

MEGAWATT LITHIUM AND BATTERY METALS CORP.

Condensed Interim Consolidated Financial Statements

For the three and six months ended March 31, 2024 and 2023

(Unaudited - Expressed in Canadian dollars)

Notice of Disclosure of Non-auditor Review of the Condensed Interim Consolidated Financial Statements for the Three and Six Months Ended March 31, 2024 and 2023

Pursuant to National Instrument 51-102 *Continuous Disclosure Obligations*, part 4, subsection 4.3(3)(a) issued by the Canadian Securities Administrators, if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of Megawatt Lithium and Battery Metals Corp. for the interim periods ended March 31, 2024 and 2023, have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting*, as issued by the International Accounting Standards Board, and are the responsibility of management.

The independent auditors, Manning Elliott LLP, have not performed a review of these unaudited condensed interim consolidated financial statements.

May 30, 2024

MEGAWATT LITHIUM AND BATTERY METALS CORP.
Consolidated Interim Consolidated Statements of Loss and Comprehensive Loss

(Unaudited - Expressed in Canadian dollars, except per share amounts and number of shares)

		Three months ended		Six months ended	
	Note	2024	March 31, 2023	2024	March 31, 2023
		\$	\$	\$	\$
Operating expenses					
General and administrative expense		2,556	16,741	9,801	24,031
Management and consulting	10	273,300	63,000	336,300	160,158
Marketing and shareholder communication		47,997	1,212	48,897	2,444
Professional fees		107,069	47,337	132,134	96,455
Regulatory and filing fees		13,534	14,818	25,054	23,985
Share-based compensation	9(d),10	15,594	-	15,594	-
Total operating expenses		460,050	143,108	567,780	307,073
Other income (expenses)					
Gain on settlement of debt	9(b)	9,000	-	9,000	-
Impairment of exploration and evaluation assets		-	(75,434)	-	(123,086)
Interest expense	7	(2,840)	-	(2,840)	-
Interest income		725	-	725	-
Amortization of flow-through premium liability	8	-	5,275	-	39,230
Net loss and comprehensive loss		(453,165)	(213,267)	(560,895)	(390,929)
Net loss and comprehensive loss attributable to:					
Shareholders of the Company		(453,165)	(212,620)	(560,895)	(389,021)
Non-controlling interest		-	(647)	-	(1,908)
Net loss per share:					
Basic and diluted		(0.04)	(0.02)	(0.04)	(0.04)
Weighted average number of common shares:					
Basic and diluted		12,610,362	8,758,732	12,647,193	8,758,732

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

MEGAWATT LITHIUM AND BATTERY METALS CORP.
Condensed Interim Consolidated Statements of Cash Flows
(Unaudited - Expressed in Canadian dollars)

	Six months ended	
	2024	March 31, 2023
	\$	\$
Operating activities:		
Net loss for the period	(560,895)	(390,929)
Adjustments for:		
Share-based compensation	15,594	-
Impairment of exploration and evaluation assets	-	123,086
Interest expense	2,840	-
Amortization of flow-through premium liability	-	(39,230)
Changes in non-cash working capital items:		
Mineral option payment receivable	-	175,000
Taxes recoverable	119,731	(29,718)
Prepaid expenses	(87,142)	291
Accounts payable and accrued liabilities	160,601	(364,179)
Cash used in operating activities	(349,271)	(525,679)
Investing activities:		
Exploration and evaluation expenditures - Australia Silver Mines	(828)	(1,117)
Exploration and evaluation expenditures - Tyr Silver Project	(5,769)	(9,541)
Exploration and evaluation expenditures - New Age	(74,125)	(81,849)
Exploration and evaluation expenditures - Cobalt Hill	-	(2,730)
Exploration and evaluation expenditures - James Bay Lithium Project	-	(405,579)
Exploration and evaluation assets option proceeds	-	375,000
Cash used in investing activities	(80,722)	(125,816)
Financing activities:		
Proceeds from note payable	75,000	-
Proceeds from issuance of shares	1,005,000	-
Share issuance costs	(22,430)	-
Cash provided by financing activities	1,057,570	-
Net change in cash	627,577	(651,495)
Cash, beginning of period	36,715	762,790
Cash, end of period	664,292	111,295
Supplemental cash flow information:		
Fair value of shares issued for settlement of accounts payable and accrued liabilities	81,000	-
Cash income tax paid	-	-
Cash interest paid	-	-
Cash interest received	725	-
Exploration and evaluation expenditures included in accounts payable and accrued liabilities	11,873	-

