

Lithium Lion Metals Inc.
(formerly Gold Lion Resources Inc.)
Consolidated Financial Statements

For the Years Ended June 30, 2023 and 2022

(Expressed in Canadian dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Lithium Lion Metals Inc. (formerly Gold Lion Resources Inc.):

Opinion

We have audited the consolidated financial statements of Lithium Lion Metals Inc. (formerly Gold Lion Resources Inc.) and its subsidiaries, (together the “Company”) which comprise the consolidated statements of financial position as at June 30, 2023 and 2022, and the consolidated statements of comprehensive loss, consolidated statements of changes in shareholders’ equity and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2023 and 2022 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which describes the conditions indicating that a material uncertainty exists that may cast significant doubt on the Company’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended June 30, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the *Material Uncertainty Related to Going Concern* section of our auditor’s report, we have determined the matter described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
<i>Assessment of the existence of impairment indicators for exploration and evaluation asset</i>	
Refer to note 5	Our approach to addressing the matter involved the following procedures, among others:
<p>As at June 30, 2023, the carrying amount of the Company's exploration and evaluation asset was \$1,026,636.</p> <p>At each reporting period, management assesses the evaluation and exploration asset to determine whether there are any indicators of impairment. If any such indicators exist, the asset's recoverable amount is estimated. An impairment loss is recognized if the carrying amount of an asset exceeds its estimated recoverable amount.</p> <p>Management assesses evaluation and exploration assets for impairment based on, at minimum, the presence of any one of the following indicators:</p> <ul style="list-style-type: none"> (i) the period for which the Company has the right to explore in the specific area has expired during the year or will expire in the near future, and is not expected to be renewed; (ii) substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned; (iii) the Company has decided to discontinue exploration for and evaluation of mineral resources in the specific area; and/or (iv) for areas of likely development, available data indicates that the carrying amount exceeds the recoverable amount. <p>No impairment indicators were identified by management as at June 30, 2023.</p> <p>We considered this a key audit matter due to the significance of the exploration and evaluation asset and the judgments made by management in their assessment of whether there existed impairment indicators related to the exploration and evaluation asset. These factors have resulted in a high degree of subjectivity in performing audit procedures, related to the judgment applied by management.</p>	<p>Evaluating the judgments made by management in assessing for the presence of impairment indicators, which included the following:</p> <ul style="list-style-type: none"> • Obtained, for a sample of claims by reference to government registries, evidence to support (i) the right to explore the area and (ii) claim expiration dates. • Read the board of directors' minutes and resolutions and observed evidence supporting the continued and planned exploration expenditures, which included considering the Company's work programs set to begin subsequent to June 30, 2023. • Assessed whether available data indicates the potential for commercially viable mineral resources of which we noted that there is no currently available data indicating the potential or lack of potential for commercially viable mineral resources. • Based on evidence obtained in other areas of the audit, considered whether other facts and circumstances suggest that the carrying amount may exceed the recoverable amount.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Management's Discussion and Analysis filed with the relevant Canadian securities commissions.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

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

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Graeme L. Cocke.

Baker Tilly WM LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, B.C.
October 27 2023

Lithium Lion Metals Inc. (formerly Gold Lion Resources Inc.)
 Consolidated Statements of Financial Position
 Expressed in Canadian Dollars

	As at June 30, 2023	As at June 30, 2022
Assets		
Current		
Cash	\$ 420,448	\$ 1,055,552
Sales tax recoverable	45,451	9,048
Prepaid expenses and deposits	52,653	278,985
	518,552	1,343,585
Non-current assets		
Exploration and evaluation asset (Notes 4 and 5)	1,026,636	1,080,393
Total Assets	\$ 1,545,188	\$ 2,423,978
Liabilities		
Current		
Accounts payable and accrued liabilities (Note 9)	\$ 168,690	\$ 163,792
Total Liabilities	168,690	163,792
Shareholders' Equity		
Share capital (Note 6)	10,777,349	9,071,824
Equity reserve (Note 6)	784,557	1,438,281
Deficit	(10,185,408)	(8,249,919)
Total Shareholders' Equity	1,376,498	2,260,186
Total Liabilities and Shareholders' Equity	\$ 1,545,188	\$ 2,423,978

Nature of operations and going concern (Note 1)

Approved on behalf of the Board on October 27, 2023:

"David Beck"

David Beck, Director

"Sebastian Lowes"

Sebastian Lowes, Director

The accompanying notes are an integral part of the consolidated financial statements.

Lithium Lion Metals Inc. (formerly Gold Lion Resources Inc.)
Consolidated Statements of Comprehensive Loss
Expressed in Canadian dollars

	Year ended June 30, 2023	Year ended June 30, 2022
Expenses		
Consulting fees (Note 9)	\$ 374,814	\$ 483,594
Legal	83,052	28,637
Audit and accounting	37,601	66,344
Investor relations	453,652	125,000
Management fee (Note 9)	64,276	17,750
Marketing, filing and office fees	138,822	184,264
Share-based compensation (Notes 6 and 9)	160,904	7,418
Travel	18,529	-
	(1,331,651)	(913,007)
Other Items		
Impairment of exploration and evaluation assets (Note 5)	-	(4,812,165)
Impairment of intangible asset (Notes 4 and 8)	(459,512)	-
Loss on sale of property (Note 4)	(945,709)	-
Interest income	-	4,660
Foreign exchange	(745)	(1,481)
Net and comprehensive loss	\$ (2,737,617)	\$ (5,721,993)
Loss per common share – basic and diluted	\$ (0.04)	\$ (0.15)
Weighted average number of common shares outstanding	73,601,457	39,187,295

The accompanying notes are an integral part of the consolidated financial statements.

