EMP METALS CORP.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTHS ENDED JANUARY 31, 2024 AND 2023
(Unaudited – Expressed in Canadian Dollars)

NOTICE TO READER

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

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

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

EMP METALS CORP.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Unaudited – Expressed in Canadian Dollars)

	Note	January 31, 2024 $	April 30, 2023 $
ASSETS			
Current assets			
Cash and cash equivalents		**8,427,597**	3,914,460
Receivables		**672,936**	256,701
Marketable securities	**5**	**70,160**	233,867
Prepaid expenses		**168,192**	270,778
		9,338,885	4,675,806
Exploration and evaluation assets	**6**	**24,409,957**	20,651,460
Total assets		**33,748,842**	25,327,266
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	**9**	**431,097**	1,139,573
SHAREHOLDERS' EQUITY			
Share capital	**8**	**33,181,950**	24,854,693
Reserves	**8**	**5,268,769**	3,550,292
Accumulated other comprehensive income		**5,523**	5,523
Deficit		**(7,417,699)**	(5,127,577)
Total equity attributable to shareholders of the Company		**31,038,543**	23,282,931
Attributable to non-controlling interest		**2,279,202**	904,762
		33,317,745	24,187,693
Total liabilities and shareholders' equity		**33,748,842**	25,327,266

Nature of operations and going concern (Note 1)
Commitments (Note 10)

Approved and authorized for issuance on behalf of the Board of Directors on March 25, 2024

"Robin Gamley" Director   "Greg Bronson" Director

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

EMP METALS CORP.

CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

For the three and nine months ended January 31, 2024 and 2023

(Unaudited – Expressed in Canadian Dollars)

		Three months ended January 31,		Nine months ended January 31,	
	Notes	2024 $	2023 $	2024 $	2023 $
Expenses					
Consulting fees	9	**187,055**	117,429	**558,998**	429,173
Filing fees		**(8,593)**	6,778	**38,549**	29,467
Marketing		**274,049**	168,563	**627,721**	481,176
Office		**42,033**	26,131	**119,875**	63,455
Professional fees	9	**61,330**	34,156	**204,231**	139,794
Salaries and benefits		**35,146**	-	**35,146**	-
Share-based compensation	8, 9	**279,545**	4,209	**744,546**	58,832
Loss before other items		**(870,565)**	(357,266)	**(2,329,066)**	(1,201,897)
Other items					
Interest income		**89,147**	596	**137,008**	1,313
Unrealized loss on marketable securities	5	**-**	-	**(163,707)**	-
Foreign exchange loss		**(28)**	-	**(606)**	(6,340)
		89,119	596	**(27,305)**	(5,027)
Net loss for the period		**(781,446)**	(356,670)	**(2,356,371)**	(1,206,924)
Items that may be reclassified subsequently to loss					
Exchange difference on translating foreign operations		**-**	-	**-**	1,194
Comprehensive loss for the period		**(781,446)**	(356,670)	**(2,356,371)**	(1,205,730)
Net loss attributable to:					
Shareholders of the Company		**(771,254)**	(356,652)	**(2,290,122)**	(1,205,190)
Non-controlling interest		**(10,192)**	(18)	**(66,249)**	(1,734)
		(781,446)	(356,670)	**(2,356,371)**	(1,206,924)
Comprehensive loss attributable to:					
Shareholders of the Company		**(772,276)**	(356,652)	**(2,290,122)**	(1,203,996)
Non-controlling interest		**(10,192)**	(18)	**(2,356,371)**	(1,734)
		(781,446)	(356,670)	**(2,357,393)**	(1,205,730)
Basic and diluted loss per share		**(0.01)**	(0.01)	**(0.03)**	(0.02)
Weighted average number of shares outstanding		**91,673,571**	62,321,238	**77,737,060**	61,707,660

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

EMP METALS CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Unaudited – Expressed in Canadian dollars, except for share figures)