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MEGAWATT LITHIUM AND BATTERY METALS CORP.
Condensed Interim Consolidated Statements of Changes in Equity
(Unaudited - Expressed in Canadian dollars, except number of shares)

	Common shares	Share capital	Reserves	Deficit	Non- controlling interest	Total equity
	#	\$	\$	\$	\$	\$
Balance, September 30, 2022	8,758,732	27,103,915	1,766,137	(26,523,997)	(190,662)	2,155,393
Net loss and comprehensive loss for the period	-	-	-	(389,021)	(1,908)	(390,929)
Balance, March 31, 2023	8,758,732	27,103,915	1,766,137	(26,913,018)	(192,570)	1,764,464
Purchase of TargetCo shares	500,000	95,000	-	(194,903)	194,903	95,000
Net loss and comprehensive loss for the period	-	-	-	(696,719)	(2,333)	(699,052)
Balance, September 30, 2023	9,258,732	27,198,915	1,766,137	(27,804,640)	-	1,160,412
Shares issued for settlement of accounts payable and accrued liabilities	900,000	81,000	-	-	-	81,000
Net proceeds from shares issued in LIFE Offering	4,290,000	419,085	-	-	-	419,085
Net proceeds from shares issued in Concurrent PP	5,760,000	563,485	-	-	-	563,485
Share-based compensation	-	-	15,594	-	-	15,594
Net loss and comprehensive loss for the period	-	-	-	(560,895)	-	(560,895)
Balance, March 31, 2024	20,208,732	28,262,485	1,781,731	(28,365,535)	-	1,678,681

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

MEGAWATT LITHIUM AND BATTERY METALS CORP.
Notes to the Condensed Interim Consolidated Financial Statements
For the three and six months ended March 31, 2024 and 2023
(Unaudited - Expressed in Canadian dollars, except where noted)

1. NATURE OF OPERATIONS AND GOING CONCERN

MegaWatt Lithium and Battery Metals Corp. ("the Company") was incorporated on December 11, 2017 under the laws of British Columbia. On July 20, 2019, the Company completed its initial public offering and listed on the Canadian Securities Exchange ("CSE") under the symbol "MEGA". On April 20, 2022, the Company's common shares commenced trading on the OTCQB under the symbol "WALRF". The head office and principal address of the Company is located at Suite 1500 - 1055 West Georgia Street, Vancouver BC, V6E 4N7. The Company's principal business activities include the acquisition and exploration of exploration and evaluation assets.

As at March 31, 2024, the Company had not determined whether the Company's exploration and evaluation assets contain ore reserves that are economically recoverable. The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development of and the future profitable production from the property or realizing proceeds from its disposition.

As at March 31, 2024, the Company had a working capital surplus of \$155,567 (September 30, 2023 - \$270,107), an accumulated deficit of \$28,365,535 (September 30, 2023 - \$27,804,640) and has not generated revenue to date. The Company's operations to date have been funded through the issuance of equity. These factors represent a material uncertainty which may cast significant doubt upon the Company's ability to continue as a going concern. The Company's ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs.

These unaudited condensed interim consolidated financial statements for the three and six months ended March 31, 2024 and 2023 (the "financial statements") do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these financial statements.

On May 9, 2023, the Company consolidated its outstanding common shares on a ten-for-one basis. The presentation of the number of shares, warrants, stock options and loss per share in these financial statements have been retrospectively adjusted for this share consolidation.

2. BASIS OF PRESENTATION

a) Statement of compliance

These financial statements were approved by the Board of Directors and authorized for issue on May 30, 2024.