Lithium Lion Metals Inc. (formerly Gold Lion Resources Inc.)
Consolidated Statements of Changes in Shareholders' Equity
Expressed in Canadian Dollar

	Share Capital		Equity reserve	Deficit	Total
	Number	Amount			
Balance, June 30, 2021	37,869,487	\$ 8,069,324	\$ 1,286,346	\$ (2,879,909)	\$ 6,475,761
Shares issued for acquisition of 1000173975 Ontario Inc. (Notes 4 and 6)	20,000,000	1,000,000	-	-	1,000,000
Shares issued for warrant conversion (Note 6)	50,000	2,500	(1,250)	-	1,250
Warrants issued for private placement (Note 6)	-	-	517,750	-	517,750
Issuance cost	-	-	(20,000)	-	(20,000)
Share-based compensation (Notes 6 and 9)	-	-	7,418	-	7,418
Options cancelled (Note 6)	-	-	(351,983)	351,983	-
Net and comprehensive loss	-	-	-	(5,721,993)	(5,721,993)
Balance, June 30, 2022	57,919,487	\$ 9,071,824	\$ 1,438,281	\$ (8,249,919)	\$ 2,260,186
Shares issued for acquisitions (Note 6)	20,300,000	1,315,000	-	-	1,315,000
Shares issued for warrant conversion (Note 6)	500,000	25,000	(12,500)	-	12,500
Proceeds of private placement, net (Note 6)	4,896,999	365,525	-	-	365,525
Share-based compensation (Note 6)	-	-	160,904	-	160,904
Warrants expired (Note 6)	-	-	(585,673)	585,673	-
Options cancelled (Note 6)	-	-	(216,455)	216,455	-
Net and comprehensive loss	-	-	-	(2,737,617)	(2,737,617)
Balance, June 30, 2023	83,616,486	\$ 10,777,349	\$ 784,557	\$ (10,185,408)	\$ 1,376,498

The accompanying notes are an integral part of the consolidated financial statements.

Lithium Lion Metals Inc. (formerly Gold Lion Resources Inc.)
Consolidated Statements of Cash Flows
Expressed in Canadian Dollars

	Year ended June 30, 2023	Year ended June 30, 2022
Operating activities		
Net loss for the year	\$ (2,737,617)	\$ (5,721,993)
Item not affecting cash:		
Share-based compensation	160,904	7,418
Impairment of intangible asset	459,512	-
Impairment of exploration and evaluation assets	-	4,812,165
Loss on sale of property	945,709	-
Changes in non-cash working capital balances:		
Prepaid expenses and deposits	226,322	(263,098)
Sales tax recoverable	(36,403)	36,846
Accounts payable and accrued liabilities	4,898	83,241
Net cash used by operating activities	(976,665)	(1,045,421)
Investing activities		
Exploration and evaluation expenditures	(416,464)	(587,657)
Proceeds from sale of property	380,000	-
Net cash provided by (used in) investing activity	(36,464)	(587,657)
Financing activities		
Proceeds from private placement, net of issuance costs	365,525	497,750
Proceeds from exercise of warrants	12,500	1,250
Net cash provided by financing activities	378,025	499,000
Change in cash	(635,104)	(1,134,078)
Cash, beginning of year	1,055,552	2,189,630
Cash, end of year	\$ 420,448	\$ 1,055,552

Supplemental Cash Flow Information (Note 12)

The accompanying notes are an integral part of the consolidated financial statements.

1. NATURE OF OPERATIONS AND GOING CONCERN

Lithium Lion Metals Inc. (formerly Gold Lion Resources Inc.) (the "Company" or "Lithium Lion") was incorporated under the laws of the Province of British Columbia, Canada. The Company's head office is located at #305-1770 Burrard Street, Vancouver, British Columbia, V6J 3G7, and its registered and records office is located at #600-1090 West Georgia St, Vancouver, BC V6E 3V7.

Its main business activity is the acquisition, exploration and evaluation of mineral properties located in Quebec, Canada. These consolidated financial statements of the Company as at and for the year ended June 30, 2023, comprise the Company and its subsidiaries. The Company's common shares trade on the Canadian Securities Exchange ("CSE").

These consolidated financial statements have been prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to meet its commitments, continue operations and realize its assets and discharge its liabilities in the normal course of operations for the foreseeable future. During the year ended June 30, 2023, the Company incurred a net loss of \$2,737,617 (2022 - \$5,721,993), used net cash in operations of \$976,665 (2022 - \$1,045,421) and at June 30, 2023, the Company's net working capital is \$349,862 (2022 - \$1,179,793).

The Company expects to incur losses in the development of its business, has no source of operating cash flow, and provides no assurances that sufficient funding, will be available to conduct further exploration and development of its mineral properties. These conditions indicate a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. Management intends to finance operating costs with the proceeds from equity financings, and its current working capital; however, there is no assurance that the Company will be successful in these actions.

These consolidated financial statements do not include any adjustments relating to the realization or liquidation of assets and settlement of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

2. BASIS OF PREPARATION

a) Basis of Presentation

The consolidated financial statements for the years ended June 30, 2023 and 2022 were prepared in accordance with the International Financial Reporting Standards ("IFRS") and interpretations of IFRS as issued by the International Accounting Standards Board ("IASB"). The accounting policies set out below are in effect in these consolidated financial statements and have been applied consistently to all periods presented unless otherwise indicated.

b) Basis of Consolidation

These consolidated financial statements include the accounts of the Company and its subsidiaries. The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. All inter-company balances, transactions, income and expenses have been eliminated upon consolidation.

2. BASIS OF PREPARATION (continued)

Subsidiaries:

Subsidiaries are entities controlled by the Company. Control exists when the Company is exposed, or has rights to, variable returns from its involvement with the investee and has the ability to use its power over the investee to affect those returns.

The principal subsidiaries of the Company as of June 30, 2023 are as follows:

Name of subsidiary	Principal activity	Place of Incorporation	Ownership Interest June 30, 2023	Ownership Interest June 30, 2022
1238339 BC LTD. ("123 LTD.")	Mineral exploration	Canada	100%	100%
1391740 BC LTD. ("139 LTD.")	Mineral exploration	Canada	100%	-
Sustainable Li-Ion Research Inc. ("SLIR")	Recycling lithium-ion batteries	Canada	100%	-
1283745 B.C. LTD.	Recycling lithium-ion batteries	Canada	100%	-

1000173975 Ontario Inc. was a subsidiary of the Company until it was sold on December 20, 2022 (note 5). 1000173975 Ontario Inc. was consolidated with the results of the Company from its acquisition on June 6, 2022 to December 20, 2022.

