E-POWER RESOURCES INC.

INTERIM FINANCIAL STATEMENTS

FOR THE THREE AND NINE MONTHS ENDED JUNE 30, 2024 AND 2023

AND THE FINANCIAL YEAR ENDED SEPTEMBER 30, 2023

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INTERIM STATEMENTS OF FINANCIAL POSITION
AS AT JUNE 30, 2024 AND 2023
AND AS AT THE FINANCIAL YEAR ENDED SEPTEMBER 30, 2023
(EXPRESSED IN CANADIAN DOLLARS)

	Note	June 30, 2024	June 30, 2023	September 30, 2023 (Audited)
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents		$ 103,774	$ 1,098,558	$ 627,222
Receivables	4	18,454	-	51,648
Prepaids		110,453	297,333	161,301
Marketable securities	5	6,984	11.923	6,826
		239,666	1,407,714	846,997
Exploration and evaluation assets	6	1,324,578	483,231	1,304,578
TOTAL ASSETS		**$ 1,564,244**	**$ 1,890,945**	**$ 2,151,575**
LIABILITY				
CURRENT LIABILITY				
Accounts payable and accrued liabilities	10	$ 289,045	$ 74,104	$ 634,185
Flow-through premium liability	7	114,426	-	114,426
		403,471	74,104	748,611
SHAREHOLDERS' EQUITY				
Share capital	7	4,866,118	4,521,409	4,361,228
Warrants Reserve		126,747	-	37,641
Deficit		(3,832,092)	(2,704,568)	(2,995,905)
		1,160,773	1,816,841	1,402,964
TOTAL LIABILITY AND SHAREHOLDERS' EQUITY		**$ 1,564,244**	**$ 1,890,945**	**$ 2,151,475**

See accompanying notes to the financial statements

Signed on behalf of directors,

Jamie Lavigne, Director

Michael Danielsson, Director

E-POWER RESOURCES INC.
INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE THREE AND NINE MONTHS ENDED JUNE 30, 2024 AND 2023
AND AS AT THE FINANCIAL YEAR ENDED SEPTEMBER 30, 2023
(EXPRESSED IN CANADIAN DOLLARS)

	Note	June 30, 2024 (3 months)	June 30, 2023 (3 months)	June 30, 2024 (9 months)	June 30, 2023 (9 months)	September 30, 2023 (12 months) Audited
EXPENSES						
Foreign exchange loss (gain)		$ 591	$ -	$ 733	$ -	$ 743
General exploration expenses		462	17,866	87,912	17,866	20,273
Listing and filing fees		27,087	31,658	74,853	59,401	62,968
Management and consulting fees	10	108,001	114,056	476,144	336,938	489,790
Investor relations		23,983	-	48,848	-	82.636
Mining fees		-	16,816	-	19,677	-
Office and miscellaneous		2,683	4,732	20,100	6,257	-
Bank charges		700	1,361	2,437	3,031	-
Professional fees		23,750	53,491	113,085	306,031	265,881
Travel		11,420	4,171	15,381	15,947	27,191
		198,677	244,151	839,493	765,148	1,037,459
OTHER ITEMS						
Interest income		-	7,158	3,149	15,729	29,914
Unrealized gain (loss) on marketable securities	5	220	(158,593)	156	(29,660)	(34,757)
Write-off of exploration and evaluation assets	6	-	-	-	-	-
		220	(151,425)	3,305	(13,931)	(7,843)
Loss and comprehensive loss before income taxes		(198,457)	(395,576)	(836,188)	(779,079)	(1,045,302)
Refund of duties credit for losses		-	-	-	(25,114)	-
NET LOSS AND COMPREHENSIVE LOSS		$ (198,457)	$ (395,576)	$ (836,188)	$ (753,965)	$ (1,045,302)
Basic and diluted loss per share		$ (0.0053)	$ (0.0157)	$ (0.0225)	(0.0306)	(0.0428)
Weighted average number of common shares outstanding		37,135,903	25,276,461	37,135,903	24,664,437	24,403,170

See accompanying notes to the financial statements

E-POWER RESOURCES INC.