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS Accounting Standards") as issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee applicable to the preparation of interim financial statements including International Accounting Standard 34 *Interim Financial Reporting*. These financial statements do not include all disclosures required for annual audited financial statements. Accordingly, they should be read in conjunction with the notes to the Company's audited financial statements for the years ended September 30, 2023 and 2022 (the "Annual Financial Statements").

b) Basis of measurement

These financial statements have been prepared using the historical cost basis, except for certain financial assets and liabilities which are measured at fair value, as specified by IFRS Accounting Standards for each type of asset, liability, income, and expense as set out in the accounting policies below. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

MEGAWATT LITHIUM AND BATTERY METALS CORP.
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2. BASIS OF PRESENTATION (continued)

c) Functional and presentation currency

These financial statements have been prepared in Canadian dollars, which is the Company's and its subsidiaries' functional and presentation currency. References to "\$" or "CAD" are to Canadian dollars.

d) Basis of consolidation

These financial statements include the accounts of the Company and its subsidiaries. All intercompany transactions and balances are eliminated on consolidation. Control exists where the parent entity has power over the investee and is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries are included in these financial statements from the date control commences until the date control ceases.

A summary of the Company's subsidiaries included in these financial statements as at March 31, 2024 are as follows:

Name of subsidiary	Country of incorporation	Holding	Functional currency	Principal activity
1256714 B.C. Ltd. ("TargetCo")	Canada	100%	CAD	Holding company
1260945 B.C. Ltd. ("New Age Co")	Canada	100%	CAD	Holding company

e) Reclassification of prior period presentation

Certain prior period amounts have been reclassified for consistency with the current period presentation. These reclassifications had no effect on the reported results of operations. An adjustment has been made to the condensed interim consolidated statements of loss and comprehensive loss, condensed interim consolidated statements of cash flows, and Note 6, exploration and evaluation assets for the three and six months ended March 31, 2023, to reclassify the exploration and evaluation expenses to impairment of exploration and evaluation assets in profit or loss.

3. MATERIAL ACCOUNTING POLICIES

These financial statements were prepared using the same accounting policies and methods of computation as in the Annual Financial Statements.

4. SIGNIFICANT JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements under IFRS Accounting Standards requires management to make judgements in applying its accounting policies and estimates that affect the reported amounts of assets and liabilities at the period end date and reported amounts of expenses during the reporting period. Such judgements and estimates are, by their nature, uncertain. Actual outcomes could differ from these estimates.

The impact of such judgements and estimates are pervasive throughout these financial statements and may require accounting adjustments based on future occurrences. These judgements and estimates are continuously evaluated and are based on management's experience and knowledge of the relevant facts and circumstances. Revisions to accounting estimates are recognized in the period in which the estimate is revised and are accounted for prospectively.

In preparing these financial statements, the Company applied the same significant judgements in applying its accounting policies and is exposed to the same sources of estimation uncertainty as disclosed in its Annual Financial Statements.

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5. ACQUISITION OF TARGETCO

On July 13, 2023, the Company closed the acquisition of the remaining 20% of TargetCo pursuant to a share purchase agreement effective July 4, 2023. Pursuant to the terms of the agreement, the Company acquired the remaining 20% of the issued and outstanding securities of TargetCo in consideration for the issuance of 500,000 common shares of the Company at a fair value of \$0.19 per share.

6. EXPLORATION AND EVALUATION ASSETS

A summary of the Company's exploration and evaluation assets is as follows:

	Cobalt Hill	Tyr Silver Project	Century South Silver-Zinc	James Bay Lithium Project	New Age	Australian Silver Mines	Total
	\$	\$	\$	\$	\$	\$	\$
Acquisition cost							
Balance, September 30, 2022	615,000	-	-	903,431	-	-	1,518,431
Additions	-	47,500	47,500	-	-	-	95,000
Impairment	-	(47,500)	(47,500)	-	-	-	(95,000)
Option and sale proceeds	-	-	-	(375,000)	-	-	(375,000)
Balance, March 31, 2024 and September 30, 2023	615,000	-	-	528,431	-	-	1,143,431
Exploration and evaluation expenditures							
Balance, September 30, 2022	284,358	-	-	-	-	-	284,358
Additions	2,730	20,205	-	443,503	26,790	7,261	500,489
Impairment	-	(20,205)	-	(443,503)	(26,790)	(7,261)	(497,759)
Balance, September 30, 2023	287,088	-	-	-	-	-	287,088
Additions	-	15,171	-	-	76,430	994	92,595
Balance, March 31, 2024	287,088	15,171	-	-	76,430	994	379,683
Balance, September 30, 2023	902,088	-	-	528,431	-	-	1,430,519
Balance, March 31, 2024	902,088	15,171	-	528,431	76,430	994	1,523,114