Gold Lion Resources (NV) Inc., a dormant subsidiary of the Company, was dissolved during the year ended June 30, 2023.

Foreign currency translation:

The presentation currency of the consolidated financial statements is the Canadian dollar. The functional currency of an entity is the currency of the primary economic environment in which the entity operates, and has been determined for each entity within the group. The Company considers the functional currency for itself and each of its subsidiaries to be the Canadian dollar.

Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the date of transaction. At the end of each reporting period, the monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the consolidated statement of financial position date, while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation of foreign currency-denominated transactions or balances are recorded as a component of profit or loss in the period in which they occur.

Use of estimates and judgments

The preparation of consolidated financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported revenues and expenses during the year. Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates. The most significant account that requires estimates as the basis for determining the stated amounts is the estimate of assumptions around share-based awards and payments. Note 6 describes the inputs to the Black-Scholes option pricing model used to value share-based awards. The account most impacted by management's judgment is the recoverability of exploration and evaluation assets. Note 5 describes circumstances around impairment decisions on exploration and evaluation assets. Should the inputs management has used in coming to those estimates and judgments be determined to be incorrect, the results could be materially different.

3. SIGNIFICANT ACCOUNTING POLICIES

a) Financial Instruments

(i) Classification

The Company classifies its financial instruments in the following categories: at fair value through profit or loss (“FVTPL”), at fair value through other comprehensive income (loss) (“FVTOCI”) or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company’s business model for managing the financial assets and their contractual cash flow characteristics.

Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The following table shows the classification of the Company’s financial instruments:

Financial assets/liabilities	Classification
Cash	FVTPL
Accounts payable and accrued liabilities	Amortized cost

(ii) Measurement

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment. Financial instruments measured at amortized cost utilize the effective interest method of accounting. The ‘effective interest rate’ is the rate that discounts estimated future cash payments over the expected life of the financial instrument to the gross carrying amount of the financial asset or the amortized cost of the financial liability. The effective interest rate is calculated considering all contractual terms of the financial instruments, except for the expected credit losses of financial assets. Interest expense is reported in profit or loss.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the profit or loss in the period in which they arise.

Debt investments at FVTOCI

These assets are initial measured at fair value plus transaction costs, and are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairments are recognized in profit or loss. Other net gains and losses are recognized in other comprehensive income (“OCI”). On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVTOCI

These assets are initial measured at fair value plus transaction costs, and are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

a) Financial Instruments – (continued)

(iii) Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company recognizes in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

(iv) Derecognition

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are recognized in profit or loss.

b) Earnings (loss) per share

Basic earnings (loss) per share is calculated by dividing the net earnings (loss) available to common shareholders by the weighted average number of shares outstanding during the year. Diluted earnings per share reflect the potential dilution of securities that could share in earnings of an entity by including additional shares in the weighted average number of shares outstanding for the assumed exercise of stock options and warrants, if dilutive.

In a loss year, potentially dilutive common shares are excluded from the diluted loss per share calculation as the effect would be anti-dilutive. Therefore, basic and diluted loss per share are the same for the years presented.

c) Income taxes

Income tax expense comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity. Current income tax expense is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for relating to goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting or taxable loss, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Income taxes (continued)

The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

d) Exploration and evaluation assets

Exploration and evaluation expenditures include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination.

Pre-exploration costs are expensed in the period in which they are incurred. All costs related to the acquisition, and exploration of mineral properties are capitalized by property until the commencement of commercial production. As the options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded. Option payments are recorded as property costs or recoveries when the payments are made or received. Government tax credits received are recorded as a reduction to the cumulative costs incurred and capitalized on the related property.

Exploration and evaluation assets are assessed annually for indicators of impairment. An exploration and evaluation asset is deemed to have an indicator of impairment if the period for which the Company has the right to explore the property has expired or is not expected to be renewed, substantive expenditure on further exploration and evaluation of mineral resources is neither budgeted nor planned, exploration and evaluation activities have not led to the discovery of commercially viable quantities of mineral resources and the Company has decided to discontinue such activities for the specific property, or if sufficient data exists to indicate that development of a specific property would be unlikely to recover the carrying amount of the associated capitalized exploration and evaluation expenditures.

If there is an indication of impairment, the Company determines the recoverable amount of the specific exploration and evaluation asset as the greater of the asset's value in use or fair value less costs of disposal, and comparing this to the carrying amount as at the reporting date. If the carrying amount exceeds the recoverable amount, those exploration and evaluation expenditure costs, in excess of estimated recoveries, are written off to profit or loss as an impairment loss.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the mineral property is considered to be a mine under development and is classified as "mining assets". Exploration and evaluation expenditures accumulated are also tested for impairment before the property costs are transferred to mining assets.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

e) Share-based payments

The fair value of share options granted to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instrument issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the equity reserve.

The fair value of options is determined using the Black-Scholes option pricing model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted, shall be based on the number of equity instruments that eventually vest. The value relating to options which are cancelled or expire unexercised is moved to deficit.

Equity reserve

The equity reserve records items recognized as share-based compensation expense and issuance of financing or broker warrants, until such time as the stock options or warrants are exercised, at which time the corresponding amount will be transferred to share capital. If the options or warrants expire unexercised or are cancelled, the amount is transferred to deficit.

f) Share capital

Equity instruments are contracts that give a residual interest in the net assets of the Company. The Company's common shares, options and warrants are classified as equity instruments.

Costs directly identifiable with the raising of share capital are charged against share capital. Share issuance costs incurred in advance of share subscriptions are recorded as deferred assets. Share issuance costs related to uncompleted share subscriptions are recognized in profit or loss.

