

BATTERY METALS

Condensed Interim Consolidated Financial Statements (Unaudited)

For the three and nine months ended September 30, 2024 and 2023

Expressed in Canadian Dollars

BATTERY X METALS 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.**Condensed Interim Consolidated Statements of Financial Position
(Expressed in Canadian Dollars - Unaudited)**

	Note	September 30, 2024	December 31, 2023
		\$	\$
ASSETS			
Current			
Cash		133,331	51,577
Sales taxes receivable		52,743	2,230
Prepays		475,883	16,227
		661,957	70,034
Investment in associate	5	440,550	-
Exploration and evaluation assets	6	2,255,330	1,906,070
Right-of-use asset	7	127,476	-
		3,485,313	1,976,104
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current			
Accounts payables and accrued liabilities	8,11	1,479,999	1,455,364
Convertible debentures	9	87,261	76,930
Current portion of lease liability	7	43,210	-
		1,610,470	1,532,294
Lease liability	7	87,997	-
		1,698,467	1,532,294
Shareholders' equity			
Share capital	10	13,680,831	9,392,645
Share subscriptions received	10	-	50,000
Commitment to issue shares	10	-	1,350,000
Reserves	10	1,380,543	1,595,450
Equity component of convertible debentures		13,052	13,005
Deficit		(13,287,580)	(11,957,290)
		1,786,846	443,810
		3,485,313	1,976,104

Nature of business and continuing operations (Note 1)**Subsequent event (Note 16)**

Approved and authorized for issue on behalf of the Board on November 29, 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.**Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars - Unaudited)**

	Note	Three Months Ended September 30,		Nine Months Ended September 30,	
		2024	2023	2024	2023
		\$	\$	\$	\$
OPERATING EXPENSES					
Consulting fees and salaries		241,934	15,000	563,449	20,464
Depreciation		11,951	-	19,918	-
Financing charges		11,153	-	26,451	-
Foreign exchange (gain) loss		(3,180)	-	468	(1,534)
Investor relations		285,000	-	285,000	-
Management fees and salaries	11	(22,000)	62,378	147,500	164,994
Marketing		202	3,666	47,044	10,501
Office and administrative		45,747	60,779	154,807	127,014
Professional fees		82,223	25,634	220,169	80,979
Property investigation costs		-	-	-	11,781
Research and development		-	56,350	-	67,550
	10,1				
Share-based compensation	1	-	133,481	-	133,481
Transfer agent and filing fees		7,447	14,461	27,814	35,970
		(660,477)	(371,749)	(1,492,620)	(651,200)
Share of loss of equity investment	5	(9,450)	-	(9,450)	-
Write-off of exploration asset	6	-	(1,317,395)	-	(1,318,027)
Recovery from write-off of old accounts payable		161,763	-	161,763	-
		152,313	(1,317,395)	152,313	(1,318,027)
Loss before income taxes		(508,164)	(1,689,144)	(1,340,307)	(1,969,227)
Deferred tax recovery	9	-	-	(17)	-
Net loss and comprehensive loss for the period		(508,164)	(1,689,144)	(1,340,290)	(1,969,227)
Loss per share - basic and diluted		\$ (0.01)	\$ (0.06)	\$ (0.03)	\$ (0.08)
Weighted average number of common shares outstanding		65,530,870	27,072,966	51,029,594	24,524,869

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

BATTERY X METALS INC.
Condensed Interim Consolidated Statements of Changes in Shareholders' Equity (Deficiency)
(Expressed in Canadian Dollars - Unaudited)

	Share capital							
	Number of shares	Amount	Share subscription s	Commitment to Issue Shares	Reserves	Equity component of convertible debentures	Deficit	Total
		\$	\$	\$	\$		\$	\$
Balance at December 31, 2022	18,064,820	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	4,450,467	1,180,004	-	-	-	-	-	1,180,004
Share issuance costs	-	(75,045)	-	-	26,445	-	-	(48,600)
Forfeited share options	-	-	-	-	(207,074)	-	207,074	-
Net loss for the period	-	-	-	-	-	-	(280,083)	(280,083)
								(7,654,555)
Balance at June 30, 2023	25,768,620	7,591,086	-	-	1,085,290	-	-	1,021,821
Units issued for cash	-	329,000	-	-	(329,000)	-	-	-
Share subscription	-	-	50,000	-	-	-	-	50,000
Shares issued for exploration and evaluation assets	11,666,665	1,354,052	-	-	834,186	-	-	2,188,238
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	-	-	-	-	-	-	(4,302,735)	(4,302,735)
								(11,957,290)
Balance at December 31, 2023	37,435,285	9,392,645	50,000	1,350,000	1,595,450	13,005	-	443,810