a) Cobalt Hill

Pursuant to an option agreement dated February 5, 2018, amended on April 25, 2019 and July 3, 2020, the Company was granted an option to acquire a 100% undivided interest in certain Cobalt Hill mineral claims ("Cobalt Hill") located in the Trail Creek Mining Division in British Columbia.

The Company fulfilled the terms of the option agreement and acquired a 100% undivided interest in Cobalt Hill by making cumulative cash payments totaling \$355,000 and issuing a cumulative total of 110,000 common shares of the Company. The optionor retained 1.5% net smelters return royalty ("NSR") on Cobalt Hill.

b) Tyr Silver Project and Century South Silver-Zinc Project

On October 15, 2020, pursuant to the terms of the definitive agreement dated August 13, 2020, the Company closed the acquisition for 60% of TargetCo which owns a 100% interest (subject to a 2% NSR) in two prospective silver-zinc projects in Australia, being the Tyr Silver Project and the Century South Silver-Zinc Project. On April 5, 2022, pursuant to the terms of the Definitive Agreement dated March 25, 2022, the Company closed the acquisition of an additional 20% of TargetCo. On July 13, 2023, the Company acquired the remaining 20% of the issued and outstanding securities of TargetCo (Note 5).

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6. EXPLORATION AND EVALUATION ASSETS (continued)

During the year ended September 30, 2023, the Tyr Silver Project was fully impaired due to the Company's decision to focus on core projects instead. As a result, the Company recorded an amount of \$67,705 on September 30, 2023 as an impairment of exploration and evaluation assets. During the three and six months ended March 31, 2024, the Company capitalized \$11,932 and \$15,171, respectively, (2023 - \$3,237 and \$9,541, respectively) of exploration and evaluation expenditures on the project.

During the year ended September 30, 2023, the Century South Silver-Zinc Project was fully impaired due to the Company's decision to focus on core projects instead. As a result, the Company recorded an amount of \$47,500 on September 30, 2023, as an impairment of exploration and evaluation assets.

c) James Bay Lithium Project

In January 2021, the Company completed the acquisition of a 100% interest in and to the Route 381 Lithium, comprised of 40 mineral claims located in James Bay Territory in Quebec. In consideration for the acquisition, the Company paid the vendors an aggregate of \$60,000 in cash and issued 400,000 common shares of the Company with a fair value of \$1,720,000. In addition, the Company is subject to grant vendors a 2% NSR.

In December 2021, the Company acquired, by way of staking, 229 mineral exploration claims prospective for lithium in the James Bay region of Quebec, Canada ("Mitsumis").

During the year ended September 30, 2023, the James Bay Lithium Project was partially impaired due to the decrease in the fair value of exploration and evaluation assets option agreement (Note 6(e)). As a result, the Company recorded \$443,503 on September 30, 2023 as an impairment of exploration and evaluation assets.

d) New Age Co Properties

On April 14, 2021, the Company announced that it had completed the acquisition of all issued and outstanding securities of New Age Co.

Rare Earth Elements ("REE") (Northern Territory) - Arctic Fox and Isbjorn

Located in Australia's Northern Territory, both properties are in the exploration stage. Arctic Fox is contiguous with the Nolans Bore REE project and the Isbjorn asset is contiguous to the Charley Creek REE project.