Equity financing transactions may involve the issuance of units. Units comprise common shares and share purchase warrants. The Company accounts for unit offering proceeds between common shares and share purchase warrants using the residual value method, wherein the fair value of the common shares is based on the quoted market price and the balance, if any, is allocated to the attached warrants.

g) New standards and interpretations not yet applied

New accounting standards and amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a material impact on the Company's consolidated financial statements.

4. ACQUISITIONS

1000173975 ONTARIO INC.

On June 6, 2022, the Company acquired, through the purchase of 1000173975 Ontario Inc. (“1000173975”), an option agreement for the Black Lake Mineral Property (the “Property”), which is located in northern Saskatchewan. The Property presents an opportunity with respect to battery metals, including Cobalt, Nickel, Copper and Gold.

Under the terms of the agreement, the Company issued 20,000,000 common shares with a fair value of \$0.05 per share to the shareholders of 1000173975.

This acquisition did not meet the definition of a business under IFRS 3; therefore, the acquisition of 1000173975 was treated as an acquisition of assets. The fair value of the assets acquired as at the date of acquisition were as follows:

Net assets acquired	
Exploration and evaluation assets	\$ 1,080,393
Accounts payable	(50,000)
Total	\$ 1,030,393
Consideration	
Fair value of 20,000,000 common shares issued (Notes 5 and 6)	\$ 1,000,000
Acquisition related costs	30,393
Total	\$ 1,030,393

On December 20, 2022, the Company sold 1000173975 Ontario Inc., to an arm's-length purchaser for cash proceeds of \$380,000 (Note 5).

SUSTAINABLE LI-ION RESEARCH INC.

On July 20, 2022, the Company entered into a Share Purchase Agreement (“SPA”) and acquired 100% of Sustainable Li-Ion Research Inc. (“SLIR”). SLIR’s primary asset is a license agreement and sponsored research agreement in the field of recycling lithium-ion batteries. SLIR has a wholly owned subsidiary 1283745 B.C. LTD.

Pursuant to the SPA, the Company issued 10,000,000 common shares to SLIR’s shareholders with a fair value of \$400,000 on July 22, 2022. SLIR does not meet the definition of a business in accordance with IFRS 3, and as a result, the acquisition is considered an asset acquisition. The fair value of the assets acquired as at the date of acquisition were as follows:

Net assets acquired	
Intangible asset – license (Note 8)	\$ 461,340
Accounts payable	(61,340)
Total	\$ 400,000
Consideration	
Fair value of 10,000,000 common shares issued (Note 6)	\$ 400,000
Total	\$ 400,000

During the year ended June 30, 2023, the Company terminated the licensing and research agreement and management impaired the intangible asset to \$Nil (Note 8).

4. ACQUISITIONS (continued)

1391740 B.C. LTD (Mia-Li3 Lithium Project)

On February 1, 2023, the Company acquired the rights to the option agreement under a Share Exchange Agreement (“SEA”) and acquired 100% of 139 LTD. Under the option agreement, the Company acquired the option to acquire 100% interest in 57 mining claims covering approximately 2,950 hectares in the James Bay region of Quebec.

Pursuant to the SEA, the Company made a cash payment of \$100,000 and issued 10,000,000 common shares to 139 LTD.’s shareholders with a fair value of \$900,000 on February 1, 2023. 123 LTD. does not meet the definition of a business in accordance with IFRS 3, and as a result, the acquisition is considered an asset acquisition. The fair value of the assets acquired as at the date of acquisition were as follows:

Net assets acquired	
Exploration and evaluation assets	\$ 1,000,000
Total	\$ 1,000,000
Consideration	
Fair value of 10,000,000 common shares issued (Notes 5 and 6)	\$ 900,000
Cash Payment	100,000
Total	\$ 1,000,000

5. EXPLORATION AND EVALUATION ASSET

Fairview Property

On December 10, 2018, the Company entered into an agreement with Christopher Paul, Oliver Friesen, and 1132902 BC Ltd. to option a 100% interest in the Fairview Property (the “Property”). The Property consists of two mineral titles located in the Kamloops Mining District, British Columbia.

The agreement is subject to a 2% net smelter return (“NSR”). The Company may purchase one third of the NSR for total consideration of \$1,000,000 at any time prior to such time when:

- (i) the concentrator processing ores, for other than testing purposes, has operated for a period of 45 consecutive days at an average rate of not less than 70% of design capacity; or
- (ii) if a concentrator is not erected on the Property, when ores have been produced for a period of 45 consecutive production days at a rate of not less than 70% of the mining rate specified in a study and mine plan recommending placing the Property in production.

The option will terminate if the Company does not complete all the following within the relevant time period:

- (i) Make cash payment of \$32,000 upon 60 days of signing of the agreement (paid);
- (ii) Incur minimum exploration expenditures of \$75,000 by December 31, 2019 (incurred);
- (iii) Issuing an aggregate of 255,320 common shares between January 1, 2020 and December 31, 2020 (issued, notes 6 and 8);
- (iv) Incur exploration expenditures of \$250,000 between January 1, 2021 and December 31, 2021 (not met); and
- (v) Incur exploration expenditures of \$500,000 between January 1, 2022 and December 31, 2022 (not met).

The Company did not fulfill the required exploration expenditures between January 1, 2021 and December 31, 2021, and as such the option agreement terminated and management impaired the property to \$Nil.

5. EXPLORATION AND EVALUATION ASSET (continued)

Cuteye Group Properties

On January 24, 2020, the Company completed the acquisition of the Cuteye Group of Properties for \$1,800,000. The properties include the Mister Jay, Lady Jane, Lama, and Missus Jay claim blocks near Glenora, British Columbia.

During the year-ended June 30, 2022, the Company impaired the property to \$Nil as a result of lapsed claims.

Robber Gulch/South Orogrande/Erikson Ridge

On April 7, 2020, the Company's wholly-owned subsidiary, Gold Lion Resources (NV) Inc., entered into an option agreement to earn 100% interest in the South Orogrande, Robber Gulch, and Erikson Ridge gold projects (the "Projects") in Idaho from Bronco Creek Exploration Inc., a wholly-owned subsidiary of EMX Royalty Corp ("EMX").