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

BATTERY X METALS INC.
Condensed Interim Consolidated Statements of Changes in Shareholders' Equity (Deficiency)
(Expressed in Canadian Dollars - Unaudited)

	<u>Share capital</u>							
	Number of shares	Amount \$	Share subscription s \$	Commitment to Issue Shares \$	Reserves \$	Equity component of convertible debentures	Deficit \$	Total \$
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	11,731,500	1,123,770	(50,000)	-	49,380	-	-	1,123,150
Shares issued for exploration and evaluation assets	7,999,998	1,650,000	-	(1,350,000)	-	-	-	300,000
Shares issued for services	25,000	2,500	-	-	-	-	-	2,500
Shares issued for debt settlements	5,973,050	597,305	-	-	-	-	-	597,305
Shares issued for investment in associates	4,500,000	450,000	-	-	-	-	-	450,000
Shares issued on exercise of warrants	1,450,000	217,500	-	-	-	-	-	217,500
Shares issued for finders' fees	55,320	6,638	-	-	-	-	-	6,638
Share issuance costs	-	(19,629)	-	-	5,815	-	-	(13,814)
Forfeited warrants	-	260,102	-	-	(270,102)	-	10,000	-
Convertible debenture equity	-	-	-	-	-	47	-	47
Net loss for the period	-	-	-	-	-	-	(1,340,290)	(1,340,290)
Balance at September 30, 2024	69,170,153	13,680,831	-	-	1,380,543	13,052	(13,287,580)	1,786,846

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

BATTERY X METALS INC.**Condensed Interim Consolidated Statements of Cash Flows**
(Expressed in Canadian Dollars - Unaudited)

	Nine Months Ended September 30,	
	2024	2023
	\$	\$
Cash flows used in operating activities		
Loss for the period	(1,340,290)	(1,969,227)
Items not affecting cash:		
Deferred tax recovery	(17)	-
Depreciation	19,918	-
Financing charges	9,757	-
Interest on lease liability	8,813	-
Recovery from write-off of old accounts payable	(161,763)	-
Share-based compensation	-	133,481
Share of loss of equity accounted investee	9,450	-
Shares issued for finders' fees	6,638	-
Shares issued for services	2,500	-
Write-off of exploration assets	-	1,318,027
Changes in non-cash working capital items:		
Sales taxes receivable	(50,513)	(237)
Prepays	(459,656)	(12,868)
Accounts payables and accrued liabilities	783,703	143,386
	(1,171,460)	(387,438)
Cash flows used in investing activities		
Exploration asset expenditures	(49,260)	(55,751)
	(49,260)	(55,751)
Cash flows provided by financing activities		
Advances received from loans payable	-	40,987
Units issued for cash	1,123,150	320,000
Proceeds from exercise of warrants	217,500	-
Proceeds from convertible debentures	638	-
Share issuance costs	(13,814)	(18,000)
Repayment of lease liabilities	(25,000)	-
	1,302,474	342,987
Change in cash during the period	81,754	(100,202)
Cash, beginning of period	51,577	136,725
Cash, end of period	133,331	36,523

Supplemental disclosures with respect to cash flows (Note 14)

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

BATTERY X METALS INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2024 and 2023

(Expressed in Canadian Dollars - Unaudited)

1. NATURE OF BUSINESS AND CONTINUING OPERATIONS

Battery X Metals Inc. (the "Company") was incorporated on August 22, 2017 under the laws of British Columbia. The address of the Company's corporate office is 2501 - 550 Burrard Street, Vancouver, BC V6C 2B5. The address of the Company's registered and records office is 2501 - 550 Burrard Street, Vancouver, BC V6C 2B5. 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 January 25, 2024, the Company commenced trading on the Frankfurt Stock Exchange under the symbol "ROW".

