BATTERY X METALS

(formerly Straightup Resources Inc.)

Condensed Interim Consolidated Financial Statements

(Unaudited)

For the three months ended March 31, 2024 and 2023

Expressed in Canadian Dollars

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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 - Unaudited)

	Note	March 31, 2024	December 31, 2023
		$	$
ASSETS			
Current			
Cash		100,074	51,577
Sales taxes receivable		8,616	2,230
Prepaids		307,622	16,227
		416,312	70,034
Exploration and evaluation assets	6	1,910,070	1,906,070
		2,326,382	**1,976,104**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current			
Accounts payables and accrued liabilities	7,10	1,515,068	1,455,364
Loan payable	8	77,504	76,930
		1,592,572	1,532,294
Shareholders' equity (deficiency)			
Share capital	9	10,184,106	9,392,645
Share subscriptions	9	-	50,000
Commitment to issue shares	4	1,352,500	1,350,000
Reserves	9	1,341,163	1,595,450
Equity component of convertible debentures		13,052	13,005
Deficit		(12,157,011)	(11,957,290)
		733,810	443,810
		2,326,382	**1,976,104**

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

Approved and authorized for issue on behalf of the Board on May 30, 2024.

"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 - Unaudited)

	Note	Three Months Ended March 31, 2024	2023
		$	$
OPERATING EXPENSES			
Foreign exchange (gain) loss		3,648	(50)
Interest expense		2,192	-
Management fees and salaries	10	62,689	38,116
Marketing		4,097	4,395
Office and administrative		60,204	26,732
Professional fees		28,971	8,182
Property investigation costs		-	680
Transfer agent and filing fees		11,507	9,479
		(199,738)	(87,534)
OTHER ITEMS			
Write-off of exploration asset	6	-	(420)
		-	(420)
Loss before income taxes		(199,738)	(87,954)
Deferred tax recovery	8	(17)	-
Net loss and comprehensive loss for the period		**(199,721)**	**(87,954)**
Loss per share - basic and diluted		$ (0.00)	$ (0.00)
Weighted average number of common shares outstanding		**41,338,227**	**25,318,154**

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

(Expressed in Canadian Dollars - Unaudited)

	Share capital							
	Number of shares	**Amount**	**Share subscriptions**	**Commitment to issue shares**	**Reserves**	**Convertible debenture equity**	**Deficit**	**Total**
		$	**$**		**$**		**$**	**$**
Balance at December 31, 2022	**54,194,461**	**6,314,527**	**150,000**	**-**	**936,919**	**-**	**(7,581,546)**	**(180,100)**
Units issued for cash	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	4,000,001	1,080,000	-	-	-	-	-	1,080,000
Share issuance costs	-	(75,045)	-	-	26,445	-	-	(48,600)
Forfeited share options	-	-	-	-	(207,074)	-	207,074	-
Net loss for the period	-	-	-	-	-	-	(87,954)	(87,954)
Balance at March 31, 2022	**25,318,154**	**7,491,082**	**-**	**-**	**1,085,290**	**-**	**(7,462,426)**	**1,113,946**
Units issued for cash	-	329,000	-	-	(329,000)	-	-	-
Share subscriptions	-	-	50,000	-	-	-	-	50,000
Shares issued for exploration and evaluation assets	12,117,131	1,454,056	-	-	834,186	-	-	2,288,242
Commitment to issue shares	-	-	-	1,350,000	-	-	-	1,350,000
Forfeited warrants	-	118,507	-	-	(128,507)	-	-	(10,000)
Share-based compensation	-	-	-	-	133,481	-	-	133,481
Convertible debenture equity	-	-	-	-	-	13,005	-	13,005
Net loss for the period	-	-	-		-	-	(4,494,864)	(4,494,864)
Balance at December 31, 2023	**37,435,285**	**9,392,645**	**50,000**	**1,350,000**	**1,595,450**	**13,005**	**(11,957,290)**	**443,810**
Units issued for cash	5,443,500	543,906	(50,000)	-	-	-	-	493,906
Commitment to issue shares	-	-	-	2,500	-	-	-	2,500
Shares issued as finders' fees	55,320	(6,732)	-	-	-	-	-	(6,732)
Share issuance costs	-	(5,185)	-	-	5,815	-	-	-
Forfeited warrants	-	260,102	-	-	(260,102)	-	207,074	-
Convertible debenture equity	-	-	-	-	-	47	-	47
Net loss for the period	-	-	-	-	-	-	(87,954)	(199,721)
Balance at March 31, 2024	**42,934,105**	**10,184,106**	**-**	**1,352,500**	**1,341,163**	**13,052**	**(12,157,011)**	**733,810**