Each Project is covered by a separate exploration and option agreement (each, an "Agreement"), with identical terms (as described below). Pursuant to each Agreement, the Company can exercise its option to earn 100% interest in the respective Project by completing the following milestones on or before the dates indicated:

- (i) Make a cash payment of US\$15,000 and issue 200,000 common shares upon signing of the agreement (paid and issued for all three projects, Note 6);
- (ii) Make a cash payment of US\$25,000 and incur minimum exploration expenditures of US\$100,000 on or before July 7, 2021 (paid and met for all three projects);
- (iii) Make a cash payment of US\$40,000 and issue 250,000 common shares and incur minimum exploration expenditures of US\$200,000 on or before April 7, 2022 (not met);
- (iv) Make a cash payment of US\$70,000 and incur minimum exploration expenditures of US\$300,000 on or before April 7, 2023 (not met);
- (v) Make a cash payment of US\$150,000 and incur minimum exploration expenditures of US\$400,000 on or before April 7, 2024; and
- (vi) Make cash payment of US\$300,000 and issue 500,000 common shares and incur minimum exploration expenditures of US\$500,000 on or before April 7, 2025.

For cash option payments beginning on the 2nd anniversary to the 5th anniversary of the effective date, the Company may elect to pay half of the value of the option payments through the issuance of common shares.

Upon the Company's exercise of the option for a Project, EMX will retain a 3.5% NSR royalty on the Project, of which the Company may purchase up to 1.0% of the NSR (the first 0.5% for 350 ounces of gold or cash equivalent prior to the third anniversary after exercise of the option, then the remaining 0.5% can be purchased at any time thereafter, until commercial production, for 1,150 ounces of gold or cash equivalent). The Company may, at its election, make up to one-half of the payment for the first 0.5% through the issuance of common shares. After exercise of the option, annual advance royalty ("AAR") payments are due starting at US\$30,000 on the first anniversary of the exercise of the option and increasing by US\$10,000 per year to a maximum of US\$80,000 per year. All AAR payments cease upon commencement of commercial production from a Project.

In addition, the Company will make milestone payments for a given Project to EMX consisting of:

- 300 ounces of gold upon completion of a Preliminary Economic Assessment;
- 550 ounces of gold upon completion of a Pre-Feasibility Study; and
- 650 ounces of gold upon completion of a Feasibility Study.

The Company may elect to make any such milestone payments in cash or in kind as refined bullion.

5. EXPLORATION AND EVALUATION ASSET (continued)

Robber Gulch/South Orogrande/Erikson Ridge (continued)

As of June 30, 2021, management decided not to continue with the Robber Gulch option agreement and subsequent to June 30, 2021 provided notice to Bronco Creek Exploration Inc. of its intention to terminate the option agreement. Accordingly, at June 30, 2021, the Company recognized an impaired charge of \$695,948 to reduce the exploration and evaluation assets at Rubber Gulch to \$nil.

On March 24, 2022, the Company terminated its South Orogrande and Erickson Ridge option agreements and consequently, impaired the properties to \$nil.

South Orogrande Extension

On July 15, 2020, the Company acquired, through the purchase of Ohadi GeoEx Inc., four additional gold properties, The Doc, Majestic, Mammoth, and Red Cloud, which lie to the south of Gold Lion's South Orogrande property (Note 6). During the year ended June 30, 2022, the Company determined that it would not pursue the South Orogrande Extension further, and consequently, the properties were impaired to \$Nil.

Black Lake Mineral Property

On June 6, 2022 (the "Effective Date"), the Company acquired, through the purchase of 1000173975, an option agreement (the "Option Agreement") for the Black Lake Mineral Property, which is located in northern Saskatchewan.

Pursuant to the Option Agreement, the Company can exercise its option to earn 100% interest in the Black Lake Mineral Property by completing the following milestones on or before the dates indicated:

- Make a cash payment of \$50,000 thirty days from the Effective Date (paid by 1000173975);
- Make a cash payment of \$50,000 and expend \$100,000 in exploration and evaluation expenditures 12 months from the Effective Date;
- Make a cash payment of \$50,000 and expend \$100,000 in exploration and evaluation expenditures 24 months from the Effective Date;
- Make a cash payment of \$50,000 and expend \$100,000 in exploration and evaluation expenditures 26 months from the Effective Date;
- Issue 300,000 common shares within 6 months from the Effective Date (issued subsequent to year-end) (Note 13);
- Issue 300,000 common shares within 12 months from the Effective Date (not met);
- Issue 300,000 common shares within 24 months from the Effective Date; and
- Issue 300,000 common shares within 26 months from the Effective Date.

The Option Agreement is subject to a 2% net smelter return, of which ½ can be purchased back for \$1,000,000.

On December 20, 2022, the Company sold its 100-per-cent interest in 1000173975 Ontario Inc, to an arm's-length purchaser through a share purchase agreement. Pursuant to the SPA, the Company received cash proceeds of \$380,000 as consideration for the sale of Black Lake Mineral Property through the transfer of all the issued and outstanding shares in the capital of 1000173975. The Company recognized an impairment of \$945,709 on the disposition.

5. EXPLORATION AND EVALUATION ASSET (continued)

On February 1, 2023, the Company acquired, through the purchase of 139 LTD., an option agreement (the "Option Agreement") for the Mia-Li3 Lithium Property, located in James Bay region of Quebec.