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 September 30, 2024, 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 nine months ended September 30, 2024, the Company incurred a loss of \$1,340,290. and has a working capital deficiency of \$898,513. The Company had an accumulated deficit of \$13,287,580 as at September 30, 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.

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 IFRS Accounting Standards as issued by the IASB have been condensed or omitted and these unaudited condensed interim consolidated 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 consolidated 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 November 29, 2024.

BATTERY X METALS INC.

Notes to the Condensed Interim Consolidated Financial Statements
For the three and nine months ended September 30, 2024 and 2023
(Expressed in Canadian Dollars - Unaudited)

2. MATERIAL ACCOUNTING POLICIES (continued)

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	
		September 30, 2024	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%	100%
Battery X Recycling Technologies Inc. ("Battery X")	Canada	100%	100%
YY Resources Inc. ("YY Resources")	Canada	100%	100%
1451917 B.C. Ltd ("1451917 BC")	Canada	100%	-

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. Battery X is developing a technological method for battery metals refining, including the processing of black mass from spent lithium-ion batteries.

On October 17, 2023, the Company acquired 100% of the outstanding common shares of YY Resources.

On June 6, 2024, the Company acquired 100% of the outstanding common shares of 1451917 BC (Note 4).

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

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.

BATTERY X METALS INC.

Notes to the Condensed Interim Consolidated Financial Statements For the three and nine months ended September 30, 2024 and 2023 (Expressed in Canadian Dollars - Unaudited)

2. MATERIAL ACCOUNTING POLICIES (continued)

Decommissioning, restoration and similar liabilities (continued)

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 adopted

The following new standards, amendments to standards and interpretations were adopted as of January 1, 2024:

- *Presentation of Financial Statements (Amendments to IAS 1)* – the amendments provide a more general approach to the presentation of liabilities as current or non-current based on contractual arrangements in place at the reporting date. These amendments:
 - specify that the rights and conditions existing at the end of the reporting period are relevant in determining whether the Company has a right to defer settlement of a liability by at least twelve months;
 - provide that management's expectations are not a relevant consideration as to whether the Company will exercise its rights to defer settlement of a liability; and
 - clarify when a liability is considered settled.

The Company concludes that the effect of such amendment did not have a material impact and therefore did not record any adjustments to the condensed interim consolidated financial statements.

New accounting standards issued and not yet effective

IFRS 18 Presentation and Disclosure in Financial Statements, which will replace IAS 1, Presentation of Financial Statements aims to improve how companies communicate in their financial statements, with a focus on information about financial performance in the statement of profit or loss, in particular additional defined subtotals, disclosures about management-defined performance measures and new principles for aggregation and disaggregation of information. IFRS 18 is accompanied by limited amendments to the requirements in IAS 7 Statement of Cash Flows. IFRS 18 is effective from January 1, 2027. Companies are permitted to apply IFRS 18 before that date.

The Company has not yet determined the impact of this amendment on its condensed interim consolidated financial statements.

BATTERY X METALS INC.

Notes to the Condensed Interim Consolidated Financial Statements For the three and nine months ended September 30, 2024 and 2023 (Expressed in Canadian Dollars - Unaudited)

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:

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. BUSINESS ACQUISITIONS

1379596 BC Ltd.

In March 2023, the Company completed the acquisition of 100% of the issued and outstanding common shares of 1379596 BC 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 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 March 2, 2023 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. In June 2024, the Company issued the final 4,999,998 common shares, thereby reducing their commitment to issue shares to \$nil.

1379596 BC has an option agreement to acquire a 100% interest in the Opatica Lithium Project (Note 6). 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.

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 BC did not meet the definition of a business pursuant to IFRS 3. The Company allocated the fair value of consideration paid to the acquired assets and liabilities based on their relative fair values as at March 2, 2023.

BATTERY X METALS INC.**Notes to the Condensed Interim Consolidated Financial Statements****For the three and nine months ended September 30, 2024 and 2023****(Expressed in Canadian Dollars - Unaudited)****4. BUSINESS ACQUISITIONS (continued)****1379596 BC Ltd. (continued)**

	Total
	\$
Consideration:	
Shares issued	1,080,000
Commitment to issue shares	1,800,000
Total Consideration:	2,880,000
Allocated as follows:	
Cash	12,609
Exploration and evaluation asset	2,867,391
	2,880,000

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, 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 (Note 6). 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.