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 - Unaudited)

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
	$	$
Cash flows used in operating activities		
Loss for the period	(199,721)	(87,954)
Items not affecting cash:		
Financing charges	47	-
Deferred tax recovery	(17)	-
Shares issued for finders fees	(6,732)	-
Shares issued for services	2,500	-
Write-off of exploration assets	-	420
Changes in non-cash working capital items:		
Sales taxes receivable	(6,386)	(3,974)
Prepaids	(291,395)	(14,808)
Accounts payables and accrued liabilities	59,704	(13,571)
	(442,000)	(119,887)
Cash flows used in investing activities		
Exploration and evaluation assets	(4,000)	(52,477)
	(4,000)	(52,477)
Cash flows provided by financing activities		
Advances from loan payable	-	3,051
Units issued for cash	494,350	320,000
Proceeds from convertible debentures	591	-
Share issuance costs	(444)	(18,000)
	494,497	305,051
Change in cash during the period	48,497	132,687
Cash, beginning of period	51,577	136,725
Cash, end of period	**100,074**	**269,412**

Supplemental disclosures with respect to cash flows (Note 13)

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

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 commenced trading on the OTCQB Exchange in the USA under the symbol "BATXF" (formerly "STUPF").

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.

The Company's principal business activities include the acquisition and exploration of mineral property assets and the development of battery recycling technology to support the growing demand for sustainable and environmentally friendly energy solutions. As at December 31, 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

During the three months ended March 31, 2024, the Company incurred a loss of $199,721 and has a working capital deficiency of $1,176,260. The Company had an accumulated deficit of $ 12,157,011 as at March 31, 2024, 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 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.

(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 IFRS Accounting Standards 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, 2023 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, 2023.

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, 2023. 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 May 30, 2024.

Basis of presentation

The condensed interim 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 functional currency of the Company and its subsidiaries is the Canadian dollar.

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 March 31, 2024	Percentage owned December 31, 2023
1318463 BC Ltd. ("1318463 BC")	Canada	100%	100%
Golden Axe Metals Corp. ("Golden Axe")	USA	100%	100%
1379596 BC Ltd. ("1379596 BC")	Canada	100%	-
Battery X Recycling Technologies Inc. ("Battery X")	Canada	100%	-
YY Resources Inc. ("YY Resources")	Canada	100%	-

On October 11, 2021, the Company acquired 100% of the outstanding common shares of 1318463 BC and its subsidiary Golden Axe. 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. On October 17, 2023, the Company acquired 100% of the outstanding common shares of YY Resources.

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

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:

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS (continued)

Significant accounting estimates

a) the inputs used in accounting for share-based payments; and

b) the estimated discount rate to determine the liability component of convertible debentures issued

Significant accounting judgments

a) the determination of categories of financial assets and financial liabilities;

b) the measurement of deferred income tax assets and liabilities;

c) the evaluation of the Company's ability to continue as a going concern; and

d) the assessment of indications of impairment of the exploration and evaluation assets

4. ACQUSITION 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, and recognized a commitment to issue an additional 6,666,666 common shares valued at $1,800,000 based on the trading price on Closing Date of $0.27. In July 2023, pursuant to the agreement, the Company issued an additional 1,666,666 common shares, thereby reducing their commitment to issue shares by $450,000.