Nickel-cobalt-scandium-HPA (New South Wales) - Chinook, Kodiak & Caribou

The three nickel-cobalt-scandium-HPA properties - Chinook, Kodiak and Caribou are located in Australia's central New South Wales, which is considered by management to be a highly prospective region of exploration. During the year ended September 30, 2023, the New Age Co Properties were fully impaired due to the application of IFRS Accounting Standards to bring the Company's assets in line with its market capitalization. During the three and six months ended March 31, 2024, the Company capitalized \$5,367 and \$76,430, respectively, (2023 - \$54,212 and \$81,849, respectively) of exploration and evaluation expenditures on the property.

e) Option on the James Bay Lithium Project

Effective September 27, 2022, the Company entered into an option agreement (the "Property Option Agreement") with Cygnus Gold Limited ("Cygnus"), whereby the Company granted Cygnus the option to acquire up to an 80% interest in the Company's Route 381 Lithium and Mitsumis properties located in Quebec, Canada (the "James Bay Lithium Project"). Option consideration from Cygnus is recorded as a reduction of the properties' capitalized exploration and evaluation assets reflecting a recovery of past costs incurred.

Under the terms of the Property Option Agreement, Cygnus has the option to acquire an initial 51% interest in the James Bay Lithium Project (the "First Option"). Following the exercise of the First Option, Cygnus has the option to acquire an additional 29% interest in the Projects (the "Second Option").

6. EXPLORATION AND EVALUATION ASSETS (continued)

In order to exercise the First Option, Cygnus must commit to the following over three years:

- Payment of \$175,000 due on September 30, 2022 (which includes \$125,000 as an expense reimbursement to the Company) (the payment was received on October 12, 2022);
- Reimbursement of the Company's exploration expenditures of up to \$375,000 from its 2022 exploration program by December 31, 2022 (the reimbursement was received on December 20, 2022);
- Fund \$2,000,000 in exploration expenditures less expense reimbursements on the James Bay Lithium Project by the third anniversary date of the Property Option Agreement as follows:
 - \$500,000 to be incurred prior to September 27, 2023 which was satisfied through the payments in 2022 above;
 - \$500,000 to be incurred prior to September 27, 2024; and
 - \$1,000,000 to be incurred prior to September 27, 2025.

Cygnus will then have the option to exercise the Second Option by:

- Payment of \$50,000 to the Company within 30 days of the satisfaction of the First Option;
- Filing a National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("NI 43-101") or *the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves* (the "JORC Code") compliant mineral resource estimate which defines a lithium oxide resource on the projects of at least five million tonnes with an average grade of not less than 0.8% lithium oxide in any resource category as defined in NI 43-101 or the JORC Code, by the date which is no later than five years from the exercise of the First Option; and
- Cash consideration to the Company of \$1,000,000 within three days of filing the above report.

7. NOTE PAYABLE

On December 21, 2023, the Company entered into a promissory note agreement with Aion Capital Inc. ("the Promisee"), a related entity through one of the Company's directors (Note 10). Pursuant to this agreement, the Company promises to pay the Promisee a principal sum of \$75,000 with an annual interest rate of 15%. The principal sum and all outstanding interest that may accrue will be payable to the Promisee on demand.

For the three and six months ended March 31, 2024, the Company incurred interest expense of \$2,840 and \$2,840, respectively (2023 - \$nil and \$nil, respectively).

8. FLOW-THROUGH PREMIUM LIABILITY

Flow-through units are issued at a premium, calculated as the difference between the price of a flow-through unit and the price of a unit at issuance date, as tax deductions generated by the eligible expenditures are passed through to the shareholders of the flow-through shares once the eligible expenditures are incurred and renounced.

Funds raised through the issuance of flow-through units are required to be expended on qualifying Canadian mineral exploration expenditures, as defined pursuant to Canadian income tax legislation. The flow-through gross proceeds less the qualified expenditures made to date represent the funds received from flow-through share issuances that have not been spent and are held by the Company for such expenditures.

On November 23, 2021, the Company issued 450,997 flow-through units at a purchase price of \$1.95 per flow-through unit for gross proceeds of \$879,445. The flow-through units were issued at a premium of \$0.15 per unit. As a result, a flow-through premium liability of \$67,650 was recorded.

On September 22, 2022, the Company issued 840,000 flow-through units at a purchase price of \$0.75 per flow-through unit for gross proceeds of \$630,000. The flow-through units were issued at a premium of \$0.10 per unit. As a result, a flow-through premium liability of \$84,000 was recorded.

