

BATTERY METALS

(formerly Straightup Resources Inc.)

Condensed Interim Consolidated Financial Statements (Unaudited)

For the three and nine months ended September 30, 2023 and 2022

Expressed in Canadian Dollars

BATTERY X METALS INC. (formerly Straightup Resources Inc.)

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(Expressed in Canadian Dollars - Unaudited)

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**NOTICE OF NO AUDITOR REVIEW OF
CONDENSED INTERIM FINANCIAL STATEMENTS**

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements have been prepared by and are the responsibility of management.

The Company's independent auditor has not performed a review of these financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of condensed interim financial statements by an entity's auditor.

BATTERY X METALS INC. (formerly Straightup Resources Inc.)
Condensed Interim Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	Note	September 30, 2023	December 31, 2022
		\$	\$
ASSETS			
Current			
Cash		36,523	136,725
Sales taxes receivable		1,741	1,504
Prepays		24,391	11,523
		62,655	149,752
Exploration and evaluation assets	5	674,221	654,517
		736,876	804,269
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current			
Accounts payables and accrued liabilities	6,9	1,049,292	953,929
Loan payable	7	71,427	30,440
		1,120,719	984,369
Shareholders' equity (deficiency)			
Share capital	8	7,769,123	6,314,527
Share subscriptions	8	-	150,000
Reserves	8	1,190,733	936,919
Deficit		(9,343,699)	(7,581,546)
		(383,843)	(180,100)
		736,876	804,269

Nature of business and continuing operations (Note 1)
Subsequent events (Note 15)

Approved and authorized for issue on behalf of the Board on November 28, 2023.

"Mark Brezer", Director "Mathew Markin", Director

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

BATTERY X METALS INC. (formerly Straightup Resources Inc.)
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

		Three Months Ended September 30,		Nine Months Ended September 30,	
	Note	2023	2022	2023	2022
		\$	\$	\$	\$
OPERATING EXPENSES					
Consulting		15,000	-	20,464	-
Foreign exchange (gain)		-	4,057	(1,534)	4,057
Management fees and salaries	9	62,378	80,000	164,994	313,533
Marketing		3,666	1,450	10,501	177,156
Office and administrative		60,779	6,649	127,014	32,707
Professional fees		25,634	12,475	80,979	64,047
Property investigation costs		-	-	11,781	-
Research and development		56,350	-	67,550	-
Share-based compensation		133,481	-	133,481	327,591
Transfer agent and filing fees		14,461	8,136	35,970	31,000
		(371,749)	(112,767)	(651,200)	(950,091)
Write-off of exploration asset	5	(1,317,395)	(89,762)	(1,318,027)	(89,762)
Write-off of acquisition advances	4	-	-	-	(717,050)
		(1,317,395)	(89,762)	(1,318,027)	(806,812)
Net loss and comprehensive loss for the period		(1,689,144)	(202,529)	(1,969,227)	(1,756,903)
Loss per share - basic and diluted		\$ (0.06)	\$ (0.01)	\$ (0.08)	\$ (0.10)
Weighted average number of common shares outstanding		27,072,966	17,993,444	24,524,869	17,354,689

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

BATTERY X METALS INC. (formerly Straightup Resources Inc.)
Condensed Interim Consolidated Statements of Changes in Shareholders' Equity (Deficiency)
(Expressed in Canadian Dollars)

	Note	Share capital					Total
		Number of	Amount	Share	Reserves	Deficit	
		shares	\$	subscriptions	\$	\$	
Balance at December 31, 2021		15,584,906	5,324,251	-	655,713	(4,661,541)	1,318,423
Units issued for cash	8	1,250,000	485,000	-	250,000	-	735,000
Shares issued for exploration and evaluation assets	5	533,333	152,000	-	-	-	152,000
Shares issued for services		300,000	110,000	-	-	-	110,000
Shares issued for debt settlements	8	13,780	4,961	-	-	-	4,961
Shares issued on exercise of warrants	8	82,800	32,965	-	(11,875)	-	21,090
Shares issued on exercise of share options	8	266,667	210,524	-	(98,524)	-	112,000
Share issuance costs	8	-	(41,787)	-	10,102	-	(31,685)
Share subscriptions		-	-	10,000	-	-	10,000
Forfeited warrants		-	31,613	-	(31,613)	-	-
Share-based compensation		-	-	-	327,591	-	327,591
Net loss for the period		-	-	-	-	(1,756,903)	(1,756,903)
Balance at September 30, 2022		18,031,486	6,309,527	10,000	1,101,394	(6,418,444)	1,002,477
Units issued for cash	8	33,333	25,000	-	-	-	25,000
Share subscriptions received		-	-	140,000	-	-	100,000
Forfeited share options		-	-	-	(164,475)	164,475	-
Flow-through share premium		-	(20,000)	-	-	-	(20,000)
Net loss for the period		-	-	-	-	(1,327,577)	(1,327,577)
Balance at December 31, 2022		18,064,819	6,314,527	150,000	936,919	(7,581,546)	(180,100)
Units issued for cash	8	3,133,333	141,000	(150,000)	329,000	-	320,000
Shares issued as finders' fees		120,000	30,600	-	-	-	30,600
Shares issued for exploration and evaluation assets	5	6,117,133	1,330,003	-	-	-	1,330,003
Share issuance costs	8	-	(75,045)	-	26,445	-	(48,600)
Forfeited warrants		-	28,038	-	(28,038)	-	-
Forfeited share options		-	-	-	(207,074)	207,074	-
Share-based compensation		-	-	-	133,481	-	133,481
Net loss for the period		-	-	-	-	(1,969,227)	(1,969,227)
Balance at September 30, 2023		27,435,285	7,769,123	-	1,190,733	(9,343,699)	(383,843)

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

BATTERY X METALS INC. (formerly Straightup Resources Inc.)
Condensed Interim Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

