

**Form 51-102F4**  
***Business Acquisition Report***

**Item 1 Identity of Company**

**1.1 Name and Address of Company**

Battery X Metals Inc. (the “**Company**”)  
3426 West 33<sup>rd</sup> Avenue  
Vancouver, BC, V6N 2H2

**1.2 Executive Officer**

Mark Brezer  
President and Chief Executive Officer  
Tel: (604) 989-6275

**Item 2 Details of Acquisition**

**2.1 Nature of Business Acquired**

Pursuant to the terms of a share exchange agreement dated September 29, 2023 (the “**Share Exchange Agreement**”) among the Company, YY Resources Inc. (“**YY Resources**”) and the shareholders of YY Resources (the “**YY Shareholders**”) the Company acquired all of the issued and outstanding shares of YY Resources from the YY Shareholders (the “**Acquisition**”). The Acquisition closed on October 17, 2023.

YY Resources owns the Y Lithium Project located in Northern Saskatchewan’s Bailey Lake region. The Y Lithium Project encompasses a total of 5,856 hectares in four (4) staked claims, divided into two (2) areas — the west claim block and the north claim block.

**2.2 Acquisition Date**

October 17, 2023

**2.3 Consideration**

Pursuant to the Share Exchange Agreement and in consideration for all the issued and outstanding shares of YY Resources, the Company issued to the YY Shareholders: (a) an aggregate of 10,000,000 common shares in the capital of the Company (each, a “**Common Share**”); and (b) an aggregate of 10,000,000 Common Share purchase warrants (each, a “**Warrant**”). Each Warrant is exercisable to purchase one additional Common Share at a price of \$0.15 per Common Share for a period of 2 years. The Common Shares and Warrant issued

pursuant to the Acquisition are subject to voluntary hold periods whereby:

- (a) 2,500,000 Common Shares and 2,500,000 Warrants have no hold period;
- (b) 2,500,000 Common Shares and 2,500,000 Warrants have a 30 day hold period;
- (c) 2,500,000 Common Shares and 2,500,000 Warrants have a 60 day hold period;
- (d) and the remaining 2,500,000 Common Shares and 2,500,000 Warrants have a 90 day hold period.

The fair market value of the total consideration was CDN\$1,784,186. The 10,000,000 Common Shares were valued at \$950,000 and the 10,000,000 Warrants were valued at \$834,186 using the Black-Scholes pricing model.

## **2.4 Effect on Financial Position**

Upon completion of the Acquisition, YY Resources became a wholly-owned subsidiary of the Company. The business and operations of YY Resources have been combined with those of the Company and are managed concurrently. The Company will focus on the exploration of the Y Lithium Project as resources allow.

## **2.5 Prior Valuations**

Not applicable.

## **2.6 Parties to Transaction**

The Acquisition was not with an informed person, associate or affiliate of the Company.

## **2.7 Date of Report**

July 4, 2024

## **Item 3 Financial Statements and Other Information**

The financial statements included in this report are as follows:

- i. attached as Schedule “A” are the audited financial statements of YY Resources for the period from inception on August 24, 2023 to October 15, 2023; and
- ii. attached as Schedule “B” are the unaudited pro forma statements of the Company that give effect to the Acquisition, as if it had closed on September 30, 2023.

## **SCHEDULE A**

Audited financial statements of YY Resources Inc. for the period from inception on August 24, 2023 to  
October 15, 2023

**YY Resources Inc.**

**Financial Statements**

**Expressed in Canadian Dollars**

**For the period from inception on August 24, 2023 to October 15, 2023**

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**INDEPENDENT AUDITORS' REPORT**

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To the Shareholders and Directors of YY Resources Inc.

**Opinion**

We have audited the financial statements of YY Resources Inc. (the "Company") which comprise the statement of financial position as at October 15, 2023, and the statement of comprehensive loss, statement of changes in equity and cash flows for the period from incorporation on August 24, 2023 to the year ended October 15, 2023, and the related notes comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at October 15, 2023, and its financial performance and its cash flows for the period from incorporation on August 24, 2023 to the year ended October 15, 2023 in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

**Basis for Opinion**

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

**Emphasis of Matter - Material Uncertainty Related to Going Concern**

We draw attention to Note 1 of the accompanying financial statements, which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

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

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

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

**Auditors' Responsibilities for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Manning Elliott LLP*

CHARTERED PROFESSIONAL ACCOUNTANTS  
Vancouver, British Columbia  
June 27, 2024



**YY RESOURCES INC**  
**Statement of Comprehensive Loss**  
**(Expressed in Canadian Dollars)**

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For the period from  
inception on August 24,  
2023 to October 15, 2023  
\$