	Note	Number of Shares #	Share Capital $	Reserves $	Accumulated Other Comprehensive Income $	Deficit $	Non-controlling Interest $	Total $
Balance, April 30, 2022		**48,972,473**	**16,743,652**	**1,956,361**	**4,329**	**(6,193,073)**	**5,060,608**	**17,571,877**
Agent's option exercise	8	388,041	165,614	(76,365)	-	-	-	89,249
Warrant exercise		12,960,724	3,427,235	(866,519)	-	-	-	2,560,716
Share-based compensation		-	-	58,832	-	-	-	58,832
Net and comprehensive loss for the period		-	-	-	1,194	(1,205,190)	(1,734)	(1,205,730)
Balance, January 31, 2023		**62,321,238**	**20,336,501**	**1,072,309**	**5,523**	**(7,398,263)**	**5,058,874**	**19,074,944**
Shares issued pursuant to private placement	8	8,333,333	4,916,667	-	-	-	-	4,916,667
Share issue costs		-	(398,475)	199,791	-	-	-	(198,684)
Royalty Corp. asset acquisition	4	-	-	2,126,353	-	2,711,511	(4,837,864)	-
Non-controlling interest contributions	6	-	-	-	-	-	590,790	590,790
Share-based compensation	8	-	-	151,839	-	-	-	151,839
Net and comprehensive loss for the period		-	-	-	-	(440,825)	92,962	(347,863)
Balance, April 30, 2023		**70,654,571**	**24,854,693**	**3,550,292**	**5,523**	**(5,127,577)**	**904,762**	**24,187,693**
Shares issued pursuant to private placement	8	13,519,000	5,407,600	-	-	-	-	5,407,600
Share issue costs		-	(642,843)	186,431	-	-	-	(456,412)
Flow-through shares issued pursuant to private placement	8	7,500,000	3,562,500	787,500	-	-	-	4,350,000
Non-controlling interest contributions	6	-	-	-	-	-	1,440,689	1,440,689
Share-based compensation	8	-	-	744,546	-	-	-	744,546
Net and comprehensive loss for the period		-	-	-	-	(2,290,122)	(66,249)	(2,356,371)
Balance, January 31, 2024		**91,673,571**	**33,181,950**	**5,268,769**	**5,523**	**(7,417,699)**	**2,279,202**	**33,317,745**

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

EMP METALS CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
For the nine months ended January 31, 2024 and 2023
(Unaudited – Expressed in Canadian Dollars)

	2024 $	2023 $
Operating activities:		
Net loss for the period	**(2,356,371)**	(1,206,924)
Items not involving cash:		
Unrealized loss on marketable securities	**163,707**	-
Share-based compensation	**744,546**	58,832
Changes in non-cash working capital related to operations:		
Receivables	**(416,235)**	(562,462)
Prepaid expenses	**102,586**	(143,585)
Accounts payable and accrued liabilities	**(1,000,951)**	626,058
Net cash used in operating activities	**(2,762,718)**	(1,228,081)
Investing activities:		
Acquisition and exploration costs on exploration and evaluation assets	**(2,025,333)**	(2,807,227)
Performance bonds	**-**	72,712
Net cash used in investing activities	**(2,025,333)**	(2,734,515)
Financing activity:		
Issuance of common shares	**9,301,188**	2,649,965
Net cash provided by financing activity	**9,301,188**	2,649,965
Increase (decrease) in cash and cash equivalents during the period	**4,513,137**	(1,312,631)
Effect of exchange rate changes on cash and cash equivalents	**-**	1,194
Cash and cash equivalents – beginning of the period	**3,914,460**	1,467,544
Cash and cash equivalents – end of the period	**8,427,597**	156,107
Cash	**596,424**	156,107
Cash equivalents	**7,831,173**	-
Total cash and cash equivalents	**8,427,597**	156,107
Supplemental cash flow information:		
Income taxes paid	**-**	-
Interest paid	**-**	-
Accounts payable included in exploration and evaluation assets	**292,475**	-

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

1. NATURE OF OPERATIONS AND GOING CONCERN

EMP Metals Corp. (“the Company” or “EMP”) was incorporated under the Business Corporations Act of British Columbia on August 3, 2018. The Company is engaged in the exploration and evaluation of mineral properties. The Company’s head office is located at 208A - 980 West 1st Street, North Vancouver, BC V7P 3N4. The Company’s common shares are listed for trading on the Canadian Securities Exchange (the “Exchange”) under the trading symbol “EMPS” and on the OTCQB under the symbol “EMPPF”.