	Nine Months Ended September 30,	
	2023	2022
	\$	\$
Cash flows used in operating activities		
Loss for the period	(1,969,227)	(1,756,903)
Items not affecting cash:		
Share-based compensation	133,481	327,591
Shares issued for services	-	80,000
Write-off of exploration assets	1,318,027	89,762
Changes in non-cash working capital items:		
Sales taxes receivable	(237)	5,361
Prepays	(12,868)	5,592
Accounts payables and accrued liabilities	143,386	319,918
	(387,438)	(928,679)
Cash flows used in investing activities		
Exploration and evaluation assets	(55,751)	(98,979)
	(55,751)	(98,979)
Cash flows provided by financing activities		
Advances from loan payable	40,987	-
Units issued for cash	320,000	750,000
Proceeds from exercise of share options	-	112,000
Proceeds from exercise of warrants	-	21,090
Share subscriptions received	-	10,000
Share issuance costs	(18,000)	(31,685)
Bank indebtedness	-	1,288
	303,851	862,693
Change in cash during the period	(100,202)	(164,965)
Cash, beginning of period	136,725	164,965
Cash, end of period	36,523	-

Supplemental disclosures with respect to cash flows (Note 12)

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

BATTERY X METALS INC. (formerly Straightup Resources Inc.)

Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2023 and 2022

(Expressed in Canadian Dollars - Unaudited)

1. NATURE OF BUSINESS AND CONTINUING OPERATIONS

Battery X Metals Inc. ("the Company") (formerly Straightup Resources Inc.) was incorporated on August 22, 2017 under the laws of British Columbia. The address of the Company's corporate office is #207 - 5500 Warf Ave., Sechelt, British Columbia, Canada, V0N 3A0. The address of the Company's registered and records office is 3426 West 33rd Avenue, Vancouver, BC, V6N 2H2. On July 6, 2023, the Company changed its name from "Straightup Resources Inc." to "Battery X Metals Inc." The Company's common shares trade on the Canadian Securities Exchange under the symbol BATX (formerly "ST"). On October 25, 2021, the Company was commenced trading on the OTCQB Exchange in the USA under the symbol "BATXF" (formerly "STUPF").

The Company's principal business activities include the acquisition and exploration of mineral property assets. As at September 30, 2023, the Company had not yet determined whether the Company's mineral property assets contained 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. The outcome of these matters cannot be predicted at this time and the uncertainties cast significant doubt upon the Company's ability to continue as a going concern.

On July 6, 2023, the Company consolidated its outstanding share capital on a three-for-one basis. The share consolidation has been applied retrospectively and as a result all shares, options, warrants, and per share amounts are stated on an adjusted basis.

During the nine months ended September 30, 2023, the Company incurred a loss of \$1,969,227 and has a working capital deficiency of \$1,058,064. The Company had an accumulated deficit of \$9,343,699 as at September 30, 2023, which has been funded by the issuance of equity. The Company's ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs.

These factors indicate the existence of a material uncertainty that may cast significant doubt on the ability of the Company 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 or maintaining continued support from its shareholders and creditors, identifying and commencing the operations of a suitable business and generating profitable operations in the future.

These condensed interim consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded assets and liabilities that might be necessary should the Company be unable to continue in existence.

Although the Company has been successful in the past in obtaining financing, there can be no assurances that the Company will continue to obtain the additional financial resources necessary and/or achieve profitability or positive cash flows from its future operations. These material uncertainties may cast significant doubt on the Company's ability to continue as a going concern.

BATTERY X METALS INC. (formerly Straightup Resources Inc.)

Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2023 and 2022

(Expressed in Canadian Dollars - Unaudited)

2. MATERIAL ACCOUNTING POLICIES

Statement of compliance

These condensed interim financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") and International Accounting Standards ("IAS") 34 "Interim Financial Reporting" as issued by the International Accounting Standards Board ("IASB"). Accordingly, certain disclosures included in the December 31, 2022 audited financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the IASB have been condensed or omitted and these unaudited condensed interim financial statements should be read in conjunction with the Company's audited financial statements for the year ended December 31, 2022.

The accounting policies applied in these condensed interim financial statements are consistent with those applied and disclosed in the Company's audited financial statements for the year ended December 31, 2022. The Company's interim results are not necessarily indicative of its results for a full year.

These condensed interim financial statements were approved by the Board of Directors of the Company and authorized for issuance on November 28, 2023.

Basis of presentation

The consolidated financial statements have been prepared on the historical cost basis, with the exception of financial instruments which are measured at fair value, as explained in the accounting policies set out below. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The Company's functional currency is the Canadian dollar and the functional currency of 1318463 BC Ltd., Golden Axe Metals Corp, 1379596 BC Ltd., and Battery X Recycling Technologies Inc. is the Canadian dollar. The assets and liabilities of the subsidiaries are translated into Canadian dollars at the rate of exchange prevailing at the reporting date and their income and expense items are translated at average exchange rates for the period. Exchange differences arising on the translation are recognized in other comprehensive income.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

Basis of consolidation

These consolidated financial statements include the accounts of the Company and its subsidiaries as follows:

	Incorporation	Percentage owned	
		September 30, 2023	December 31, 2022
1318463 BC Ltd. ("1318463 BC")	Canada	100%	100%
Company owned by 1318463 BC:			
Golden Axe Metals Corp. ("Golden Axe")	USA	100%	100%
1379596 BC Ltd. ("1379596 BC")	Canada	100%	-
Company owned by 1379596 BC:			
Battery X Recycling Technologies Inc. ("Battery X")	Canada	100%	-

On October 11, 2021, the Company acquired 100% of the outstanding common shares of 1318463 BC. On March 22, 2023, the Company acquired 100% of the outstanding common shares of 1379596 BC which owns 100% of the outstanding shares of Battery X Recycling Technologies Inc.

All significant intercompany accounts and transactions between the Company and its subsidiaries have been eliminated upon consolidation.