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<b>OPERATING EXPENSES</b>	
Legal Expenses	18,229
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<b>LOSS FROM OPERATIONS</b>	(18,229)
<b>Other items</b>	-
<hr/>	
	-
<hr/>	
<b>NET AND COMPREHENSIVE LOSS</b>	(18,229)
<hr/>	
<b>BASIC AND DILUTED LOSS PER SHARE</b>	\$(182.29)
<hr/>	
<b>WEIGHTED AVERAGE COMMON SHARES OUTSTANDING</b>	100
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The accompanying notes are an integral part of these financial statements



**YY RESOURCES INC**  
**Statement of Changes in Equity**  
**(Expressed in Canadian Dollars)**

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	<b>Number of shares</b>	<b>Amount</b>	<b>Deficit</b>	<b>Total</b>
		<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance at August 23, 2023</b>	-	-	-	-
Shares issued for cash	100	100	-	100
Net loss	-	-	(18,229)	(18,229)
<b>Balance at October 15, 2023</b>	<b>100</b>	<b>100</b>	<b>(18,229)</b>	<b>(18,129)</b>

The accompanying notes are an integral part of these financial statements

**YY RESOURCES INC**  
**Statement of Cash Flows**  
**(Expressed in Canadian Dollars)**

	<b>For the period from inception on August 24, 2023 to October 15, 2023</b>
	<b>\$</b>
<b>OPERATING ACTIVITIES</b>	
Net loss for the period	(18,229)
Changes in working capital items:	
Accounts payable and accrued liabilities	18,229
<b>Cash used in operating activities</b>	<b>-</b>
<b>INVESTING ACTIVITIES</b>	
Exploration and evaluation assets	(10)
<b>Cash used in investing activities</b>	<b>(10)</b>
<b>FINANCING ACTIVITIES</b>	
Proceeds from share issuance	100
<b>Cash provided by financing activities</b>	<b>100</b>
<b>Change in cash during the period</b>	<b>90</b>
<b>Cash, beginning of period</b>	<b>-</b>
<b>Cash, end of period</b>	<b>90</b>

The accompanying notes are an integral part of these financial statements

# YY RESOURCES INC

## Notes to the Financial Statements

For the period from inception on August 24, 2023 to October 15, 2023

(Expressed in Canadian Dollars)

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### 1. NATURE OF BUSINESS AND CONTINUING OPERATIONS

YY Resources Inc. (the "Company") was incorporated on August 24, 2023 under the laws of British Columbia. The address of the Company's corporate office is #800 885 West Georgia St, Vancouver, British Columbia, Canada, V6C 3H1.

The Company's principal business activities include the acquisition of mineral property assets. As at October 15, 2023, the Company had not yet determined whether the Company's mineral property asset 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 there is significant uncertainty regarding the outcome of these matters. During the period from inception to October 15, 2023, the Company incurred net loss of \$18,229 and had a working capital deficiency of \$18,139. The Company had an accumulated deficit of \$18,229 as at October 15, 2023. The Company has incurred operating losses and is currently unable to self-finance its future operations. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

These financial statements have been prepared by management on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are dependent upon its ability to raise adequate financing and to commence profitable operations in the future and repay its liabilities arising from normal business operations as they become due.

These 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.

### 2. MATERIAL ACCOUNTING POLICIES

#### Statement of compliance

These financial statements, including comparatives, have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board.

These financial statements were approved by the Board of Directors of the Company and authorized for issuance on June 27, 2024.

#### Basis of presentation

The 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 is the Canadian dollar.

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

# YY RESOURCES INC

## Notes to the Financial Statements

For the period from inception on August 24, 2023 to October 15, 2023

(Expressed in Canadian Dollars)

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### 2. MATERIAL ACCOUNTING POLICIES (continued)

#### Exploration and evaluation assets

All costs related to the acquisition, exploration and development of mineral properties are capitalized. Upon commencement of commercial production, the related accumulated costs are amortized against projected income using the units-of-production method over estimated recoverable reserves.

Management annually assesses carrying values of non-producing properties and properties for which events and circumstances may indicate possible impairment. Impairment of a property is generally considered to have occurred if the property has been abandoned, there are unfavourable changes in the property economics, there are restrictions on development, or when there has been an undue delay in development, which exceeds three years. In the event that estimated discounted cash flows expected from its use or eventual disposition is determined by management to be insufficient to recover the carrying value of the property, the carrying value is written-down to the estimated recoverable amount.

The recoverability of mineral properties and exploration and development costs is dependent on the existence of economically recoverable reserves, the ability to obtain the necessary financing to complete the development of the reserves, and the profitability of future operations. The Company has not yet determined whether or not any of its future mineral properties contain economically recoverable reserves. Amounts capitalized to mineral properties as exploration and development costs do not necessarily reflect present or future values.

