,000