BATTERY X METALS INC. (formerly Straightup Resources Inc.)
Notes to the Condensed Interim Consolidated Financial Statements
For the three and nine months ended September 30, 2023 and 2022
(Expressed in Canadian Dollars - Unaudited)

2. MATERIAL ACCOUNTING POLICIES (continued)

Decommissioning, restoration and similar liabilities

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration or development of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, along with a corresponding liability as soon as the obligation to incur such costs arises. The timing of the actual rehabilitation expenditure is dependent on a number of factors such as the life and nature of the asset, the operating license conditions and, when applicable, the environment in which the mine operates.

Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the units-of-production or the straight-line method. The corresponding liability is progressively increased as the effect of discounting unwinds creating an expense recognized in profit or loss.

Decommissioning costs are also adjusted for changes in estimates. Those adjustments are accounted for as a change in the corresponding capitalized cost, except where a reduction in costs is greater than the unamortized capitalized cost of the related assets, in which case the capitalized cost is reduced to nil and the remaining adjustment is recognized in profit or loss.

The operations of the Company have been, and may in the future be, affected from time to time in varying degree by changes in environmental regulations, including those for site restoration costs. Both the likelihood of new regulations and their overall effect upon the Company are not predictable.

The Company has no material restoration, rehabilitation and environmental obligations as the disturbance to date is immaterial.

Accounting standards and amendments issued but not yet adopted

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

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these condensed interim consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

BATTERY X METALS INC. (formerly Straightup Resources Inc.)
Notes to the Condensed Interim Consolidated Financial Statements
For the three and nine months ended September 30, 2023 and 2022
(Expressed in Canadian Dollars - Unaudited)

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS (continued)

Significant accounting estimates

- a) the measurement of deferred income tax assets and liabilities; and
- b) the inputs used in accounting for share-based payments.

Significant accounting judgments

- a) the determination of categories of financial assets and financial liabilities;
- b) the evaluation of the Company's ability to continue as a going concern; and
- c) the assessment of indications of impairment of the exploration and evaluation assets and related determination of the net realizable value and write-down of the exploration and evaluation assets where applicable.

4. ACQUISITION OF 1379596 B.C. LTD.

In March 2023, the Company completed the acquisition of 100% of the issued and outstanding common shares of 1379596 B.C. LTD. by issuing the first 4,000,001 of 10,666,667 common shares due of the Company. Pursuant to the agreement dated March 2, 2023 ("Closing Date") the Company issued 4,000,001 common shares valued at \$1,080,000 based on the trading price on date of issuance of \$0.27 per share. In July 2023, pursuant to the agreement, the Company issued an additional 1,666,666 common shares valued at \$149,999 based on the trading price on date of issuance of \$0.09 per share.

In October 2022, 1379596 B.C. entered into an option agreement to acquire a 100% interest in the Opatica Lithium Project (Note 5). As a result, the Company acquired the exclusive right to acquire a 100% interest in the Opatica Lithium Project. The Company had acquired 1379596 B.C for the sole purpose of acquiring the Opatica Lithium Project as described in Note 5.

Based on the number of shares acquired and the Company's decision-making power, the Company was determined to be the acquirer. The acquisition was determined to be an asset acquisition as 1379596 B.C did not meet the definition of business. The Company allocated the fair value of consideration paid to the acquired assets and liabilities based on their relative fair values as at the Closing Date.

The total consideration paid totaled \$1,080,000 and has been allocated to the assets and liabilities acquired based on their estimated fair values on the Closing Date as follows:

	Total
	\$
Consideration:	
Shares issued	1,080,000
Total Consideration:	1,080,000
Allocated as follows:	
Cash	12,609
Exploration and evaluation asset	1,067,391
	1,080,000

BATTERY X METALS INC. (formerly Straightup Resources Inc.)**Notes to the Condensed Interim Consolidated Financial Statements****For the three and nine months ended September 30, 2023 and 2022****(Expressed in Canadian Dollars - Unaudited)****5. EXPLORATION AND EVALUATION ASSETS**

	Belanger Project	Ferdinand Gold Project	Bear Head Gold Project	West Cat Mine Project	Ranger/ Otter Project	Opatica Lithium Project	Total
	\$	\$	\$	\$	\$	\$	\$
Balance, December 31, 2021	493,567	274,337	89,762	730,000	-	-	1,587,666
Property acquisition	130,000	76,000	-	-	40,000	-	246,000
Exploration costs							
Assay	489	2,964	-	-	-	-	3,453
Geological consulting	14,420	58,442	-	-	-	-	72,862
Labour	9,421	-	-	-	-	-	9,421
Supplies and other	6,620	-	-	-	-	-	6,620
Subtotal	160,950	137,406	-	-	40,000	-	338,356
Write-off of exploration asset	-	(411,743)	(89,762)	(730,000)	(40,000)	-	(1,271,505)
Balance, December 31, 2022	654,517	-	-	-	-	-	654,517
Property acquisition	-	-	-	-	-	1,317,394	1,317,394
Exploration costs							
Assay	280	-	-	-	-	-	280
Geological consulting	231	-	132	-	-	-	363
Labour	742	-	500	-	-	-	1,242
Claims fee	15,071	-	-	-	-	-	14,571
Supplies and other	3,380	-	-	-	-	-	3,380
Subtotal	19,704	-	632	-	-	1,317,394	1,337,730
Write-off of exploration asset	-	-	(632)	-	-	(1,317,394)	(1,318,026)
Balance, September 30, 2023	674,221	-	-	-	-	-	674,221

Belanger Project

Pursuant to an option agreement dated June 1, 2020 with Bounty Gold Corp. ("Belanger Project Optionor"), the Company was granted an option to acquire a 100% undivided interest in certain unpatented mining claims comprising the RLX North, RLX South, and Belanger properties (collectively, the "Belanger Project") located in the District of Red Lake, Ontario, Canada.