5. ACQUSITION OF YY RESOURCES INC.

In October 2023, the Company completed the acquisition of 100% of the issued and outstanding common shares of YY Resources. Pursuant to the agreement dated October 17, 2023 ("Closing Date") the Company issued 10,000,000 common shares valued at $950,000 based on the trading price on date of issuance of $0.095 per share, and 10,000,000 share purchase warrants valued at $834,186. The fair value of the warrants was calculated using the Black-Scholes option pricing model assuming an expected life of two years, a risk-free interest rate of 4.73%, an expected dividend rate of 0%, a price on grant date of $0.095, and an expected annual volatility of 231%.

YY Resources owns the Y Lithium Property located in Northern Saskatchewan's Bailey Lake region. As a result, the Company acquired the exclusive rights to the Y Lithium Property. The Company had acquired YY Resources for the sole purpose of acquiring the Y Lithium Property.

(Expressed in Canadian Dollars - Unaudited)

6. EXPLORATION AND EVALUATION ASSETS

	Belanger Project	Opatica Lithium Project	Y Lithium Project	Total
	$	$	$	$
Balance, December 31, 2022	**654,517**	**-**	**-**	**654,517**
Property acquisition	3,000	2,921,447	1,784,186	4,708,633
Exploration costs				
Assay	280	-	-	280
Geological consulting	231	-		231
Labour	742	-	-	742
Claims fee	15,071	-	-	15,071
Supplies and other	3,380	-	-	3,380
Subtotal	22,704	2,921,447	1,784,186	4,728,337
Write-off of exploration asset	(555,337)	(2,921,447)	-	(3,476,784)
Balance, December 31, 2023	**121,884**	**-**	**1,784,186**	**1,906,070**
Geological consulting	4,000	-	-	4,000
Balance, March 31, 2024	**125,884**	**-**	**1,784,186**	**1,910,070**

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.

(Expressed in Canadian Dollars - Unaudited)

6. 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 1st anniversary on June 1, 2021 (issued 115,385 and paid respectively)	-	30,000	25,000
On or before the 2nd anniversary on June 1, 2022 (issued 1,000,000 shares and paid respectively)	-	100,000	50,000
On or before the 3rd 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"). See below for terms of the final payment.*

In accordance with the November 2023 Agreement, claims related to RLX South and RLX North were excluded. As a result, as at December 31, 2023, the Company wrote off $545,337 related to the RLX South and North claims. Pursuant to 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 (paid) 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

* *Company has not issued these shares and is currently in discussion with the optionor to amend the terms*

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 200,000 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**

6. EXPLORATION AND EVALUATION ASSETS (continued)

Belanger Project (continued)

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 $0.26 per share. The Company has capitalized the cash payments and the fair value of the warrants as an acquisition cost in a prior year.

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 350,000 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 $420 during the three months ended March 31, 2023.

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.

In accordance with the agreement, the Company issued 12,000,002 common shares of the Company valued at $1,080,000 upon closing of the agreement on March 22, 2023 and will issue 19,999,998 common shares of the Company over four tranches: 4 months, 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 (subsequently 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 $2,921,447 during the year ended December 31, 2023.

(Expressed in Canadian Dollars - Unaudited)

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	March 31, 2024	December 31, 2023
	$	$
Accounts payable	938,620	869,388
Accrued liabilities	571,883	570,064
Payroll remittances payable	4,565	15,911
	1,515,068	1,455,364

8. CONVERTIBLE DEBENTURES

	$
Balance, December 31, 2022	30,440
Proceeds	56,897
Allocation of proceeds to equity component	(13,005)
Deferred tax recovery	(4,810)
Financing charges	7,408
Balance, December 31, 2023	76,930
Proceeds	638
Allocation of proceeds to equity component	(47)
Deferred tax recovery	(17)
Balance, March 31, 2024	**77,504**

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 are 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.