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 YY Resources did not meet the definition of a business pursuant to IFRS 3. The Company allocated the fair value of consideration paid to the acquired assets and liabilities based on their relative fair values as at October 17, 2023.

	Total
	\$
Consideration:	
Shares issued	950,000
Warrants issued	834,186
Total Consideration:	1,784,186
Allocated as follows:	
Exploration and evaluation asset	1,784,186
	1,784,186

1451917 BC Ltd.

In June 2024, the Company completed the acquisition of 100% of the issued and outstanding common shares of 1451917 BC by issuing 3,000,000 common shares of the Company valued at \$300,000 based on the trading price on June 16, 2024 of \$0.10.

BATTERY X METALS INC.

Notes to the Condensed Interim Consolidated Financial Statements
For the three and nine months ended September 30, 2024 and 2023
(Expressed in Canadian Dollars - Unaudited)

4. BUSINESS ACQUISITIONS (continued)

1451917 BC Ltd. (continued)

1451917 BC owns two properties located in Quebec, Canada: the Leaf River Project and the Reservoir-Dozios Project (Note 6). As a result, the Company acquired the exclusive rights to the two Quebec projects. The Company had acquired 1451917 BC for the sole purpose of acquiring the two Quebec projects.

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 1451917 BC did not meet the definition of a business pursuant to IFRS 3. The Company allocated the fair value of consideration paid to the acquired assets and liabilities based on their relative fair values as at June 6, 2024.

	Total
	\$
Consideration:	
Shares issued	300,000
Total Consideration:	300,000
Allocated as follows:	
Exploration and evaluation asset	300,000
	300,000

5. INVESTMENT IN ASSOCIATE

In April 2024, the Company entered into a Share Exchange Agreement to acquire a 49% ownership in Li-ion Battery Renewable Technologies Inc. ("LIBRT"). LIBRT has developed a hardware and software device that performs rapid battery health diagnostics and cell rebalancing to extend lithium-ion battery lifespan and which has been validated by the National Research Council of Canada. Pursuant to the Share Exchange Agreement, on June 6, 2024, the Company issued 4,500,000 common shares of the Company to acquire a 49% interest in LIBRT. The shares were valued at \$450,000 based on the trading price on June 6, 2024 of \$0.10.

The following table is a reconciliation of the investment in LIBRT:

	September 30, 2024
	\$
Balance, beginning of period	-
Acquisition	450,000
Share of profit (loss) of equity investment	(9,450)
Balance, end of period	440,550

Summarized financial information in respect of LIBRT is as follows:

	September 30, 2024
	\$
Current assets	10,218
Current liabilities	(34,945)
Net liabilities	(22,578)

BATTERY X METALS INC.

Notes to the Condensed Interim Consolidated Financial Statements
For the three and nine months ended September 30, 2024 and 2023
(Expressed in Canadian Dollars - Unaudited)

5. INVESTMENT IN ASSOCIATE (continued)

The following table summarizes LIBRT's expenses and losses for the period between June 6, 2024 and September 30, 2024:

	2024
	\$
Expenses	19,285
Net loss	(19,285)

6. EXPLORATION AND EVALUATION ASSETS

	Belanger Project	Opatica Lithium Project	Y Lithium Project	Leaf River Project	Reservoir- Dozios 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
Property acquisition	4,000	-	-	150,000	150,000	304,000
Exploration costs						
Equipment rental	12,204	-	-	-	-	12,204
Labour	33,056	-	-	-	-	33,056
Subtotal	49,260	-	-	150,000	150,000	349,260
Balance, September 30, 2024	171,144	-	1,784,186	150,000	150,000	2,255,330

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.**Notes to the Condensed Interim Consolidated Financial Statements****For the three and nine months ended September 30, 2024 and 2023****(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 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 1,000,000 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

**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 \$555,337 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 (issued subsequently);
- \$2,000 on or before the first calendar day of each month from December 1, 2023 to November 1, 2024 inclusive (\$6,000 paid);**
- 100,000 common shares on or before March 15, 2024 (issued subsequently); and
- 100,000 common shares on or before July 15, 2024 (issued subsequently)