BATTERY X METALS INC. (formerly Straightup Resources Inc.)
Notes to the Condensed Interim Consolidated Financial Statements
For the three and nine months ended September 30, 2023 and 2022
(Expressed in Canadian Dollars - Unaudited)

5. EXPLORATION AND EVALUATION ASSETS (continued)

Belanger Project (continued)

In accordance with the option agreement, the Company can acquire the 100% interest in the project by: (i) making cash payments in the aggregate amount of \$150,000; and (ii) issuing common shares in the capital of the Company (the "Consideration Shares") having an aggregate cash value of \$300,000 to the Belanger Project Optionor as follows:

	Consideration Shares		Cash
	#	\$	\$
Upon execution of the option agreement on June 1, 2020 (issued and paid respectively)	100,000	30,000	25,000
On or before the 1 st anniversary on June 1, 2021 (issued 115,385 and paid respectively)	-	30,000	25,000
On or before the 2 nd anniversary on June 1, 2022 (issued 333,333 shares and paid respectively)	-	100,000	50,000
On or before the 3 rd anniversary on June 1, 2023*	-	140,000	50,000
	100,000	300,000	150,000

**Subsequently, in November 2023, the Company and the Belanger Project Optionor agreed to a final payment of \$25,000 in cash and 300,000 shares ("November 2023 Agreement"). Please see below for terms of the final payment.*

In accordance with the November 2023 Agreement the Company can exercise the option and acquire the 100% interest in the project by (i) making the final cash payment of \$25,000; and (ii) issuing 300,000 common shares of the Company to the Belanger Project Optionor as follows:

- \$1,000 and 100,000 common shares on or before November 30, 2023
- \$2,000 on or before the first calendar day of each month from December 1, 2023 to November 1, 2024 inclusive
- 100,000 common shares on or before March 15, 2024
- 100,000 common shares on or before July 15, 2024

The Belanger Project Optionor retained a 3% net smelter returns royalty which the Company has the right to purchase the first 1% of the royalty for \$750,000 and the remaining 2% for \$2,000,000 at any time prior to the commencement of commercial production.

On October 22, 2020, the Company entered into an agreement to acquire a digital database of compilation and field exploration data for the Belanger Project (the "Digital Database Agreement") for a consideration of \$100,000 cash and 66,667 warrants as stated below:

	Cash	Number of Warrants
	\$	#
Upon closing of the Digital Database Agreement on October 22, 2020 (paid and issued respectively)	50,000	33,333
Upon the earlier of (i) the commencement of a work program on either of the Property, or (ii) April 22, 2021 (paid and issued respectively)	50,000	33,334
	100,000	66,667

BATTERY X METALS INC. (formerly Straightup Resources Inc.)**Notes to the Condensed Interim Consolidated Financial Statements****For the three and nine months ended September 30, 2023 and 2022****(Expressed in Canadian Dollars - Unaudited)**

Under the Digital Database Agreement, each warrant is exercisable to purchase one common share of the Company for a period of three years from the date of issuance at an exercise price of \$0.78 per share. The Company has capitalized the cash payments and the fair value of the warrants as an acquisition cost in a prior year.

5. EXPLORATION AND EVALUATION ASSETS (continued)**Ferdinand Gold Project**

Pursuant to an option agreement dated March 19, 2021 with 1544230 Ontario Inc. and Gravel Ridge Resources Ltd. which was subsequently assigned to Solstice Gold Corp. (the "Ferdinand Gold Project Optionor"), the Company was granted an option to acquire a 100% undivided interest in 17 unpatented mining claims comprising 354 cells and encompassing 6,600 hectares, which are situated near Red Lake, Ontario (the "Ferdinand Gold Property").

In accordance with the agreement, the Company can acquire the 100% interest in the Ferdinand Gold Project in consideration of the following cash payments and share issuances:

	Number of Common Shares	Cash
	#	\$
Upon execution of the option agreement on March 19, 2021 (issued and paid respectively)	116,667	26,000
On or before the 1 st anniversary on March 19, 2022 (issued and paid respectively)	133,333	32,000
On or before the 2 nd anniversary on March 19, 2023	-	40,000
On or before the 3 rd anniversary on March 19, 2024	-	50,000
	250,000	148,000

The Ferdinand Gold Project Optionor retained a 1.5% net smelter return royalty of which the Company has the right to repurchase 0.5% at any time by way of a one-time payment of \$500,000.

Management decided not to proceed with the Ferdinand Gold Project and wrote off the carrying amount of \$411,743 during the year ended December 31, 2022.

Bear Head Gold Project

Pursuant to an option agreement dated July 12, 2021 with 1544230 Ontario Inc. and Gravel Ridge Resources Ltd. which was subsequently assigned to Solstice Gold Corp. (the "Bear Head Gold Project Optionor"), the Company was granted an option to acquire a 100% undivided interest in 31 unpatented mining claims comprising 97 cells and encompassing 4,850 hectares, which are situated in the Meen Lake area of the Patricia Mining area of Ontario, Canada (the "Bear Head Gold Property"). To earn the 100% interest, the Company was required to issue 350,000 common shares and make payments of \$96,000 over a three-year period. As at December, 31, 2022, the Company has issued 116,667 common shares and made \$16,000 in cash payment to the Optionor.

Management decided not to proceed with the Bear Head Gold Project and wrote off the carrying amount of \$89,762 during the year ended December 31, 2022 and a further \$632 during the nine months ended September 30, 2023.

BATTERY X METALS INC. (formerly Straightup Resources Inc.)**Notes to the Condensed Interim Consolidated Financial Statements****For the three and nine months ended September 30, 2023 and 2022****(Expressed in Canadian Dollars - Unaudited)****5. EXPLORATION AND EVALUATION ASSETS (continued)****West Cat Mine Project**

On October 11, 2021, the Company acquired 100% of the outstanding shares of 1318463 BC Ltd., pursuant to a Share Purchase Agreement dated September 23, 2021, which owns 100% of the outstanding shares of Golden Axe. Golden Axe owns a 100% interest in unpatented lode mining claims on federal land in the historic Beatty Mountain Nevada Mining District in Nye County, Nevada, located about 15 kilometers east of U.S. Route 95 and approximately 20 kilometers from Beatty, Nevada, at the base of the Bare Mountain Range.