These condensed interim consolidated financial statements have been prepared assuming the Company will continue as a going concern, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. At January 31, 2024, the Company had accumulated losses of $7,417,699 since its inception and expects to incur further losses in the development of its business. The continuation of the Company is dependent upon obtaining necessary financing to meet its ongoing operational levels of exploration and corporate overhead. There is a material uncertainty related to these conditions that may cast significant doubt upon the Company’s ability to continue as a going concern. Additional funds will be required to enable the Company to continue its operations and there can be no assurance that financing will be available on terms which are acceptable to the Company. These condensed interim consolidated financial statements do not give effect to any adjustments to the amounts and classifications of assets and liabilities which might be necessary should the Company be unable to continue its operations as a going concern.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PRESENTATION

a) Statement of compliance

These condensed interim consolidated financial statements have been prepared in conformity with International Accounting Standard (“IAS”) 34, Interim Financial Reporting, using the same accounting policies as detailed in the Company’s audited financial statements for the year ended April 30, 2023. They do not include all the information required for complete annual financial statements in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") and therefore should be read together with the audited financial statements for the year ended April 30, 2023.

b) Basis of presentation

These condensed interim consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair value. In addition, these condensed interim consolidated financial statements are prepared using the accrual basis of accounting, aside from cash flow information.

c) Consolidation

These condensed interim consolidated financial statements include the financial statements of the Company and its wholly-owned and controlled subsidiary, Hub City Minerals Corp. ("HCM"), incorporated in British Columbia on April 19, 2021. HCM owns 75% of the outstanding common shares of Hub City Lithium Corp. ("HCL"), incorporated in British Columbia on April 19, 2021.

Consolidation of an investee begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Intercompany balances, transactions and unrealized intercompany gains and losses are eliminated upon consolidation.

The Company's formerly wholly-owned and controlled subsidiary, Sentinel Resources (Australia) Pty Ltd., was dissolved on October 30, 2022. The Company's other formerly wholly-owned and controlled subsidiary, Hub City Royalty Corp. ("Royalty Corp."), was dissolved on August 21, 2023.

d) Foreign currencies

The functional currency of a company is the currency of the primary economic environment in which the company operates. The presentation currency for a company is the currency in which the company chooses to present its financial statements.

These condensed interim consolidated financial statements are presented in Canadian dollars. The functional currency of EMP Metals Corp., HCM, HCL and Royalty Corp. is the Canadian dollar. Subsidiaries whose functional currencies differ from that of the parent company ("foreign operations") are translated into Canadian dollars as follows: assets and liabilities – at the closing rate as at the reporting date, and income and expenses – at the average rate of the period. All resulting changes are recognized in other comprehensive income as exchange difference on translating foreign operations.

Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the dates of the transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary assets and liabilities are translated using the historical rate on the date of the transaction. Non-monetary assets and liabilities that are stated at fair value are translated using the historical rate on the date that the fair value was determined. All gains and losses on translation of these foreign currency transactions are charged to profit or loss.

When the Company disposes of its entire interest in a foreign operation, or loses control, joint control, or significant influence over a foreign operation, the foreign currency gains or losses accumulated in other comprehensive income (loss) related to the foreign operation are reclassified to profit or loss. If an entity disposes of part of an interest in a foreign operation which remains a subsidiary, a proportionate amount of foreign currency gains or losses accumulated in other comprehensive income (loss) related to the subsidiary are reallocated between controlling and non-controlling interests.

e) Critical judgments and estimates

Impairment of exploration and evaluation assets
The carrying value and recoverability of exploration and evaluation assets requires management to make certain estimates, judgments and assumptions about each project and whether a given exploration and evaluation asset has any indicators of impairment. In determining if indicators of impairment exist, management considers the legal title to properties, expectations for future exploration programs and funds available for such, intentions to abandon exploration and evaluation assets, and whether information is available to assess the overall economic viability of the exploration property, including the latest resource prices and forecasts for mineral extraction (if any).