***The terms of the cash payments under the November 2023 Agreement were amended in November 2024. See below for the revised terms.*

On November 27, 2024, the Company entered into an Addendum Agreement (the "November 2024 Agreement") with the Belanger Project Optionor to acquire 100% of the Belanger Project. The November 2024 Agreement is an addendum to the November 2023 Agreement. As set out in the November 2024 Agreement, the Company had paid \$7,000 of the \$25,000 cash obligation under the November 2023 Agreement and has subsequently issued the 300,000 common shares originally required to be issued under the November 2023 Agreement. In accordance with the terms of the November 2024 Agreement, Battery X Metals has agreed to pay the remaining balance of \$18,000 to the Belanger Project Optionor as follows:

- \$1,500 upon execution of the November 2024 Agreement (paid subsequently);
- \$5,500 on or before February 28, 2025;
- \$5,500 on or before April 30, 2025; and
- \$5,500 on or before June 30, 2025.

BATTERY X METALS INC.

Notes to the Condensed Interim Consolidated Financial Statements For the three and nine months ended September 30, 2024 and 2023 (Expressed in Canadian Dollars - Unaudited)

6. EXPLORATION AND EVALUATION ASSETS (continued)

Belanger Project (continued)

Any outstanding balance of the \$18,000 will become immediately due and payable upon the Company completing a non-brokered private placement of common shares that generates gross proceeds of at least \$1,000,000 (the "\$1M Private Placement"), provided such \$1M Private Placement is completed on or before June 30, 2025. If the Company fails to make any payment on or before the applicable due date listed above, the Company will have a 15-business-day cure period to make the payment without being in default under the November 2024 Agreement. Failure to make the payment within the cure period will constitute a breach of the November 2024 Agreement. Upon completing the full payment of \$18,000 to the Belanger Project Optionor, including any payment made during a cure period, on or before June 30, 2025, the Company will acquire and hold 100% ownership of the Belanger Project, subject to the Net Smelter Returns Royalty as defined in the November 2023 Agreement.

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.

During the Option period, the Company will be responsible for maintaining the Belanger Project in good standing, paying all exploration licenses fees and taking such other steps as may be required to carry out the foregoing. There will be no other work commitments, and any work carried out on the Belanger Project will be at the sole discretion of the Company.

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 consideration of \$100,000 cash and 66,667 warrants of which \$50,000 and 33,333 warrants were paid and issued in 2020 and \$50,000 and 33,334 warrants were paid and issued in 2021.

Under the Digital Database Agreement, each warrant was 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 capitalized the cash payments and the fair value of the warrants as acquisition costs in prior years. The Company recorded a write-off of \$10,000 related to value of the warrants which expired unexercised in November 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 BC which has the exclusive right to acquire a 100% interest in the Opatica Lithium Project located in the James Bay region of Quebec, Canada.

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 (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.

BATTERY X METALS INC.

Notes to the Condensed Interim Consolidated Financial Statements
For the three and nine months ended September 30, 2024 and 2023
(Expressed in Canadian Dollars - Unaudited)

6. EXPLORATION AND EVALUATION ASSETS (continued)

Opatica Lithium Project (continued)

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.

Y Lithium Project

In October 2023, the Company acquired 100% ownership of the Y Lithium Project located in Northern Saskatchewan's Bailey Lake region through the acquisition of YY Resources (See Note 4).

Leaf River Project

On June 6, 2024, the Company acquired 100% of the outstanding shares of 1451917 BC which holds 100% ownership of the Nunavik, Quebec Leaf River Project, encompassing 83 claims over approximately 3,500 hectares. On acquisition, the Company allocated \$150,000 of the purchase price to this project.

Reservoir-Dozois Project

On June 6, 2024, the Company acquired 100% of the outstanding shares of 1451917 BC which holds 100% ownership of the Abitibi, Quebec Reservoir-Dozois Project, encompassing 52 claims over approximately 3,500 hectares. On acquisition, the Company allocated \$150,000 of the purchase price to this project.

7. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

As of May 2024, the Company leases an office space in Vancouver, Canada incurring payments of \$5,000 per month.