In accordance with the agreement, the Company issued 1,333,333 common shares of the Company at a value of \$680,000 (issued October 25, 2021), and is required to make a cash payment of \$50,000. As at December 31, 2022, included in accounts payable and accrued liabilities was \$50,000 (2021 - \$50,000) due to 1318463 BC Ltd.

Management decided not to proceed with the West Cat Mine Project and wrote off the carrying amount of \$730,000 during the year ended December 31, 2022.

Ranger/Otter Project

Pursuant to an option agreement dated January 20, 2022 with 1544230 Ontario Inc. and Gravel Ridge Resources Ltd. (the "Ranger/Otter Project Optionor"), the Company was granted an option to acquire a 100% undivided interest in 3 unpatented mining claims comprising 61 cells and encompassing 3,050 hectares, which are situated in the Red Lake area of Ontario, Canada (the "Ranger/Otter Property").

In accordance with the agreement, the Company can acquire the 100% interest in the Ranger/Otter Project in consideration of the following cash payments and share issuances:

	Number of Common Shares	Cash
	#	\$
Upon execution of the option agreement on January 27, 2022 (issued and paid respectively)	66,667	12,000
On or before the 1 st anniversary on January 27, 2023	-	14,000
On or before the 2 nd anniversary on January 27, 2024	-	18,000
On or before the 3 rd anniversary on January 27, 2025	-	28,000
	66,667	72,000

The Ranger/Otter Project Optionor retained a 1.5% net smelter return royalty of which the Company has the right to repurchase 0.5% at any time by way of a one-time payment of \$500,000.

Management decided not to proceed with the Ranger/Otter Project and wrote off the carrying amount of \$40,000 during the year ended December 31, 2022.

Opatica Lithium Project

On March 2, 2023, the Company entered into a Share Exchange Agreement to acquire 100% of the outstanding shares of 1379596 B.C. which owns 100% of the outstanding shares of Battery X. 1379596 BC has the exclusive right to acquire a 100% interest in the Opatica Lithium Project located in the James Bay region of Quebec, Canada. Battery X is developing a technological method for battery metals refining, including the processing of black mass from spent lithium-ion batteries.

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5. EXPLORATION AND EVALUATION ASSETS (continued)

Opatica Lithium Project (continued)

In accordance with the agreement, the Company issued 4,000,001 common shares of the Company valued at \$1,080,000 upon closing of the agreement on March 22, 2023, and will issue 6,666,666 common shares of the Company over four tranches: 4 months (1,666,666 issued), 8 months, 12 months, and 16 months from the closing of the agreement.

The option agreement relating to the Opatica Lithium Project, entered into on October 7, 2022 by 1379596 BC, requires the Company to complete the following remaining considerations to acquire the 100% interest to the property:

- pay \$50,000 on or before October 7, 2023;
- issue \$100,000 in common shares on or before April 7, 2023 (issued);
- issue \$250,000 in common shares on or before April 7, 2024;
- incur a further \$500,000 in exploration expenditures on the property before October 7, 2023; and
- incur a further \$500,000 in exploration expenditures on the property before October 7, 2024.

The Opatica Lithium Project Optionor retained a 2.0% net smelter return royalty of which the Company has the right to repurchase 1.0% at any time by way of a one-time payment of \$1,000,000.

In November 2023, Management decided not to proceed with the Opatica Lithium Project and wrote off the carrying amount of \$1,317,394 during the quarter ended September 30, 2023.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	September 30, 2023	December 31, 2022
	\$	\$
Accounts payable	802,180	601,949
Accrued liabilities	270,337	349,763
Payroll remittances payable	15,911	2,217
	1,088,428	953,929

7. LOAN PAYABLE

In October 2022, the Company secured a Letter of Credit ("LOC") for \$500,000 with Imarkin Investments PTY Limited, a company controlled by the Company's CFO. The LOC carries an interest rate of 10% per annum. On October 20, 2023, the maturity date was extended by one year to October 20, 2024. The principal advances under the LOC is convertible, at the lender's option, into units of the Company at \$0.05 with each unit consisting of one common share and one warrant exercisable at \$0.05 per warrant for a period of five years. All accrued interest is payable in cash. As at September 30, 2023, the Company has drawn \$71,427 from the LOC.

8. SHARE CAPITAL AND RESERVES

Authorized

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

Escrow shares

The Company entered into an escrow agreement, whereby common shares will be held in escrow and are scheduled for release at 10% on the listing date and 15% every six months from date of listing. As at September 30, 2023, the Company held nil (December 31, 2022 – 362,500) common shares in escrow.

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8. SHARE CAPITAL AND RESERVES (continued)

Issued and outstanding common shares

During the nine months ended September 30, 2023, the Company had the following share capital transactions:

- a) On January 27, 2023, the Company closed a brokered private placement by issuing 3,133,333 units at \$0.15 per unit for gross cash proceeds of \$470,000 ("January 2023 PP"). Each unit consists of one common share and one share purchase warrant. Each whole warrant will entitle the holder to purchase an additional common share at a price of \$0.15 per common share for a period of two years. The Company allocated \$329,000 to reserves representing the value of the warrants issued. In connection with the January 2023 PP, the Company paid finder fees of \$18,000 and issued 120,000 finder's shares at a price of \$0.255 for a value of \$30,600, and 120,000 finder's warrants with each finder's warrant having the same terms as the warrants issued under the January 2023 PP. The fair value of the finder warrants was calculated to be \$26,445 using the Black-Scholes option pricing model assuming an expected life of two years, a risk-free interest rate of 3.68%, an expected dividend rate of 0%, a price on grant date of \$0.09, and an expected annual volatility of 187%.
- b) On March 22, 2023, the Company issued 4,000,001 common shares with a fair value of \$1,080,000 to the shareholders of 1379596 BC in accordance with the Share Exchange Agreement (Note 4).
- c) On May 3, 2023, the Company issued 450,467 common shares with a fair value of \$100,004 to the shareholders of 1379596 BC in accordance with the Share Exchange Agreement (Note 4).
- d) On July 21, 2023 the Company issued 1,666,666 common shares with a fair value of \$149,999 to the shareholders of 1379596 BC in accordance with the Share Exchange Agreement (Note 4).