Asset acquisitions
The assessment of whether an acquisition meets the definition of a business or an asset is an area of key judgment. In the acquisitions of HCM and Royalty Corp., judgment was required to determine if the acquisitions represented business combinations, asset acquisitions or acquisition of equity. More specifically, management concluded that HCM and Royalty Corp. did not represent a business as the assets acquired were not an integrated set of activities with inputs, processes and outputs. Further, management determined that the disposal of and subsequent re-acquisition of Royalty Corp. lacked economic substance and were considered as part of the same transaction in which the remaining equity (33%) of HCM was acquired during the year ended April 30, 2023 by EMP. Since it was concluded that the transactions (Notes 3 and 4) represented the acquisitions of assets or equity, there was no goodwill recognized and the transaction costs were capitalized to the assets acquired rather than expensed.

Shares and warrants issued for asset acquisitions
Management makes estimates in determining the fair value attributed to equity instruments paid as consideration for asset acquisitions, based on the contracted terms for the acquisition. Where common shares are issued for asset acquisitions, management determines the acquisition date and applies the closing market price of the Company's common shares on that date. When warrants are issued as part of asset acquisitions, management must determine the most appropriate valuation model to apply in calculating the grant date fair value of the warrants, and then make estimates of the expected volatility of the stock, the expected life of the warrants, the expected forfeiture rate and an estimated risk-free interest rate for input to the calculation. Inputs and resulting estimates differ depending on the valuation model. Further, should management's estimates as to an appropriate grant date share price or inputs be incorrect, the value of consideration for an asset acquisition could be materially different.

Share-based payments
The Company uses the fair-value method of accounting for share-based payments. Under this method, compensation cost attributable to options granted is measured at fair value, using the Black-Scholes option pricing model, at the grant date and expensed over the vesting period. In determining the fair value, the Company makes estimates of the expected volatility of the stock, the expected life of the options, the expected forfeiture rate, and an estimated risk-free interest rate.

3. ACQUISITION OF HUB CITY MINERALS CORP.

On August 27, 2021, the Company entered into a share purchase agreement (the "Acquisition Agreement") with HCM, whereby the Company acquired 67% of the issued and outstanding shares and share purchase warrants of HCM (the "Transaction").

Under the terms of the Acquisition Agreement, the Company acquired 14,070,000 Hub City Units (the "Hub City Units") in exchange for the issuance of 14,070,000 EMP units (each, "EMP Unit") to the holders of the Hub City Units. Each EMP Unit consisted of one common share of EMP and one share purchase warrant, with each share purchase warrant entitling the holder to acquire one additional common share of EMP at an exercise price of $0.06667 and under the existing terms of the outstanding share purchase warrants of HCM. The Company also settled a pre-existing advance to HCM of $150,000, which was non-interest bearing. The Transaction closed on September 2, 2021, at which time EMP became the ultimate parent company of HCM.

The Transaction did not meet the definition of a business combination and therefore, has been accounted for as a purchase of exploration and evaluation assets with the Company acquiring 67% of HCM on September 2, 2021.

During the year ended April 30, 2023, the remaining 33% equity of HCM was acquired by the Company (note 4).

4. ACQUISITION OF ROYALTY CORP.

On July 28, 2022, the Company incorporated a new subsidiary, Royalty Corp. In August 2022, the Company entered into a share exchange agreement with the other shareholders of HCM (refer to note 3) who in aggregate owned 33% of the issued and outstanding shares of HCM, whereby the Company transferred its shares of Royalty Corp. to those shareholders in exchange for their 33% ownership of HCM. As a result, HCM became a 100% wholly-owned subsidiary of the Company. In addition, HCM signed a royalty agreement with Royalty Corp., pursuant to which HCM granted to Royalty Corp. a 25% net profit royalty on amounts received by HCM from HCL.

On February 17, 2023, the Company announced that it had entered into a securities exchange agreement with the shareholders of Royalty Corp. whereby the Company acquired all of the shares of Royalty Corp. In consideration for all of the shares of Royalty Corp., the Company issued 6,930,000 share purchase warrants to the vendors. Each warrant entitles the holder to purchase one common share of the Company at a price of $1.25 for a period of three years from the date of issuance. The warrants are subject to the Company's right to accelerate the expiry date if the average closing price has been equal to or greater than $1.75 for 10 consecutive trading days and the Company must issue a news release announcing its intention to exercise the acceleration right.

The transaction has been accounted for as the acquisition of the remaining 33% of HCM. The result of the transaction was the 100% ownership of HCM by the Company and elimination of the non-controlling interest of HCM. This change in the proportion of equity held by the non-controlling interest has been recognized directly in equity and attributed to the shareholders of EMP.