Right-of-Use Assets

	Office Lease
Cost:	\$
At December 31, 2022 and 2023	-
Additions	147,394
At September 30, 2024	147,394
Depreciation:	
At December 31, 2022 and 2023	-
Charge for the period	19,918
At September 30, 2024	19,918
Net book value:	
At December 31, 2023	-
At September 30, 2024	127,476

Depreciation of right-of-use assets is calculated using the straight-line method over the remaining lease term.

BATTERY X METALS INC.

Notes to the Condensed Interim Consolidated Financial Statements
For the three and nine months ended September 30, 2024 and 2023
(Expressed in Canadian Dollars - Unaudited)

7. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)Lease Liabilities

	September 30, 2024
	\$
Balance, beginning of period	-
Additions	147,394
Lease payments	(25,000)
Interest expense	8,813
	131,207
Less: current portion	(43,210)
Balance, end of period	87,997

The lease liabilities were discounted at a discount rate of 15%.

The minimum lease payments in respect of the lease liability and the effect of discounting are as follows:

	\$
Undiscounted minimum lease payments:	
October 1, 2024 – December 31, 2024	15,000
January 1, 2025 - December 31, 2025	60,000
January 1, 2026 - December 31, 2026	60,000
January 1, 2027 - May 31, 2027	25,000
Total	160,000
Effect of discounting	(28,793)
Total present value of lease liabilities	131,207
Less: current portion	(43,210)
Balance, end of period	87,997

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	September 30, 2024	December 31, 2023
	\$	\$
Accounts payable	1,284,729	869,388
Accrued liabilities	190,755	570,064
Payroll remittances payable	4,515	15,911
	1,479,999	1,455,364

During the nine months ended September 30, 2024, the Company issued 5,973,050 common shares in connection with the settlement of \$597,305 of accounts payable. Additionally, the Company wrote off \$211,763 in accounts payable that were outstanding for over two years

BATTERY X METALS INC.

Notes to the Condensed Interim Consolidated Financial Statements
For the three and nine months ended September 30, 2024 and 2023
(Expressed in Canadian Dollars - Unaudited)

9. 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)
Financing charges	9,757
Balance, September 30, 2024	87,261

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 Director and Former CFO. The LOC carries an interest rate of 10% per annum. On October 20, 2024, the LOC expired, however, the terms continue to remain the same. 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 \$0.15 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 nine months ended September 30, 2024 the Company accrued interest of \$11,723 (September 30, 2023 - \$nil).

10. SHARE CAPITAL AND RESERVES

Authorized

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

Issued and outstanding common shares

During the nine months ended September 30, 2024, the Company had the following share capital transactions:

- In January 2024, the Company issued 4,271,500 units at a price of \$0.10 per unit for gross proceeds of \$427,150 upon closing a private placement. 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. 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. The common shares issued in the Finders Units were valued at \$6,638 based on the trading price on date of closing of \$0.12 per share while the warrants issued in the Finders Units were valued at \$5,815 calculating using the Black-Scholes option pricing model.
- In February 2024, the Company issued 1,172,000 units at a price of \$0.10 per unit for gross proceeds of \$117,200 upon closing a private placement. Each unit consists of one common share and one common share purchase warrant with each warrant being 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.

BATTERY X METALS INC.

Notes to the Condensed Interim Consolidated Financial Statements For the three and nine months ended September 30, 2024 and 2023 (Expressed in Canadian Dollars - Unaudited)

10. SHARE CAPITAL AND RESERVES (continued)

Issued and outstanding common shares (continued)