When options are granted on mineral properties or properties are sold, proceeds are credited to the cost of the property. If no future capital expenditure is required and proceeds exceed costs, the excess proceeds are reported as a gain.

#### Share capital

Share capital issued for consideration other than cash are valued at the fair value of assets received or services rendered. If the fair value of assets received or services rendered cannot be reliably measured, shares issued for consideration will be valued at the quoted market price at the date of issuance.

The proceeds from the issuance of units are allocated between common shares and warrants based on the residual value method. Under this method, the proceeds are allocated first to capital stock based on the fair value of the common shares at the time the units are priced and any residual value is allocated to the warrants reserve. Consideration received for the exercise of warrants is recorded in capital stock and the related residual value is transferred from warrant reserve to capital stock.

#### Income taxes

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and includes any adjustments to tax payable or receivable in respect of previous years.

Deferred income taxes are recorded using the liability method whereby deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

# YY RESOURCES INC

## Notes to the Financial Statements

For the period from inception on August 24, 2023 to October 15, 2023

(Expressed in Canadian Dollars)

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## 2. MATERIAL ACCOUNTING POLICIES (continued)

### Income taxes (continued)

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the statement of financial position date. Deferred tax is not recognized for temporary differences which arise on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting, nor taxable profit or loss.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

### Financial instruments

#### Financial assets

On initial recognition, financial assets are classified as measured at (i) amortized cost; (ii) fair value through other comprehensive income ("FVOCI"); and (iii) fair value through profit and loss ("FVTPL"). Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model. At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Financial assets are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The classification determines the method by which the financial assets are carried on the statement of financial position subsequent to inception and how changes in value are recorded. Cash is measured at FVTPL.

#### Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the group entities are recorded at the proceeds received, net of direct issue costs.

Financial liabilities are classified as measured at FVTPL or amortized cost.

### 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 financial statements.

# YY RESOURCES INC

## Notes to the Financial Statements

For the period from inception on August 24, 2023 to October 15, 2023

(Expressed in Canadian Dollars)

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### 3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these 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 do not include any accounts that require significant estimates as the basis for determining the stated amounts. 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:

#### *Significant accounting judgments*

- a) the evaluation of the Company's ability to continue as a going concern; and
- b) the assessment of indications of impairment of the exploration and evaluation assets

### 4. EXPLORATION AND EVALUATION ASSETS

	Y Lithium Project
	\$
<b>Balance, August 24, 2023</b>	-
Property acquisition	10
<b>Balance, October 15, 2023</b>	<b>10</b>

In August 2023, the Company entered into a Bill of Sale and Assignment of Rights (the "Agreement") with Dorian Leslie to purchase the Y Lithium property located in Northern Saskatchewan's Bailey Lake region ("Y Lithium Project") for \$10.

### 5. SHARE CAPITAL

#### Issued and outstanding common shares

On August 24, 2023, the Company issued 100 common shares at a price of \$1 per share for gross proceeds of \$100.

### 6. 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.

# YY RESOURCES INC

## Notes to the Financial Statements

For the period from inception on August 24, 2023 to October 15, 2023

(Expressed in Canadian Dollars)

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### 6. MANAGEMENT OF CAPITAL (continued)

The Company considers the aggregate of its share capital 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.

### 7. 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. 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 are denominated in Canadian dollars. The Company does not have any significant foreign currency denominated monetary liabilities.

#### b) Credit risk

Credit risk is the risk of loss if a third party to a financial instrument fails to meet its commercial obligations. The Company believes its exposure to credit risk is not significant.

#### c) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. None of the Corporation's financial instruments bear interest; therefore, management believes that the Corporation is not exposed to any significant interest rate risk.

#### d) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's approach to managing liquidity is to ensure that it will have sufficient liquidity to meet liabilities when due. As at October 15, 2023, the Company has a cash balance of \$90 to settle current liabilities of \$18,229.

## YY RESOURCES INC

### Notes to the Financial Statements

For the period from inception on August 24, 2023 to October 15, 2023

(Expressed in Canadian Dollars)

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#### 8. INCOME TAXES

A reconciliation of the expected income tax recovery to the actual income tax recovery is as follows:

	<b>2023</b>
Net loss before income taxes for the period	\$ (18,229)
Statutory income tax rates	27.00%
Anticipated tax expense	(4,922)
Tax benefits not recognized	4,922
Actual income tax recovery	\$ -

#### 9. SUBSEQUENT EVENT

In September 2023, the shareholders of the Company entered into a share exchange agreement (“SEA”) to sell all of the Company’s issued and outstanding shares to Battery X Metals Inc. (“Battery X”). The SEA obtained approval and closed on October 17, 2023 (“Closing Date”). Pursuant to the SEA, Battery X issued 10,000,000 common shares and 10,000,000 share purchase warrants to the shareholders of the Company in exchange for 100% of the issued and outstanding common shares of the Company.