(Unaudited – Expressed in Canadian Dollars)

The following table summarizes the fair value of the total consideration paid and the aggregate fair value of identified assets acquired and liabilities assumed:

Purchase price	**$**
Fair value of 6,930,000 warrants	2,126,353
	2,126,353

Net assets acquired	**$**
Remaining 33% of HCM	2,126,353
	2,126,353

The fair value of the 6,930,000 warrants ($2,126,353) was estimated using the Black-Scholes option-pricing model. Weighted average assumptions used in the pricing model were as follows: spot price – $0.62 per share; risk-free rate – 3.66%; expected life – 3 years; expected volatility – 100%; expected forfeitures – nil%; and expected dividends – $nil.

Royalty Corp. was dissolved on August 21, 2023.

5. MARKETABLE SECURITIES

Marketable securities are classified as FVTPL and, as a result, are measured at fair market value each reporting period with any changes in fair value recognized in profit or loss. During the year ended April 30, 2023, the Company received 779,557 common shares of Grounded Lithium Corp. ("GLC") as part of a land sale (Note 6). The GLC common shares are subject to a contractual escrow, to be released in equal 1/3 tranches on the 4, 8, and 12-month anniversaries from closing. The GLC common shares were recorded at an initial fair value of $280,640. As at January 31, 2024, the fair value of the common shares was $70,160 (April 30, 2023 – $233,867). As a result, a loss of $163,707 was recorded in profit or loss for the nine months ended January 31, 2024.

(Unaudited – Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS

	Li-Brine Properties
	$
April 30, 2022	**16,192,835**
Acquisition costs – cash	127,593
Camp Costs	5,446
Consulting	681,483
Drilling	663,518
Equipment	497,668
Geologists	113,971
Geochemical	8,914
Land Lease Payment	299,994
Linecutting	86,846
Logging	142,660
Permits	8,317
Piping	873,562
Miscellaneous	12,739
Vehicle Costs	240,238
Travel & Accommodation	21,412
Waste Removal	19,741
Well Servicing	709,843
Sale of claims to Grounded Lithium	(55,320)
April 30, 2023	**20,651,460**
Acquisition costs – cash	1,158,715
Analysis	1,923
Camp Costs	668
Communications	444
Consulting	939,515
Drilling	(191,814)
Environmental	8,572
Equipment	173,131
Geologists	119,771
Geochemical	11,312
Land Lease Payment	343,006
Logging	82,568
Permits	6,107
Pilot Testing	351,412
Property Tax	240
Miscellaneous	8,885
Vehicle Costs	341,422
Travel & Accommodation	11,283
Waste Removal	16,964
Well Servicing	374,373
January 31, 2024	**24,409,957**

(Unaudited – Expressed in Canadian Dollars)

Li-Brine Properties

On September 2, 2021, the Company acquired the Li-Brine Properties as a result of the acquisition of HCM (Note 3). HCL now holds 196,000 net acres (79,300 net hectares) of Subsurface Crown Mineral Dispositions in Saskatchewan, with the focus on potential lithium resource prospects.

On May 24, 2022, the Company entered into a Wellbore Takeover Agreement (the "Agreement"). Within the Agreement the Company assumes the provision for decommissioning of the well, estimated at $70,000. The well is located in the Tyvan area of Southeast Saskatchewan which is within one-half mile of HCM's lands. Such liabilities have been paid to the government of Saskatchewan and satisfied in full.

On September 27, 2022, the Company acquired an additional wellbore in its Mansur Permit Area. The new well, 101/14-36-008-13 W2M ("Second Test Well"), is located at the Mansur Permit Area of southeast Saskatchewan and is approximately half a mile from the Company's first test well in the Mansur. The Second Test Well was acquired for no consideration and the assumption of future abandonment and reclamation costs.

The Company acquired another wellbore in its Mansur Permit Area in November 2022. The new well 141/08-03-009-13 W2M ("Third Test Well"), is located at the Mansur Permit Area of southeast Saskatchewan and is approximately half a mile from the Company's first test well in the Mansur. The Third Test Well has been acquired for no consideration and the assumption of future abandonment and reclamation costs.