- c) In June 2024, the Company issued 4,500,000 common shares with a fair value of \$450,000 to the shareholders of LIBRT in accordance with the Share Exchange Agreement (Note 5).
- d) In June 2024, the Company issued 3,000,000 common shares with a fair value of \$300,000 to the shareholders of 1451917 BC in accordance with the Share Exchange Agreement (Note 4).
- e) In June 2024, the Company issued 5,998,050 common shares in connection with the settlement of \$ 597,305 of accounts payable and \$2,500 for services rendered.
- f) In June 2024, the Company issued 4,999,998 common shares with a fair value of \$1,350,000 to the shareholders of 1379596 BC in accordance with the Share Exchange Agreement (Note 4), which was included in commitment to issue shares as at December 31, 2023.
- g) In July 2024, the Company issued 4,938,000 units at a price of \$0.10 per unit for gross proceeds of \$493,800 upon closing a private placement. Each unit consists of one common share and one common share purchase warrant with each warrant being exercisable into one share at an exercise price of \$0.10 until July 29, 2026. The Company allocated \$49,380 to reserves representing the value of the warrants issued.
- h) In September 2024, the Company issued 1,350,000 units of the Company at a price of \$0.10 per unit for aggregate gross proceeds of \$135,000 upon closing a private placement. Each unit consists of one common share and one common share purchase warrant with each warrant being exercisable into one share at an exercise price of \$0.10 until September 3, 2026.
- i) During the nine months ended September 30, 2024, the Company issued 1,450,000 common shares valued at \$217,500 for the exercise of 1,450,000 share purchase warrants with an exercise price of \$0.15.

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 4).
- 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.

BATTERY X METALS INC.**Notes to the Condensed Interim Consolidated Financial Statements****For the three and nine months ended September 30, 2024 and 2023****(Expressed in Canadian Dollars - Unaudited)****10. SHARE CAPITAL AND RESERVES (continued)****Warrants**

During January 2024, the Company granted a total of 4,271,500 share purchase warrants in connection with the January 2024 private placement. Additionally, the Company granted 55,320 share purchase warrants to Finders in connection with the January 2024 private placement. The Finders' warrants are exercisable at \$0.20 per share, expire January 24, 2026, and have an estimated fair value of \$5,185, 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 February 2024, the Company granted a total of 1,172,000 share purchase warrants in connection with the February 2024 private placement.

During July 2024, the Company granted a total of 4,938,000 share purchase warrants in connection with the July 2024 private placement. The Company allocated \$49,380 to reserves representing the value of the warrants issued.

During September 2024, the Company granted a total of 1,350,000 share purchase warrants in connection with the September 2024 private placement.

During the nine months ended September 30, 2024, 660,416 warrants with exercise prices ranging from \$0.60 to \$0.78 expired unexercised. As a result, \$260,102 was transferred from reserves to share capital and \$10,000 was transferred from reserves to deficit.

In October 2023, the Company granted a total of 10,000,000 share purchase warrants to the shareholders of YY Resources in accordance with the Share Exchange Agreement (Note 4). The estimated fair value, \$834,186, was calculated using the Black-Scholes pricing model based on the following assumptions: risk-free rate of 4.73%, forfeiture rate of 0%, no annual dividends, expected volatility of 231%, and a market price of share at grant date of \$0.095.

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	11,786,820	0.15
Exercised	(1,450,000)	0.15
Expired	(660,416)	0.61
Balance, September 30, 2024	23,590,154	0.15

BATTERY X METALS INC.**Notes to the Condensed Interim Consolidated Financial Statements****For the three and nine months ended September 30, 2024 and 2023****(Expressed in Canadian Dollars - Unaudited)****10. SHARE CAPITAL AND RESERVES (continued)****Warrants (continued)**

As at September 30, 2024, the Company had the following outstanding warrants:

Number of Warrants	Exercise Price	Expiry date
	\$	
3,253,334	0.15	January 27, 2025
8,550,000	0.15	October 16, 2025
4,326,820	0.20	January 24, 2026
1,172,000	0.20	February 9, 2026
4,938,000	0.10	July 29, 2026
1,350,000	0.10	September 3, 2026
23,590,154		

The weighted average remaining life of the outstanding warrants at September 30, 2024 was 1.23 years.

Share options

During the year ended December 31, 2023, 333,333 share 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 and September 30, 2024	2,186,665	0.27	-

BATTERY X METALS INC.

Notes to the Condensed Interim Consolidated Financial Statements
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(Expressed in Canadian Dollars - Unaudited)

10. SHARE CAPITAL AND RESERVES (continued)**Share options (continued)**

As at September 30, 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 September 30, 2024 was 1.04 years.

11. 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. The agreement was terminated in August 2024, upon resignation of the CEO, and the accrued unpaid bonus of \$103,333 was forgiven.

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 agreement was terminated in August 2024, upon resignation of the CFO.