Pursuant to the Option Agreement, effective date December 18, 2022, the Company can exercise its option to earn 100% interest in the Mia-Li3 Lithium Property by completing the following milestones on or before the dates indicated pay an aggregate of \$495,000 as follows:

- (i) pay \$30,000 within 10 days following the Effective Date; (Paid)
- (ii) pay \$80,000 within one year following the Effective Date (the "First Anniversary")
- (iii) pay \$150,000 within two years following the Effective Date (the "Second Anniversary")
- (iv) pay \$235,000 within three years following the Effective Date (the "Third Anniversary")

The option agreement is subject to a 2% net smelter return with the Company having the right to purchase 1.5% of the 2% NSR from the Optionor at \$2,000,000

The continuity of the Company's exploration and evaluation assets, which are classified as intangible assets, is as follows:

	Black Lake \$	Mia-Li 3 \$	Total \$
Acquisition Costs			
Balance, June 30, 2021	-	-	-
Incurred during the year	1,080,393	-	1,080,393
Balance, June 30, 2022	1,080,393	-	1,080,393
Incurred during the year	15,000	1,000,000	1,015,000
Balance, June 30, 2023	1,095,393	1,000,000	2,095,393
Deferred Exploration Costs			
Balance, June 30, 2021	-	-	-
Incurred during the year	-	-	-
Balance, June 30, 2022	-	-	-
Geological and geophysical	114,800	-	114,800
Project preparation and support	-	6,566	6,566
Report and data compilation	-	20,070	20,070
Taxes and mineral claims	115,516	-	115,516
Balance, June 30, 2023	230,316	26,636	256,952
Proceeds of disposition	(380,000)	-	(380,000)
Loss on sale of property	(945,709)	-	(945,709)
Total exploration and evaluation	-	1,026,636	1,026,636

Lithium Lion Metals Inc. (formerly Gold Lion Resources Inc.)
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5. EXPLORATION AND EVALUATION ASSET (continued)

	Fairview \$	South Orogrande \$	Erickson Ridge \$	Cuteye \$	South Orogrande Extension \$	Total \$
Acquisition Costs						
Balance, June 30, 2021	167,320	91,200	91,200	1,800,000	1,456,000	3,605,720
Incurred during the year	-	31,670	31,670	-	-	1,143,733
Balance, June 30, 2022	167,320	122,870	122,870	1,800,000	1,456,000	4,749,453
Deferred Exploration Costs						
Balance, June 30, 2021	58,427	381,458	252,862	-	6,435	699,182
Drilling	-	132,485	-	-	-	132,485
Equipment rental	-	12,609	2,937	-	-	15,546
Geological and geophysical	-	31,961	-	-	-	31,961
Project preparation and support	-	22,551	3,985	576	-	27,112
Permitting	-	13,341	-	-	-	13,341
Sampling and analysis costs	-	25,889	56,472	-	-	82,361
Travel and accommodations	-	12,812	-	-	-	12,812
Report and data compilation	-	-	13,111	-	-	13,111
Taxes and mineral claims	-	91,461	23,233	500	-	115,194
Balance, June 30, 2022	58,427	724,567	352,600	1,076	6,435	1,143,105
Impairment	(225,747)	(847,437)	(475,470)	(1,801,076)	(1,462,435)	(4,812,165)
Total exploration and evaluation	-	-	-	-	-	-

6. SHARE CAPITAL

Authorized and Issued:

- Unlimited common shares without par value; and
- 83,616,486 shares issued and outstanding.

Issuances:

During the year ended June 30, 2023, the Company issued the following shares:

- On July 5, 2022, the Company issued 300,000 common shares to the Optionors with a fair value of \$15,000 in satisfaction of the first share issuance due pursuant to the Option Agreement for the Black Lake Mineral Property (Note 5).
- On July 22, 2022, the Company issued 10,000,000 common shares with a fair value of \$400,000 pursuant to the acquisition of SLIR (Note 4).
- On February 1, 2023, the Company issued 10,000,000 common shares with fair value of \$900,000 pursuant to a share exchange agreement for the acquisition of Mia-Li3 Lithium Property option agreement.
- On February 23, 2023, as part of a non-brokered private placement, the Company issued 4,896,999 common shares at a price of \$0.075 for gross proceeds of \$367,275.
- On February 7, 2023, the Company issued 500,000 common shares pursuant to the conversion of warrants for cash proceeds of \$12,500. The Company's shares on the date of conversion were trading at \$0.08 per share. The Company transferred \$12,500 from equity reserve to share capital.

During the year ended June 30, 2022, the Company issued the following shares:

- On June 6, 2022, the Company issued 20,000,000 common shares with a fair value of \$1,000,000 pursuant to the acquisition of 1000173975 (Note 4).
- On June 10, 2022, the Company issued 50,000 common shares and 50,000 warrants for \$2,500 pursuant to the conversion of warrants. The Company's shares on the date of conversion were trading at \$0.045 per share. The Company transferred \$1,250 from equity reserve to share capital.

Stock Options

The Company has adopted a stock option plan, pursuant to which the board of directors of the Company may from time to time, in its discretion, and in accordance with the Canadian Securities Exchange ("Exchange") requirements, grant to directors, officers, and technical consultants to the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the then issued and outstanding common shares exercisable for a period of up to five years from the date of issuance.

During the year ended June 30, 2023:

On February 27, 2023, the Company issued 2,000,000 stock options at a price of \$0.075 per share, expiring February 27, 2028. The options vest quarterly in equal amounts over a period of one year. The fair value of the options was \$140,318 which was determined using the Black-Scholes option pricing model with the following assumptions: stock price of \$0.075, an annualized volatility of 147%; an expected life of 5 years; a dividend yield rate of 0%; a forfeiture rate of 0%; and a risk-free interest rate of 3.57%. The amount vested as of June 30, 2023 was \$84,033.

On March 8, 2023, the Company issued 51,333 stock options at a price of \$0.075 per share, expiring March 08, 2028. The options were fully vested at the time of issuance. The fair value of the options was \$3,496 which was determined using the Black-Scholes option pricing model with the following assumptions: stock price of \$0.06, an annualized volatility of 147%; an expected life of 5 years; a dividend yield rate of 0%; and a risk-free interest rate of 3.50%.