ROK Resources Inc., which owns 25% of HCL, is responsible for 25% of exploration costs incurred. All payments received during the year ended April 30, 2023 and the nine months ended January 31, 2024 have been treated as contributions to non-controlling interest.

On March 15, 2023, the Company closed the sale of 33 sections (8,498 hectares) of undeveloped land in the Kindersley area to Grounded Lithium Corp. ("GLC"). As consideration for the sale, the Company received $195,326 in cash and 779,557 GLC common shares. The GLC common shares are subject to a contractual escrow, to be released in equal 1/3 tranches on the 4, 8, and 12-month anniversaries from closing. The Company recorded a gain on sale of $420,647, determined as per below:

	$
Assets Sold	
Claims	55,320
Consideration received	
Cash	195,327
Shares issued	280,640
Gain on sale of E&E Assets	420,647

(Unaudited – Expressed in Canadian Dollars)

7. LOANS PAYABLE

On February 7, 2023, the Company received shareholder loans for total proceeds of $200,000. The loans were unsecured, bore interest of 10% per annum and were due on demand. If the loans were repaid at any time prior to the first anniversary of the loan the Company would pay one year of interest.

On March 16, 2023, the Company repaid the shareholder loans of $200,000 and $20,000 of interest expense.

	$
Balance, April 30, 2022	-
Proceeds	200,000
Repayment	(200,000)
Balance, April 30, 2023 and January 31, 2024	-

8. SHARE CAPITAL

a) Authorized – Unlimited common shares without par value.

b) Issued and outstanding – 91,673,571 common shares

c) Issuances

On March 17, 2023, the Company closed a non-brokered private placement financing by issuing 8,333,333 units at a price of $0.60 per unit for proceeds of $5,000,000. Each unit comprises one common share of the Company and one-half of one share purchase warrant. Each whole warrant entitles the holder to purchase one common share at a price of $0.90 per share until September 16, 2024. The Company assigned $83,333 value to the warrants using the residual value method. The Company has the right to accelerate the expiry date of the warrants if, at any time, the average closing price of the Company's common shares is equal to or greater than $1.25 for 10 consecutive trading days. In the event of acceleration, the expiry date will be accelerated to a date that is 30 business days after the Company issues a news release announcing that it has elected to exercise this acceleration right.

The Company paid cash share issue costs of $22,481, paid finders fees totaling $259,536 related to the private placement and issued an aggregate of 432,560 finders warrants, with each finders warrant entitling the holder to purchase one common share at a price of $0.60 per share until September 16, 2024. The fair value of the 432,560 finders warrants was determined to be $116,458 and estimated on the date of issue using the Black-Scholes option pricing model with the following assumptions: exercise price of $0.60, spot price of $0.58, dividend yield of $nil, risk free interest rate of 3.15%, expected life of 1.5 years and expected volatility of 100%.

During the year ended April 30, 2023, the Company issued 12,960,724 common shares pursuant to the exercise of warrants for total gross proceeds of $2,560,716. $866,519 was transferred from reserves to share capital as a result. The weighted average share price at dates the warrants were exercised was $0.35.

During the year ended April 30, 2023, the Company issued 388,041 common shares pursuant to the exercise of agent's options for total gross proceeds of $89,249. $76,365 was transferred from reserves to share capital as a result. The weighted average share price at dates the agent's options were exercised was $0.33.

On October 31, 2023, the Company closed a non-brokered private placement financing by issuing 13,519,000 hard dollar units ("HD units") at a price of $0.40 per HD unit for proceeds of $5,407,600 and 7,500,000 Saskatchewan flow-through units ("FT Units") at a price of $0.58 per FT unit for proceeds of $4,350,000.

Each HD unit consists of one common share of the Company and three-quarters of one share purchase warrant. Each whole warrant entitles the holder to purchase one common share at a price of $0.60 per share until October 31, 2025. The Company allocated $5,407,600 to the shares and $nil to the warrants using the residual value method. The Company paid finders fees totaling $455,390 related to the HD units and issued an aggregate of 965,950 finders warrants, with each finder's warrant entitling the holder to purchase one common share at a price of $0.60 per share until October 31, 2025. The fair value of the 965,950 finder's warrants was determined to be $186,431 and estimated on the date of issue using the Black-Scholes option pricing model with the following assumptions: exercise price of $0.60, spot price of $0.475, dividend yield of $nil, risk free interest rate of 4.18%, expected life of 2 years and expected volatility of 100%.