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

	For the nine months ended	
	2024	September 30, 2023
	\$	\$
Management fees and salaries	147,500	159,833
	147,500	159,833

BATTERY X METALS INC.

Notes to the Condensed Interim Consolidated Financial Statements For the three and nine months ended September 30, 2024 and 2023 (Expressed in Canadian Dollars - Unaudited)

11. RELATED PARTY BALANCES AND TRANSACTIONS (continued)

As at September 30, 2024, the Company owed \$201,745 (December 31, 2023 - \$599,253) to directors of the Company, companies controlled by directors of the Company, and the former CEO and CFO of the Company for expense reimbursements and unpaid management fees.

As at September 30, 2024, the Company owed \$87,261 (December 31, 2023 - \$87,337) to a company controlled by the former CFO for a loan payable (Note 9) and \$11,773 (December 31, 2023 - \$5,129) for related accrued interest.

As at September 30, 2024, prepaids includes \$200,000 (December 31, 2023 - \$nil) for funds paid to a company controlled by the CFO of the Company for CFO and other accounting services to be rendered.

During the nine months ended September 30, 2024, the Company issued 2,690,000 common shares to directors and officers of the Company to settle \$269,000 of accounts payable.

During the nine months ended September 30, 2024, the Company incurred share-based compensation of \$nil (September 30, 2023 - \$101,122) on options granted to directors and officers of the Company.

12. 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.

13. 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 2 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.

BATTERY X METALS INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2024 and 2023

(Expressed in Canadian Dollars - Unaudited)

13. FINANCIAL INSTRUMENTS AND FINANCIAL RISK (continued)

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 convertible debentures are subject to a fixed interest rate. 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.

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, 2024, the Company had a cash balance of \$133,331 to settle current liabilities of \$1,610,470.

BATTERY X METALS INC.**Notes to the Condensed Interim Consolidated Financial Statements****For the three and nine months ended September 30, 2024 and 2023****(Expressed in Canadian Dollars - Unaudited)****14. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOWS**

	For the nine months ended September 30,	
	2024	2023
	\$	\$
Supplemental non-cash disclosures		
Shares issued pursuant to acquisition of exploration and evaluation assets	1,650,000	1,330,003
Shares issued for debt settlements	597,305	-
Shares issued for acquisition of investment	450,000	-
Shares issued for share issuance costs	6,638	30,600
Warrants issued for share issuance costs	5,815	26,445
Reallocation of value of warrants included in units issued	49,380	329,000
Reallocation of value of options on forfeiture	-	207,074
Reallocation of value of warrants on expiry	270,102	-
Exploration and evaluation assets in accounts payable	-	95,512
Equity component of convertible loan	47	-
Setup of ROU asset and lease liability	147,394	-

15. SEGMENT INFORMATION

As of September 30, 2024, the Company has one operating segment, being the exploration of resource properties, all of which are located in Canada.

16. SUBSEQUENT EVENTS

- a) On October 7, 2024, pursuant to a letter agreement among the Company, Casey Dewitt and Sean Dewitt, the Company sold all of the issued and outstanding shares in the capital of 1379596 BC, a direct, wholly-owned subsidiary of the Company to Casey Dewitt and Sean Dewitt in consideration for full and final releases with respect to all claims arising from or related to the Company's prior acquisition of 131 BC, including but not limited to, a \$50,000 claim, included in accounts payable and accrued liabilities, owed to Sean Dewitt. 1379596 BC's sole asset consisted of the West Cat Mine Project, which was owned by a wholly owned subsidiary of 1379596 BC called Golden Axe Metals Corp.
- b) On October 11, 2024 the Company issued 650,000 common shares valued at \$97,500 for the exercise of 650,000 warrants with an exercise price of \$0.15.
- c) On November 29, 2024, the Company issued 810,000 common shares to settle accounts payable of \$81,000 owed Company to certain insiders and creditors of the Company.
- d) On November 29, 2024, the Company announced its intention to consolidate all of its issued and outstanding common shares on a 3.3:1 basis, with every three and one-third pre-consolidated shares being converted into one post-consolidated share. Management anticipates that the common shares will commence trading on the Canadian Securities Exchange on a post-consolidation basis at market open on December 10, 2024.