The Company intended to spend these proceeds on eligible exploration expenditures by the termination date, December 31, 2023. Due to natural disasters in Quebec, the Company was not able to carry out the exploration expenditures as planned. With the approval of the subscribers, the Company has extended the termination date to August 18, 2024.

MEGAWATT LITHIUM AND BATTERY METALS CORP.
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(Unaudited - Expressed in Canadian dollars, except where noted)

8. FLOW-THROUGH PREMIUM LIABILITY (continued)

A summary of the Company's flow-through funding, expenditure requirements and corresponding impact on the flow-through premium liability is as follows:

	Flow-through funding and expenditure requirements	Flow-through premium liability
	\$	\$
Balance, September 30, 2022	1,428,905	143,558
Flow-through expenditures incurred, renounced, and amortization of flow-through premium liability	(859,909)	(86,392)
Balance, March 31, 2024 and September 30, 2023	568,996	57,166

During the three and six months ended March 31, 2023 the Company recognized \$nil and \$nil (2023 - \$5,275 and \$39,230) as amortization of flow-through premium liability under other income in profit or loss.

9. SHARE CAPITAL

a) Authorized

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

b) Issued

As at March 31, 2024, the Company had 20,208,732 shares issued and outstanding (September 30, 2023 - 9,258,732).

During the six months ended March 31, 2024, the Company had the following share capital transactions:

- On January 17, 2024, the Company issued 900,000 common shares with a fair value of \$81,000 for settlement of accounts payable and accrued liabilities in the amount of \$90,000. As a result of the debt settlement, the Company recorded a gain on debt settlement of \$9,000 in profit or loss.
- On March 8, 2024, the Company issued 4,290,000 common shares pursuant to a private placement at \$0.10 per common share (the "LIFE Offering") for gross proceeds of \$429,000. Share issuance costs on the LIFE Offering consisted of cash commissions paid to finders of \$6,315 and brokers fees of \$3,600.
- On March 8, 2024, the Company issued 4,460,000 common shares pursuant to a private placement and closed its first tranche of a concurrent \$0.10 share financing (the "Concurrent PP"), for gross proceeds of \$446,000. Share issuance costs on the first tranche of the Concurrent PP consisted of cash commissions paid to finders of \$6,565 and brokers fees of \$2,100.
- On March 15, 2024, the Company issued 1,300,000 common shares and closed its second tranche of the Concurrent PP for gross proceeds of \$130,000. Share issuance cost on the second tranche of the Concurrent PP was \$3,850 which was cash commissions paid to finders.

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

- On July 13, 2023, the Company issued 500,000 common shares at \$0.19 per share for a fair value of \$95,000 for the remaining 20% of the TargetCo (Note 5).

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9. SHARE CAPITAL (continued)

c) Warrants

A summary of the Company's warrant activity is as follows:

	Number of warrants	Weighted average exercise price
	#	\$
Balance, September 30, 2023 and September 30, 2022	888,463	1.81
Expired	(386,863)	2.61
Balance, March 31, 2024	501,600	1.20

A summary of the Company's outstanding warrants as at March 31, 2024 is as follows:

Date of expiry	Weighted average exercise price	Number of warrants	Weighted average remaining life
	\$	#	Years
September 22, 2024	1.20	501,600	0.48

d) Stock options

The Company has a stock option plan for directors, employees, and consultants. The aggregate number of common shares issuable pursuant to stock options granted under the plan is 10% of the issued and outstanding common shares. The board of directors has the exclusive power over the granting of stock options, the exercise price and their vesting and cancellation provisions.

On January 22, 2024, the Company granted 200,000 stock options to an officer of the Company. These stock options have an exercise price of \$0.11 expiring on January 22, 2026. The stock options vested immediately on the grant date. As a result, the Company recorded share-based compensation of \$15,594 for the three and six months ended March 31, 2024 (2023 - \$nil and \$nil respectively) related to the vesting of stock options.