6. SHARE CAPITAL (continued)

Stock Options (continued)

On May 9, 2023, the Company issued 2,000,000 stock options at a price of \$0.07 per share, expiring May 9, 2028. 500,000 options were fully vested at the time of issuance with the remainder vesting equally over a period of 12 months from the date of issuance. The estimated fair value of the options was \$46,837 which was determined using the Black-Scholes option pricing model with the following assumptions: stock price of \$0.07, an annualized volatility of 152%; an expected life of 5 years; a dividend yield rate of 0%; a forfeiture rate of 0%; and a risk-free interest rate of 3.57 %.

During the year ended June 30, 2023, 85,000 stock options with an exercise price of \$0.225, 85,000 stock options with an exercise price of \$0.220, 250,000 stock options with an exercise price of \$0.285, 150,000 stock options with an exercise price of \$0.400, 375,000 stock options with an exercise price of \$0.185, and 750,000 stock options with an exercise price of \$0.05 were cancelled without exercise. All of the options were fully vested at the time of cancellation. The original fair value of the options calculated on the date of grant was \$216,455 which was transferred from the equity reserve to deficit on cancellation of the options.

During the year ended June 30, 2022:

On May 13, 2022, the Company issued 750,000 stock options at a price of \$0.05 per share, expiring May 13, 2027, with one-fourth of the options vesting on August 13, 2022, November 13, 2022, February 13, 2023 and May 13, 2023. The estimated fair value of the options was \$27,270 which was determined using the Black-Scholes Option Pricing Model. with the following assumptions: stock price of \$0.075, an annualized volatility of 153%; an expected life of 5 years; a dividend yield rate of 0%; a forfeiture rate of 0%; and a risk-free interest rate of 2.75%. The amount vested as of June 30, 2022 was \$7,418.

During the year ended June 30, 2022, the Company cancelled 1,440,000 stock options with an average price of \$0.26. The original fair value of the options calculated on the date of grant was \$351,983, which was transferred from the equity reserve to deficit on cancellation of the options.

The following tables summarize the stock option activity for the years ended June 30, 2023 and 2022:

	June 30, 2023		June 30, 2022	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Balance, beginning of year	3,095,000	\$0.13	3,785,000	\$0.20
Issued	4,051,333	\$0.073	750,000	\$0.05
Expired	(1,695,000)	\$0.15	(1,440,000)	\$0.26
Balance, end of year	5,451,333	\$0.08	3,095,000	\$0.13

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6. SHARE CAPITAL (continued)

Stock Options (continued)

June 30, 2023			June 30, 2022		
Number of Options	Exercise Price	Exercisable	Number of Options	Exercise Price	Exercisable
1,400,000	\$0.10	1,400,000	1,400,000	\$0.10	1,400,000
-	-	-	150,000	\$0.40	150,000
-	-	-	250,000	\$0.285	250,000
-	-	-	375,000	\$0.185	375,000
-	-	-	85,000	\$0.225	85,000
-	-	-	85,000	\$0.22	85,000
-	-	-	750,000	\$0.05	-
2,051,333	0.075	551,333	-	-	-
2,000,000	\$0.070	500,000	-	-	-

As at June 30, 2023, 5,451,333 (2022 - 3,095,000) options outstanding had a weighted average exercise price of \$0.08 (2022 - \$0.13) and a weighted average life of 3.83 (2022 - 3.26) years

Warrants

The following tables summarize the warrant activity for the years ended June 30, 2023 and 2022:

	June 30, 2023		June 30, 2022	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Balance, beginning of year	32,128,542	\$0.17	13,418,542	\$0.43
Issued	-	-	20,710,000	\$0.025
Exercised	(500,000)	\$0.025	-	-
Expired (1)	(7,122,542)	\$0.59	(2,000,000)	\$0.75
Balance, end of year	25,506,000	\$0.05	32,128,542	\$0.17

- (1) During the year ended June 30, 2023, 7,122,542 warrants expired without exercise and \$585,673 was transferred from equity reserve to share capital account

June 30, 2023			June 30, 2022		
Number of Warrants	Exercise Price	Exercisable	Number of Warrants	Exercise Price	Exercisable
4,296,000	\$0.20	4,296,000	4,296,000	\$0.20	4,296,000
-	-	-	6,666,667	\$0.60	6,666,667
-	-	-	455,875	\$0.45	455,875
20,160,000	\$0.025	20,210,000	20,660,000	\$0.025	20,710,000
50,000	\$0.025	50,000	50,000	\$0.025	50,000

6. SHARE CAPITAL (continued)

Warrants (continued)

As at June 30, 2023, 25,506,000 (2022 - 32,128,542) warrants outstanding had a weighted average exercise price of \$0.06 (2022 - \$0.17) and weighted average life of 0.85 (2022 - 1.51) years.

During the year ended June 30, 2022, the Company issued 20,710,000 unit purchase warrants pursuant to a warrant financing for gross proceeds of \$517,750. The unit purchase warrants have an exercise price of \$0.025, entitle the holder to one common share and one warrant of the Company on exercise of each unit purchase warrant, and expire on April 22, 2024. \$20,000 paid in cash to consultants of the Company for issuance costs were incurred as part of this financing.

On June 10, 2022, 50,000 unit purchase warrants were exercised resulting in the issuance of 50,000 common shares and 50,000 warrants.

On February 7, 2023, 500,000 of these warrants were exercised resulting in the issuance of 500,000 common shares and 500,000 warrants.

7. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	June 30, 2023	June 30, 2022
Loss before income taxes	\$ (2,737,617)	\$ (5,721,993)
Statutory tax rate	27%	27%
Expected income tax recovery at statutory rates	(739,156)	(1,544,938)
Non-deductible expenses and other	167,039	(3,397)
Adjustment to prior years provision	-	409,423
Increase in unrecognized deferred taxes	572,117	1,138,912
Deferred tax recovery	\$ -	\$ -

The significant components of the Company's deferred income tax assets are as follows:

	June 30, 2023	June 30, 2022
Deferred tax assets:		
Non-capital losses carried forward	\$ 1,019,923	\$ 673,405
Share issuance costs	57,088	86,830
Exploration and evaluation assets	1,301,981	1,046,640
Acquisition costs	3,801	3,801
Total unrecognized deferred tax assets	\$ 2,382,793	\$ 1,810,676

Deferred tax assets have not been recognized as it is not probable that future taxable income will be available against which the Company can utilize the benefits from the deductible temporary differences and unused tax losses.