During the year ended December 31, 2022, the Company had the following share capital transactions:

- a) On January 10, 2022, the Company commenced a non-brokered private placement whereby the Company seeks to raise \$1,500,000 through the issuance of up to 2,500,000 units and/or flow-through common shares ("FTS") of the Company at \$0.60 per unit or FTS ("January 2022 PP"). Each unit consists of one common share and one-half share purchase warrant with each whole warrant entitling the holder to purchase an additional common share at a price of \$0.60 per common share for a period of two years from the date of closing. The warrants are subject to an acceleration clause whereby if the common share price is equal to or greater than \$1.50 for a period of 10 consecutive trading days, the Company may, by notice to the warrant holder, reduce the remaining exercise period applicable to the warrants to not less than 30 days from the date of such notice.
 - On January 17, 2022, the Company completed the first tranche by issuing 41,667 units for a gross proceeds of \$25,000. In connection with the first tranche, the Company paid finders fees of \$1,850 and issued 2,917 finder warrants with each finder warrant being exercisable for a period of two years from the date of issuance at a price of \$0.60 per common share. The fair value of the finder warrants was calculated to be \$820 using the Black-Scholes option pricing model assuming an expected life of two years, a risk-free interest rate of 1.22%, an expected dividend rate of 0%, a price on grant date of \$0.15, and an expected annual volatility of 138%. Additionally, the Company allocated \$6,250 to reserves representing the value of the warrants issued.
 - On January 24, 2022, the Company completed the second tranche by issuing 333,333 units and 50,000 FTS for a gross proceeds of \$230,000. In connection with the second tranche, the Company paid finders fees of \$5,135. Additionally, the Company allocated \$60,000 to reserves representing the value of the warrants issued and \$9,000 to flow-through shares premium representing the value of premium on the FTS.

BATTERY X METALS INC. (formerly Straightup Resources Inc.)

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8. SHARE CAPITAL AND RESERVES (continued)

Issued and outstanding common shares (continued)

- On January 27, 2022, the Company completed the third tranche by issuing 333,333 units and 33,333 FTS for a gross proceeds of \$220,000. In connection with the third tranche, the Company paid finders fees of \$14,100 and issued 23,333 finder warrants with each finder warrant being exercisable for a period of two years from the date of issuance at a price of \$0.60 per common share. The fair value of the finder warrants was calculated to be \$5,984 using the Black-Scholes option pricing model assuming an expected life of two years, a risk-free interest rate of 1.27%, an expected dividend rate of 0%, a price on grant date of \$0.42, and an expected annual volatility of 137%. Additionally, the Company allocated \$60,000 to reserves representing the value of the warrants issued and \$6,000 to flow-through shares premium representing the value of premium on the FTS.
 - On February 28, 2022, the Company completed the fourth tranche by issuing 458,333 units for a gross proceeds of \$275,000. In connection with the fourth tranche, the Company paid finders fees of \$10,600 and issued 17,500 finder warrants with each finder warrant being exercisable for a period of two years from the date of issuance at a price of \$0.60 per common share. The fair value of the finder warrants was calculated to be \$3,298 using the Black-Scholes option pricing model assuming an expected life of two years, a risk-free interest rate of 1.45%, an expected dividend rate of 0%, a price on grant date of \$0.33, and an expected annual volatility of 138%. Additionally, the Company allocated \$123,750 to reserves representing the value of the warrants issued.
- b) On February 22, 2022, the Company issued 66,667 common shares with a fair value of \$30,000 to Wawel Capital Corp. for management services rendered during the year ended December 31, 2021, which was included in accounts payable, and 66,667 common shares with a fair value of \$30,000 to Wawel Capital Corp. for management services included in management fees and salaries (Note 10).
- c) On March 7, 2022, the Company issued 66,667 common shares pursuant to the Ranger/Otter Project agreement with a fair value of \$28,000 (Note 5).
- d) On March 17, 2022, the Company issued 133,333 common shares pursuant to the Ferdinand Gold Project agreement with a fair value of \$44,000 (Note 5).
- e) On March 30, 2022, the Company issued 13,780 common shares to settle accounts payable of \$4,961 owing to a director of the Company.
- f) On July 8, 2022, the Company issued 333,333 common shares pursuant to the Belanger Project agreement with a fair value of \$80,000 (Note 5).
- g) On July 8, 2022, the Company issued 166,667 common shares with a fair value of \$50,000 to Wawel Capital Corp. for management services provided (Note 9).
- h) On November 7, 2022, the Company closed a non-brokered private placement by issuing 33,333 FTS at \$0.30 per share for gross proceeds of \$10,000. Additionally, the Company allocated \$5,000 to flow-through shares premium representing the value of premium on the FTS.
- i) During the year ended December 31, 2022, the Company issued 82,800 common shares for gross proceeds of \$21,090 pursuant to the exercise of 25,000 warrants with an exercise price of \$0.15 per common share and 57,800 warrants with an exercise price of \$0.30 per common share. As a result, the Company transferred \$11,875 representing the fair value of the exercised share purchase warrants from reserves to share capital.