The LOC is a compound instrument, and the proceeds are required to be bifurcated to record the fair value of the separate debt and equity components. The fair value of the debt was determined using a discounted cash flow model using an estimated market interest rate for equivalent debt of 18%. The initial fair value of the debt was calculated to be $69,522 with the residual portion of $13,005 allocated to equity. During the three months ended March 31, 2024 the Company accrued interest of $7,312 (December 31, 2023 - $5,129)

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9. 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 March 31, 2024, the Company held nil (December 31, 2023 – nil) common shares in escrow.

9. SHARE CAPITAL AND RESERVES (continued)

Issued and outstanding common shares

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

a) In January 2024, the Company issued 4,271,500 units at a price of $0.10 per unit for gross proceeds of $427,150. Each unit consists of one common share and one common Share purchase warrant. Each Warrant is exercisable into one common share at an exercise price of $0.20 for a period of two years. In connection with the private placement, the Company incurred $6,732 in finders' fees and issued a total of 55,320 finders' units ("Finder Units"). Each Finder Unit comprises one common share in the capital of the Company and one transferable common share purchase warrant of the Company. The common shares were valued at $6,732 based on the trading price on date of closing of $0.12 per share. Each warrant is exercisable to acquire an additional common share of the Company at a price of $0.20 per warrant for a period of two years.

b) In February 2024, the Company issued 1,172,000 units at a price of $0.10 per unit for gross proceeds of $117,200. Each unit consists of one common share and one common share purchase warrant ("warrant"). Each Warrant is exercisable into one common share at an exercise price of $0.20 for a period of two years. In connection with the private placement, the Company incurred $444 in finders' fees.

During the year ended December 31, 2023, the Company had the following share capital transactions:

a) On January 27, 2023, the Company closed a brokered private placement by issuing 9,400,000 units at $0.05 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 $0.05 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 360,000 finder's shares at a price of $0.085 for a value of $30,600, and 360,000 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 5).

c) On May 3, 2023, the Company issued 450,467 common shares with a fair value of $54,056 to the shareholders of 1379596 BC in accordance with the share exchange agreement.

d) On July 21, 2023, the Company issued 1,666,666 common shares with a fair value of $450,000 to the shareholders of 1379596 BC in accordance with the share exchange agreement.

e) On October 16, 2023, the Company issued 10,000,000 common shares with a fair value of $950,000 to the shareholders of YY Resources in accordance with the share exchange agreement.

(Expressed in Canadian Dollars - Unaudited)

9. SHARE CAPITAL AND RESERVES (continued)

Warrants

During January 2024, the Company granted a total of 55,320 share purchase warrants in connection with the January 2024 private placement. The warrants are exercisable at $0.20 per share, and expire January 24, 2026. The estimated fair value, $5,185, was calculated using the Black-Scholes option pricing model based on the following assumptions: risk-free rate of 4.02%, forfeiture rate of 0%, no annual dividends, expected volatility of 232%, and a market price of share at grant date of $0.12.

During January 2024, the Company granted a total of 4,271,500 share purchase warrants in connection with the January 2024 private placement.

During February 2024, the Company granted a total of 1,172,000 share purchase warrants in connection with the February 2024 private placement.

During the three months ended March 31, 2024, 627,084 warrants with exercise prices of $0.60 were expired unexercised.