7. INCOME TAXES (continued)

As at June 30, 2023, the Company has non-capital losses of \$3,777,492 which may be carried forward to apply against future years income tax for Canadian income tax purposes.

The non-capital losses expire as follows:

	Total
2039	\$ 25,527
2040	416,556
2041	1,038,042
2042	1,013,968
2043	1,283,399
Total	\$ 3,777,492

8. INTANGIBLE ASSET

	License Agreement \$	Total \$
Balance, June 30, 2022	-	-
Acquired from asset acquisitions	461,340	461,340
Impairment of intangible asset	(461,340)	(461,340)
Balance, March 31, 2023	-	-

The license agreement arose as a result of the acquisition of SLIR (Note 4). Subsequently, the Company terminated the license agreement and impaired the asset to \$Nil.

9. RELATED PARTY TRANSACTIONS

The Company's related parties consist of the directors, executive officers and companies owned in whole or in part by them.

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and senior officers.

During the years ended June 30, 2023 and 2022, the Company carried out the following transactions with key management personnel:

	June 30, 2023	June 30, 2022
Management fees paid to officers and directors	\$ 64,276	\$ 17,750
Consulting fees paid to officers and directors	-	17,500
Share-based compensation (Note 6)	142,077	7,418
	\$ 206,353	\$ 42,668

As at June 30, 2023, included in accounts payable and accrued liabilities are balances due to related parties of \$1,550 (2022 - \$13,500). The amounts owed are due on demand, unsecured and non-interest bearing.

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair value of financial instruments:

Fair values of financial instruments carried at fair value are calculated in accordance with the fair value hierarchy. 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 fair value of accounts payable and accrued liabilities approximates its carrying value due to the short-term maturity of this financial instrument.

The fair value of the Company's financial instruments classified within the fair value hierarchy as at June 30, 2023 and 2022 is as follows:

June 30, 2023	Level 1	Level 2	Level 3	Total
Financial Instrument				
Cash	\$ 420,448	-	-	\$ 420,448

June 30, 2022	Level 1	Level 2	Level 3	Total
Financial Instrument				
Cash	\$ 1,055,552	-	-	\$ 1,055,552

The Company is exposed to varying degrees to a variety of financial instrument related risks:

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Company's management of market risk has not changed materially from that of the year ended June 30, 2022.

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 functional and presentation currency is the Canadian dollar and major purchases are transacted in Canadian dollars. As a result, the Company's exposure to foreign currency risk is not considered to be material, nor has the Company seen a material change in this risk during the year ended June 30, 2023.

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Interest rate risk

Interest rate risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Financial assets and liabilities with variable interest rates expose the Company to cash flow interest rate risk. The Company does maintain bank accounts which earn interest at variable rates, and does not believe it is currently subject to any material interest rate risk. There has been no material change to the Company's exposure to interest rate risk during the year ended June 30, 2023.

Other price risk

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer or by factors affecting all similar financial instruments traded in the market. Given the Company's stage of development, management does not believe that the Company is currently subject to any material other price risk. There has been no material change to the Company's exposure to other price risk during the year ended June 30, 2023.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is in its cash. The Company's cash is held in a large Canadian deposit taking financial institution. As a result, the Company believes it is not exposed to any material credit risk. There has been no material change to the Company's exposure to or management of credit risk during the year ended June 30, 2023.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities; the Company's accounts payable and accrued liabilities are all due within 12 months of June 30, 2023. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding. The Company believes it has adequate cash at June 30, 2023 to reduce its risk to an immaterial amount. There has been no material change to the Company's exposure to or management of liquidity risk during the year ended June 30, 2023.

11. CAPITAL MANAGEMENT

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern such that it can provide returns for shareholders and benefits for other stakeholders. In the definition of capital, the Company includes, as disclosed on its consolidated statement of financial position: share capital in the amount of \$10,777,349, deficit in the amount of (\$10,185,408) and equity reserve in the amount of \$784,557. The management of the capital structure is based on the funds available to the Company in order to support the acquisition, exploration and development of mineral properties and to maintain the Company in good standing with the various regulatory authorities. In order to maintain or adjust its capital structure, the Company may issue new shares, sell assets to settle liabilities, issue debt instruments or return capital to its shareholders.

The Company monitors its capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the underlying assets. There were no changes in the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements.

12. SUPPLEMENTAL CASH FLOW INFORMATION

Non-cash financing and investing activities along with other cash flow information during the years ended June 30, 2023 and 2022 are as follows:

	June 30, 2023 \$	June 30, 2022 \$
Shares issued for acquisitions	1,315,000	1,000,000
Options cancelled (1)	216,455	351,983
Warrants expired (2)	585,673	-

(1) Represents the transfer of the fair value of options cancelled from equity reserve to deficit during the years ended June 30, 2023 and 2022.

(2) Represents the transfer of the fair value of warrants expired from equity reserve to share capital during the years ended June 30, 2023 and 2022.

The Company did not pay any amounts for interest or income tax during the years ended June 30, 2023 and 2022. The Company received cash for interest income of \$Nil during the year ended June 30, 2023 (2022 - \$4,660).

13. SEGMENTED INFORMATION

The Company has one reportable segment, being mineral exploration activities, in two geographic locations being Canada and the United States.

The following table allocates total assets, liabilities, and comprehensive loss by geographic location:

June 30, 2023	Canada	United States	Total
Total assets (\$)	1,545,188	-	1,545,188
Total liabilities (\$)	168,690	-	168,690
Total loss (\$)	2,737,617	-	2,737,617
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June 30, 2022	Canada	United States	Total
Total assets (\$)	2,423,978	-	2,423,978
Total liabilities (\$)	163,792	-	163,792
Total loss (\$)	2,936,651	2,785,342	5,721,993