BATTERY X METALS INC. (formerly Straightup Resources Inc.)**Notes to the Condensed Interim Consolidated Financial Statements****For the three and nine months ended September 30, 2023 and 2022****(Expressed in Canadian Dollars - Unaudited)****8. SHARE CAPITAL AND RESERVES (continued)****Issued and outstanding common shares (continued)**

- j) During the year ended December 31, 2022, the Company issued 266,667 common shares for gross proceeds of \$112,000 pursuant to the exercise of share options with an exercise price of \$0.42 per common share. As a result, the Company transferred \$98,524 representing the fair value of the exercised share purchase warrants from reserves to share capital.

Warrants

In April 2022, the Company extended the expiry date of 969,028 warrants by one year from April 29, 2022 to April 29, 2023.

Warrant transactions are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
		\$
Balance, December 31, 2021	5,679,872	0.45
Issued	627,083	0.60
Exercised	(82,800)	0.24
Expired	(131,677)	0.48
Balance, December 31, 2022	6,092,478	0.48
Issued	3,253,333	0.15
Expired	(4,610,211)	0.38
Balance, September 30, 2023	4,735,600	0.34

As at September 30, 2023, the Company had the following outstanding warrants:

Number of Warrants	Exercise Price	Expiry date
	\$	
414,884	0.90	October 29, 2023*
83,333	0.90	November 15, 2023*
33,333	0.78	November 26, 2023*
165,300	0.90	December 3, 2023
125,000	0.90	December 9, 2023
23,750	0.60	January 17, 2024
166,667	0.60	January 24, 2024
190,000	0.60	January 27, 2024
246,667	0.60	February 28, 2024
33,333	0.78	May 17, 2024
3,253,333	0.15	January 27, 2025
4,735,600		

**Subsequent to quarter end, 531,550 warrants expired unexercised*

The weighted average remaining life of the outstanding warrants at September 30, 2023 was 0.99 years.

BATTERY X METALS INC. (formerly Straightup Resources Inc.)**Notes to the Condensed Interim Consolidated Financial Statements****For the three and nine months ended September 30, 2023 and 2022****(Expressed in Canadian Dollars - Unaudited)****8. SHARE CAPITAL AND RESERVES (continued)****Share options**

During the nine months ended September 30, 2023, 333,333 stock options with exercise prices between \$0.42 and \$0.84 were cancelled. As a result, \$270,704 was reclassified from reserves to deficit.

During August 2023, the Company granted a total of 1,650,000 share options to certain directors, officers and Consultants of the Company. The share options are exercisable at \$0.15 per share, expire August 8, 2025, and vested immediately upon grant. The estimated fair value, \$133,481, was calculated using the Black-Scholes option pricing model based on the following assumptions: risk-free rate of 4.65%, forfeiture rate of 0%, no annual dividends, expected volatility of 197%, and a market price of share at grant date of \$0.10.

During the year ended December 31, 2022, the Company granted a total of 886,667 share options to certain directors and officers of the Company. The share options are exercisable at \$0.42 per share, expire January 27, 2027, and vested immediately upon grant.

Share option transactions are summarized as follows:

	Number of Options	Weighted Average Exercise Price	Weighted Average Share Price on Exercise
		\$	\$
Balance, December 31, 2021	683,332	0.75	-
Granted	886,666	0.42	-
Exercised	(266,667)	0.42	0.36
Forfeited	(433,333)	0.45	-
Balance, December 31, 2022	869,998	0.75	-
Granted	1,650,000	0.15	-
Cancelled	(333,333)	0.69	-
Balance, September 30, 2023	2,186,665	0.27	-

As at September 30, 2023, the Company had the following outstanding share options:

Number of Share Options	Exercise Price	Expiry date
	\$	
99,999	0.735	August 4, 2025
1,650,000	0.15	August 8, 2025
33,333	0.60	November 16, 2025
166,666	0.60	May 13, 2026
116,667	0.84	June 7, 2026
120,000	0.42	January 27, 2027
2,186,665		

The weighted average remaining life of the outstanding share options at September 30, 2023 was 2.05 years.

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9. RELATED PARTY BALANCES AND TRANSACTIONS

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

Key management includes directors and key officers of the Company, including the President, Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO").

On April 21, 2021, the Company entered into a Financial Advisory Services Agreement ("FAS Agreement") with Wawel Capital Corp. ("Wawel Capital"), a consulting firm which the Company's former CFO serves as a director, to provide financial advisory services to the Company, effective March 1, 2021, in consideration of \$240,000 per annum, payable quarterly with up to 50% of the quarterly payment eligible to be paid in common shares of the Company at a price per share equal to the discounted market price at the time of payment. Included in the agreement is a provision for a three-month payout in the event of a termination. On October 5, 2022, the CFO resigned and the agreement was terminated.

On May 15, 2021 and amended on June 3, 2021, the Company entered into an employment agreement with the CEO of the Company whereby the CEO will be paid an annual salary of \$80,000. Included in the agreement is a provision for a three-month payout in the event of a termination without notice. The employment agreement was amended on December 16, 2021, whereby the CEO resigned and maintained the position of the President of the Company. On October 5, 2022, the former CEO was reappointed as the Company's CEO. On March 1, 2023, the Company entered into a new employment agreement with the CEO whereby the CEO will be paid an annual salary of \$120,000. Additionally, the CEO will receive an annual bonus of \$120,000, payable in cash or shares, on the first and second anniversaries of the agreement. Included in the new agreement is a provision for a three-month payout in the event of a termination without notice.

On March 1, 2023, the Company entered into a consulting agreement with the CFO of the Company whereby the CFO will be paid \$10,000 per month until March 1, 2025, unless extended by mutual agreement. Additionally, the CFO will receive an annual bonus of \$120,000, payable in cash or shares, on the first and second anniversaries of the agreement.