A summary of the Company's stock option activity is as follows:

	Stock options outstanding and exercisable	Weighted average exercise price
	#	\$
Balance, September 30, 2023 and September 30, 2022	420,000	3.38
Granted	200,000	0.11
Balance, March 31, 2024	620,000	2.33

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9. SHARE CAPITAL (continued)

A summary of the Company's outstanding stock options as at March 31, 2024 is as follows:

Date of expiry	Weighted average exercise price	Number of stock options	Weighted average remaining life
	\$	#	Years
November 26, 2024	2.00	250,000	0.66
August 13, 2025	3.05	25,000	1.37
October 21, 2025	9.00	50,000	1.56
January 22, 2026	0.11	200,000	1.81
January 28, 2026	2.85	20,000	1.83
February 16, 2026	4.65	25,000	1.88
March 2, 2026	4.40	50,000	1.92
Balance, March 31, 2024	2.33	620,000	1.32

A summary of the Company's weighted average inputs used in the Black-Scholes option pricing model to calculate the fair value of the stock options issued in the six months ended March 31, 2024 is as follows:

Share price	\$0.11
Exercise price	\$0.11
Expected life	2.00 years
Risk-free interest rate	4.25%
Expected volatility	145.41%
Expected annual dividend yield	0.00%

The risk-free interest rate of periods within the expected life of the stock options is based on the Canadian government bond rate. The annualized volatility assumptions are based on the historical results of benchmark companies.

10. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION

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

Key management includes directors and key officers of the Company, including the President, Chief Executive Officer and Chief Financial Officer.

A summary of the Company's related party transactions is as follows:

	Three months ended		Six months ended	
	2024	March 31, 2023	2024	March 31, 2023
	\$	\$	\$	\$
Management and consulting	21,000	33,000	54,000	66,000
Share-based compensation	15,594	-	15,594	-
	36,594	33,000	69,594	66,000

As at March 31, 2024, the Company had \$139,265 (September 30, 2023 - \$57,950) due to related parties. Of this amount, \$61,425 (September 30, 2023 - \$57,950) is in respect of the services rendered, is non-interest bearing and is payable on demand. The remaining \$77,840 (September 30, 2023 - \$nil) is in respect of a note payable due to the Promisee related to one of the Company's directors (Note 7).

11. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the sourcing and exploration of its resource property. The Company does not have any externally imposed capital requirements to which it is subject. The Company considers the aggregate of its share capital, reserves, and deficit as capital. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares or dispose of assets or adjust the amount of cash. There have not been changes to the Company's capital management policy during the six months ended March 31, 2024.

12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments consist of cash, accounts payable and accrued liabilities and note payable measured at amortized cost. Their fair values approximate their carrying values due to their short-term nature.

The financial instruments expose the Company to certain financial risks. The risk exposures and the impact on the Company's financial instruments are summarized below.

a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the Company by failing to discharge an obligation. The Company is exposed to credit risk through its cash. The Company reduces its credit risk on cash by placing these instruments with financial institutions of high credit worthiness. As at March 31, 2024, the Company is not exposed to significant credit risk.

b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company is exposed through its accounts payable and note payable. The Company's accounts payable are all current and due within 90 days of the balance sheet date. The Company has a working capital surplus of \$155,567. As at March 31, 2024, the Company had sufficient cash on hand to discharge its financial liabilities as they become due.

c) Foreign exchange risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of the changes in the foreign exchange rates. As at March 31, 2024, the Company is not exposed to significant foreign currency risk.

d) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at March 31, 2024, the Company is not exposed to significant interest rate risk.

13. SUBSEQUENT EVENT

On May 1, 2024, the Company completed a share exchange agreement (the "Share Exchange Agreement") with Labrador Mineral Resources Inc. ("Labrador"), pursuant to which the Company acquired all of the issued and outstanding shares of Labrador in consideration for the issuance of 16,275,001 common shares. Labrador purchased a 100% interest in the Benedict Mountains uranium property (the "Benedict Property") located on the east coast of Labrador through a property purchase agreement dated effective February 8, 2024. Pursuant to the Share Exchange Agreement, the Company assumed the obligations of Labrador under the property purchase agreement. Consequently, the Company is required to make a cash payment of \$25,000 by March 15, 2025. The Benedict Property is subject to a royalty equal to 1.5% NSR upon commencement of commercial production which may be reduced from 1.5% to 0.5% with a payment of \$1,000,000.