Each FT unit consists of one "flow-through" common share and three-quarters of one share purchase warrant to be issued on a non-"flow-through" basis. Each whole warrant entitles the holder to purchase one common share at a price of $0.60 per share until October 31, 2025. The Company allocated $3,562,500 to the shares and $787,500 to the warrants using the residual value method. No flow-through share premium liability was allocated to the units.

d) Stock Options

On March 15, 2019, the Company adopted a stock option plan (the "Stock Option Plan"), which provides that, subject to the requirements of the Exchange, the aggregate number of securities reserved for issuance will be 10% of the number of the Company's common shares issued and outstanding at the time such options are granted. Options may be granted under the Stock Option Plan to the directors, officers, employees, management or consultants of the Company and its affiliates, if any, as the Board of Directors may from time to time designate. The Stock Option Plan provides that the number of common shares that may be reserved for issuance to any one individual upon exercise of all stock options held by such individual may not exceed 5% of the issued common shares, if the individual is a director, officer, employee or consultant, or 1% of the issued common shares, if the individual is engaged in providing investor relations services, on a yearly basis. All options granted under the Stock Option Plan will expire not later than the date that is ten years from the date that such options are granted. Options terminate earlier as follows: (i) immediately in the event of dismissal with cause; (ii) 90 days from date of termination other than for cause; or (iii) one year from the date of death or disability.

(Unaudited – Expressed in Canadian Dollars)

On March 24, 2023, the Company granted a total of 1,800,000 stock options to its directors, officers and consultants. The stock options have an exercise price of $0.65 per share and expire on March 24, 2028. The stock options will vest as to 25% every 3 months after the grant date. The fair value of the options granted was $0.40 per share.

On November 29, 2023, the Company granted a total of 1,150,000 stock options to a director and an officer. The stock options have an exercise price of $0.45 per share and expire on November 29, 2028. 150,000 of the stock options vest immediately. 1,000,000 of the stock options will vest as to 1/3 immediately, 1/3 on November 29, 2024, and 1/3 on November 29, 2025.

The fair value of these options on the date of grant was determined using the Black-Scholes option pricing model and the following weighted average assumptions:

	January 31, 2024	**April 30, 2023**
Risk free interest rate	3.67%	3.15%
Expected life	5.00 years	5.00 years
Expected volatility	100%	100%
Expected forfeiture	Nil	Nil
Expected dividends	Nil	Nil

During the three and nine months ended January 31, 2024, the Company recorded $279,545 and $744,546 (2023 - $4,209 and $58,832) of share-based compensation expense.

The changes in the stock options for the year ended April 30, 2023 and nine months ended January 31, 2024 are as follows:

	Number of options	**Weighted average exercise price (per share)**	**Weighted average remaining life (years)**
Balance, April 30, 2022	4,316,667	$0.42	3.92
Granted	1,800,000	$0.65	-
Cancelled	(8,335)	$0.30	-
Balance, April 30, 2023	6,108,332	$0.49	3.00
Granted	1,150,000	$0.45	
Balance, January 31, 2024	7,258,332	$0.48	3.08

(Unaudited – Expressed in Canadian Dollars)

The balance of options outstanding as at January 31, 2024 was as follows:

Expiry date	Exercise price	Remaining Life (years)	Options Outstanding	Unvested	Vested
January 14, 2025	$0.30	0.96	74,999	-	74,999
August 21, 2025	$0.84	1.56	100,000	-	100,000
October 1, 2025	$2.01	1.67	83,333	-	83,333
August 13, 2025	$0.37	1.53	1,800,000	-	1,800,000
September 28, 2025	$0.35	1.66	500,000	-	500,000
January 24, 2027	$0.40	2.98	1,050,000	-	1,050,000
April 5, 2027	$0.40	3.18	700,000	200,000	500,000
March 24, 2028	$0.65	4.15	1,800,000	1,350,000	450,000
November 29, 2028	$0.45	4.83	1,150,000	483,334	666,666
	$0.49	3.08	7,258,332	2,033,334	5,224,998

e) Warrants

Details of warrant activity for the year ended April 30, 2023 and nine months ended January 31, 2024 are as follows:

	Number of Warrants #	Weighted Average Exercise Price $
Balance, April 30, 2022	13,175,444	0.20
Expired	(214,720)	0.23
Exercised	(12,960,724)	0.20
Granted	11,529,227	1.10
Balance, April 30, 2023	11,529,227	1.10
Granted	16,730,200	0.60
Balance, January 31, 2024	28,259,427	0.80

On May 3, 2022, the Company accelerated the expiry date of common share purchase warrants issued on August 4, 2021 (the "Warrants") in accordance with the terms of the Warrants. Under the terms of the Warrants, the Company was permitted to accelerate the expiry date if the average closing price of the Company's common shares for any 10 consecutive trading days is equal to or greater than $0.50.

f) Agent’s Options

The changes in the Agent’s options for the year ended April 30, 2023 and nine months ended January 31, 2024 are as follows:

(Unaudited – Expressed in Canadian Dollars)

	Number of Agent's options	Weighted average exercise price (per share)	Weighted average remaining life (years)
Balance, April 30, 2022	512,262	$0.23	0.27
Expired	(124,221)	$0.23	-
Exercised	(388,041)	$0.23	-
Balance, April 30, 2023 and January 31, 2024	-	-	-

9. RELATED PARTY TRANSACTIONS

Key management personnel are those persons responsible for planning, directing and controlling the activities of the entity, and include executives and non-executive directors. The Company incurred charges from directors and officers, or to companies controlled by these individuals during the three and nine months ended January 31, 2024 and 2023 as follows:

	Three months ended January 31,		Nine months ended January 31,	
	2024	**2023**	**2024**	**2023**
	$	**$**	**$**	**$**
Accounting fees	**24,108**	17,917	**72,603**	57,747
Consulting fees	**35,000**	30,000	**95,000**	90,000
Share-based payment	**219,743**	225	**334,102**	11,509
	278,851	48,142	**501,705**	159,256

Accounts payable and accrued liabilities at January 31, 2024 includes $24,949 (April 30, 2023 – $16,895) due to a company controlled by the CEO and a company in which the CFO is an owner.

Key management of the Company includes the CEO, the CFO and the Directors. During the three and nine months ended January 31, 2024, compensation paid or accrued to key management consisted of accounting fees of $24,108 and $72,603 (2023 – $17,917 and $57,747) paid or accrued to a company in which the CFO is an owner, and consulting fees of $35,000 and $95,000 (2023 – $30,000 and $90,000) paid or accrued to the CEO.

10. COMMITMENTS

On August 1, 2021, the Company entered into a consulting agreement for public company finance and administration support at a rate of $7,500 per month ($90,000 per year) for a term of 5 years. On a change of control of the Company, a payment to the consultant of 24 months ($180,000) is required.

On February 15, 2022, the Company entered into a consulting agreement for investor relations and marketing services at a rate of $30,000 per month ($360,000 per year) for a term of 2 years. If the Company adopted a restricted share unit plan, the Company at its discretion may grant up to 200,000 restricted share units to the consultant.

On April 1, 2022, the Company entered into a consulting agreement for public company finance and administration support at a rate of $10,000 per month ($120,000 per year) for a term of 5 years. On a change of control of the Company, a payment to the consultant of 24 months ($240,000) is required.

On April 1, 2022, the Company entered into a consulting agreement with the CEO at a rate of $10,000 per month ($120,000 per year) for a term of 5 years. On a change of control of the Company, a payment to the CEO of 24 months ($240,000) is required. On November 15, 2023, the consulting agreement with the CEO was amended so that the rate was changed to $15,000 per month ($180,000 per year) effective November 1, 2023.

On November 1, 2022, the Company entered into a consulting agreement for public company finance and administration support at a rate of $10,000 per month ($120,000 per year) for a term of 5 years. On a change of control of the Company, a payment to the consultant of 24 months ($240,000) is required.

On January 1, 2024, the Company entered into a management agreement with the company which owns 25% of HCL at a rate of $46,250 per month ($555,000 per year) for a term of 1 year, to manage the exploration, development and operation of the Li-Brine Properties.