Warrant transactions are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
		$
Balance, December 31, 2022	**18,277,434**	**0.16**
Issued	13,253,333	0.15
Expired	(5,432,061)	0.45
Balance, December 31, 2023	**13,913,750**	**0.34**
Issued	5,498,820	0.20
Expired	(627,084)	0.60
Balance, March 31, 2024	**18,785,786**	**0.12**

As at March 31, 2024, the Company had the following outstanding warrants:

Number of Warrants	Exercise Price	Expiry date
	$	
33,333	0.26	May 17, 2024*
3,253,333	0.05	January 27, 2025
10,000,000	0.15	October 16, 2025
4,271,500	0.15	January 24, 2026
55,320	0.20	January 24, 2026
1,172,000	0.20	February 9, 2026
18,785,486		

***** *Subsequent to March 31, 2024, 33,333 warrants expired unexercised*

The weighted average remaining life of the outstanding warrants at March 31, 2024 was 1.50 years.

(Expressed in Canadian Dollars - Unaudited)

9. SHARE CAPITAL AND RESERVES (continued)

Share options

During the year ended December 31, 2023, 333,333 stock options with exercise prices between $0.42 and $0.84 expired. As a result, $207,074 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.

Share option transactions are summarized as follows:

	Number of Options	Weighted Average Exercise Price	Weighted Average Share Price on Exercise
		$	$
Balance, December 31, 2022	**869,998**	**0.75**	**-**
Granted	1,650,000	0.15	
Cancelled	(333,333)	0.69	-
Balance, December 31, 2023	**2,186,665**	**0.27**	**-**
Balance, March 31, 2024	**2,186,665**	**0.27**	**-**

As at March 31, 2024, 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 March 31, 2024 was 1.55 years.

(Expressed in Canadian Dollars - Unaudited)

10. 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 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 three months ended March 31, 2024	2023
	$	$
Management fees and salaries	61,500	33,333
	61,500	33,333

As at March 31, 2024, the Company owed $618,683 (December 31, 2023 - $599,253) 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 March 31, 2024, the Company owed $102,337 (December 31, 2023 - $87,337) to a company controlled by the CFO for a loan payable (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 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.

12. 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, accounts payable, and convertible debentures. The fair value of sales taxes receivable and accounts payables approximates their carrying values. Cash is measured at fair value using level 1 inputs. Convertible debentures are measured at fair value using level 3 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.

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.

(Expressed in Canadian Dollars - Unaudited)

12. FINANCIAL INSTRUMENTS AND FINANCIAL RISK (continued)

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 March 31, 2024, the Company had a cash balance of $100,074 to settle current liabilities of $1,592,572.

13. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOWS

	For the three months ended March 31,	
	2024	**2023**
	$	**$**
Supplemental non-cash disclosures		
Shares issued pursuant to acquisition of exploration and evaluation assets	-	1,080,000
Shares issued for share issuance costs	30,600	30,600
Warrants issued for share issuance costs	5,815	26,445
Reallocation of value of warrants included in units issued	-	329,000
Reallocation of value of options on forfeiture	-	207,074
Reallocation of value of warrants on expiry	260,102	-
Exploration and evaluation assets in accounts payable	-	95,861

14. SEGMENT INFORMATION

As of March 31, 2024, the Company has one operating segment, being the exploration of resource properties. Geographic information is as follows:

	For the three months ended March 31, 2024		
	Canada	**USA**	**Total**
	$	**$**	**$**
Exploration and evaluation assets	1,910,070	-	1,910,070

	For the year ended December 31, 2023		
	Canada	**USA**	**Total**
	$	**$**	**$**
Exploration and evaluation assets	1,906,070	-	1,906,070

15. SUBSEQUENT EVENTS

a) In April 2024, the Company entered into a Share Exchange Agreement (the “Agreement”) to acquire ownership in Li-ion Battery Renewable Technologies Inc. (“LIBRT”). Pursuant to the Agreement, the Company will issue 7,499,998 common shares of the Company to acquire a 49% interest in LIBRT.

b) On May 21, 2024 the Company settled an outstanding loan receivable to Premier Silver Corp totaling $2,731,534 related to acquisition advances advanced by the Company between the second quarter of 2021 and the first quarter of 2022. In settlement of the debt, the Company will receive 10,926,136 common shares in the capital of Premier Silver at a deemed price of $0.25 per common share.