The Company incurred the following key management personnel costs from related parties:

	For the nine months ended September 30,	
	2023	2022
	\$	\$
Management fees and salaries	153,333	312,000
Share-based compensation	101,122	290,645
	254,455	602,645

During the year ended December 31, 2022, the Company issued 300,000 common shares to Wawel Capital valued at \$110,000 (2021 – 100,000 shares valued at \$60,000), pursuant to the FAS Agreement, of which \$80,000 is included in management fees and salaries and \$30,000 was used to settle accounts payable for services rendered during the year ended December 31, 2021.

As at September 30, 2023, the Company owed \$406,398 (December 31, 2022 - \$302,450) to directors of the Company, companies controlled by directors of the Company, and the former CEO of the Company for expense reimbursements and unpaid management fees.

As at September 30, 2023, the Company owed \$71,427 (December 31, 2022 - \$30,440) to a company controlled by the CFO for a loan payable (Note 7).

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10. 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 properties. The Company is not subject to any externally imposed capital restrictions.

The Company considers the aggregate of its share capital, share subscriptions received, 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.

11. FINANCIAL INSTRUMENTS AND FINANCIAL RISK

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

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

The Company's financial instruments consist of cash, sales taxes receivable, and accounts payable. The fair value of sales taxes receivable and accounts payables approximates their carrying values. Cash is measured at fair value using level 1 inputs.

The Company is exposed to risks of varying degrees of significance from its use of financial instruments which could affect its ability to achieve its strategic objectives for growth and stakeholder returns. The principal risks to which the Company is exposed, and the actions taken to manage them, are described below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

The risks associated with the Company's financial instruments and the policies on how to mitigate these risks are set out below.

a) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company's corporate office is based in Canada and all of the Company's assets and expenses are denominated in Canadian dollars. The Company does not have any significant foreign currency denominated monetary liabilities.

b) Interest rate risk

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

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

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11. FINANCIAL INSTRUMENTS AND FINANCIAL RISK (continued)

c) Credit risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. The Company's cash is held in a large Canadian financial institution. The Company maintains certain cash deposits, which from time to time may exceed federally insured limits. The Company has not experienced any significant credit losses on its cash deposits and believes it is not exposed to any significant credit risk on these deposits. The Company's sales tax receivable is due from the Government of Canada; therefore, the credit risk exposure is low.

d) Liquidity risk

In the management of liquidity risk of the Company, the Company maintains a balance between continuity of funding and the flexibility through the use of borrowings. Management closely monitors the liquidity position and expects to have adequate sources of funding to finance the Company's projects and operations. As at September 30, 2023, the Company had a cash balance of \$36,523 to settle current liabilities of \$1,088,428. Liquidity risk is assessed as high.

12. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOWS

	For the nine months ended September 30,	
	2023	2022
	\$	\$
Supplemental non-cash disclosures		
Shares issued pursuant to acquisition of exploration and evaluation assets	1,330,003	152,000
Shares issued for debt settlement	-	4,961
Shares issued for services rendered in a previous year	-	30,000
Shares issued for share issuance costs	30,600	-
Warrants issued for share issuance costs	26,445	10,102
Reallocation of value of warrants included in units issued	329,000	250,000
Reallocation of value of warrants upon exercise	-	11,875
Reallocation of value of options upon exercise	-	98,524
Reallocation of value of options on forfeiture	207,074	
Reallocation of value of warrants on expiry	-	27,729
Reallocation of value of flow-through share premium	-	15,000
Exploration and evaluation assets in accounts payable	95,512	77,036

13. SEGMENTED INFORMATION

As of September 30, 2023, the Company has one operating segment, being the exploration of resource properties. Geographic information is as follows:

	For the nine months ended September 30,		
	Canada	USA	2023 Total
	\$	\$	\$
Exploration and evaluation assets	674,221	-	674,221

BATTERY X METALS INC. (formerly Straightup Resources Inc.)**Notes to the Condensed Interim Consolidated Financial Statements****For the three and nine months ended September 30, 2023 and 2022****(Expressed in Canadian Dollars - Unaudited)****13. SEGMENT INFORMATION (continued)**

	For the year ended December 31, 2022		
	Canada	USA	Total
	\$	\$	\$
Exploration and evaluation assets	654,517	-	654,517

14. ACQUISITION ADVANCES

As at December 31, 2022, the Company advanced \$2,731,534 as a non-interest bearing advance to Premier Silver Corp ("PSC"), as furtherance of a potential acquisition of 100% of the outstanding shares of PSC. On August 12, 2021, the Company entered into an Exclusivity Agreement with PSC granting the Company a right of exclusivity until November 10, 2021 whereby if PSC receives a written offer from an arm's length third party, the proposal must be first offered to the Company. On April 25, 2022, the Exclusivity Agreement was amended to extend the right of exclusivity to July 24, 2022. On July 24, 2022, the Exclusivity Agreement was terminated. During the year ended December 31, 2022, due to the economic uncertainty related to the advances the Company wrote-off advances of \$717,050 on the consolidated statement of loss and comprehensive loss (December 31, 2021 - \$2,014,484).

15. SUBSEQUENT EVENTS

- a) On September 28, 2023, the Company entered into a Share Exchange Agreement to acquire 100% of the outstanding shares of YY Resources Inc. ("YY Resources") which holds 100% ownership of the Y Lithium Project located in Northern Saskatchewan's Bailey Lake region. The transaction closed on October 17, 2023 upon approval from the CSE.

In accordance with the agreement, the Company must complete the following to acquire the 100% interest in YY Resources:

- issue 10,000,000 common shares of the Company at a deemed value of \$0.06 per share (subsequently issued).
 - issue 10,000,000 share purchase warrants, where each warrant is exercisable to purchase one additional common share at a price of \$0.15 per share for a period of 2 years (subsequently issued).
- b) On November 6, 2023 Premier Silver Corp settled an outstanding debt totaling \$2,731,534 related to acquisition advances (Note 14) advanced by the Company. In settlement of the debt, the Company will receive 4,000,000 common shares in the capital of Premier Silver at a deemed price of \$0.50 per common share.