# **SCHEDULE B**

## **Pro-Forma Consolidated Statement of Financial Position**

# BATTERY X METALS

**Pro-Forma Consolidated Financial Statements  
(Unaudited)**

**Expressed in Canadian Dollars**

**BATTERY X METALS INC.**  
**Pro-forma Consolidated Statements of Financial Position**  
**(Expressed in Canadian Dollars - Unaudited)**

	Battery X Metals Inc. (Consolidated) September 30, 2023	YY Resources Inc. October 15, 2023	Notes	Pro-forma adjustments	Pro-forma Consolidated
	\$	\$		\$	\$
<b>ASSETS</b>					
<b>Current</b>					
Cash	36,523	-		-	36,523
Sales taxes receivable	1,741	-		-	1,741
Prepays	24,391	-		-	24,391
	62,655	-		-	62,655
<b>Exploration and evaluation assets</b>	674,221	10	1c	1,784,176	2,458,407
	<b>736,876</b>	<b>10</b>		<b>1,784,176</b>	<b>2,521,062</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
<b>Current</b>					
Accounts payables and accrued liabilities	1,049,292	-		-	1,049,292
Loan payable	71,427	-		-	71,427
	1,120,719	-		-	1,129,719
<b>Shareholders' equity (deficiency)</b>					
Share capital	7,769,123	10	1d	949,990	8,719,123
Reserves	1,190,733	-	1b	834,186	2,024,919
Deficit	(9,343,699)	-			(9,343,699)
	(383,843)	10		1,784,176	1,400,343
	<b>736,876</b>	<b>10</b>		<b>1,784,176</b>	<b>2,521,062</b>

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

**BATTERY X METALS INC.**  
**Pro-forma Consolidated Statements of Loss and Comprehensive Loss**  
**(Expressed in Canadian Dollars - Unaudited)**

	Battery X Metals Inc. (Consolidated) Nine months ended September 2023	YY Resources Inc. Period from inception August 24 to October 15, 2023	Pro-forma consolidated
	\$	\$	\$
<b>OPERATING EXPENSES</b>			
Consulting	20,464	-	20,464
Foreign exchange (gain)	(1,534)	-	(1,534)
Management fees and salaries	164,994	-	164,994
Marketing	10,501	-	10,501
Office and administrative	127,014	-	127,014
Professional fees	80,979	-	80,979
Property investigation costs	11,781	-	11,781
Research and development	67,550	-	67,550
Share-based compensation	133,481	-	133,481
Transfer agent and filing fees	35,970	-	35,970
	(651,200)	-	(651,200)
Write-off of exploration asset	(1,318,027)	-	(1,318,027)
	(1,318,027)	-	(1,318,027)
<b>Net loss and comprehensive loss for the period</b>	(1,969,227)	-	(1,969,227)
Loss per share - basic and diluted	\$ (0.08)	-	\$ (0.08)
Weighted average number of common shares outstanding	24,524,869	100	24,524,869

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

## **BATTERY X METALS INC.**

### **Notes to the Pro-forma Consolidated Financial Statements (Expressed in Canadian Dollars - Unaudited)**

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#### **1. PRO-FORMA ADJUSTMENTS**

The pro-forma consolidated financial statements were prepared on the following adjustments:

- a) The unaudited pro-forma consolidated financial statements gives effect to the acquisition of YY Resources Inc. ("YY Resources") by Battery X Metals Inc. ("Battery X" or the "Company") as if it had occurred on September 30, 2023.
- b) As consideration for 100% of the outstanding common shares of YY Resources, the Company issued a total of 10,000,000 common shares and 10,000,000 share purchase warrants to the shareholders of YY Resources.
  - i. The fair value of the 10,000,000 common shares issued was \$950,000
  - ii. The fair value of the 10,000,000 share purchase warrants issued was \$834,186

The total consideration for 100% of the outstanding common shares of YY Resources was \$1,784,186

- c) The total consideration is \$1,784,186 which is allocated to YY Resources sole exploration and evaluation asset, the Y Lithium Property. The adjustment of \$1,784,176 reflects the additional true up to value the asset from an opening balance of \$10 to a closing balance of \$1,784,186.
- d) As consideration for 100% of the outstanding common shares of YY Resources, the Company issued a total of 10,000,000 common shares valued at \$950,000. The adjustment of \$949,990 reflects the value of shares issued less the value of YY Resources common shares of \$10, eliminated upon consolidation.