INTERIM STATEMENTS OF CHANGES IN EQUITY

FOR THE THREE AND NINE MONTHS ENDED JUNE 30, 2024 AND 2023

AND THE FINANCIAL YEAR ENDED SEPTEMBER 30, 2023

(EXPRESSED IN CANADIAN DOLLARS)

		Share capital			
	Warrants reserve $	**Number**	**Amount $**	**Deficit $**	**Total $**
Balance at December 31, 2021		22,598,026	2,983,441	(1,341,950)	1,641,491
Shares issued for private placements		284,533	85,347	-	85,347
Net loss and comprehensive loss for the quarter		-	-	(144,799)	(144,799)
Balance at March 31, 2022		22,882,559	3,068,788	(1,486,749)	1,582,039
Shares issued for private placements		250,103	75,044	-	75,044
Share issuance costs		-	(13,500)	-	(13,500)
Net loss and comprehensive loss for the quarter		-	-	(134,195)	(134,195)
Balance at June 30, 2022		23,132,662	3,130,332	(1,620,944)	1,509,388
Net loss and comprehensive loss for the quarter		-	-	(329,659)	(329,659)
Balance at September 30, 2022		23,132,662	3,130,332	(1,950,603)	1,179,729
Net loss and comprehensive loss for the quarter		-	-	(189,428)	(189,428)
Balance at December 31, 2022		23,132,662	3,130,332	(2,140,031)	990,301
Shares issued for private placements		1,771,267	818,316	-	818,316
Shares issued for services		243,333	75,200	-	75,200
Net loss and comprehensive loss for the quarter		-	-	(168,961)	(168,961)
Balance March 31, 2023		25,147,262	4,023,848	(2,308,992)	1,714,856
Shares issued for private placements		1,612,467	497,561	-	497,561
Net loss and comprehensive loss for the quarter		-	-	(395,576)	(395,576)
Balance at June 30, 2023		26,759,729	4,521,409	(2,704,568)	1,816,841
Shares issued for private placements		48,798	60,487	-	60,487
Flow-thgough premium liability		-	(114,426)	-	(114,426)
Share issue costs		-	(106,242)	-	(106,242)
Warrants Reserve	37,641	-	-	-	37,641
Net loss and comprehensive loss for the quarter		-	-	(291,337)	(291,337)
Balance at September 30, 2023	37,641	26,808,527	4,361,228	(2,995,905)	1,402,964
Shares issued for private placements		7,178,714	406,708	-	406,708
Shares issued for services		282,500	14,125	-	14,125
Share issue costs			(28,210)	-	(28,210)
Warrants Reserve	15,190	-	-	-	15,190
Net loss and comprehensive loss for the quarter		-	-	(355,206)	(355,206)
Balance at December 31, 2023	52,831	34,269,741	4,753,851	(3,351,111)	1,455,571
Shares issued for private placements					
Shares issued for services		141,250	14,125	-	14,125
Share issue costs			(3,893)	-	(3,893)
Warrants Reserve					
Net loss and comprehensive loss for the quarter		-	-	(282,524)	(282,524)
Balance at March 31, 2024	52,831	34,410,991	4,764,083	(3,633,635)	1,183,279
Adjustments and shares issued for private placements		3,823,367	106,185		106,185
Shares issued for services		996,657	69,766		69,766
Share issue costs			(73,916)		(73,916)
Warrants Reserve	73,916				
Net loss and comprehensive loss for the quarter				(198,457)	(198,457)
Balance at June 30, 2024	126,747	39,231,015	4,866,118	(3,832,092)	1,086,857

See accompanying notes to the financial statements

(EXPRESSED IN CANADIAN DOLLARS)

	June 30, 2024 (3 months)	June 30, 2023 (3 months)	June 30, 2024 (9 months)	June 30, 2023 (9 months)	September 30, 2023 (12 months) Financial Audited
CASH FLOWS FOR OPERATING ACTIVITIES					
Net loss for the period	$ (198,457)	$ (395,576)	$ (836,188)	(753,965)	(1,045,302)
Adjustments for non-cash item:					
Services received in exchange of share issuance	69,765	-	109,311	-	27,500
Unrealized loss (gain) on marketable securities	(220)	158,593	(156)	(29,660)	34,547
Net change in non-cash working capital accounts					
Decrease (increase) in receivables	188,173	78,497	33,194	98,232	46,584
Decrease (increase) in prepaids	6,857	(15,375)	50,848	(290,656)	(154,724)
Increase (decrease) in accounts payable and accrued liabilities	(101,230)	(348,370)	(345,140)	(43,606)	28,591
Net cash used in operating activities	(35,112)	(522,231)	(988,131)	(992,155)	(1,014,894)

E-POWER RESOURCES INC.
INTERIM STATEMENTS OF CASH FLOWS
FOR THE THREE AND NINE MONTHS ENDED JUNE 30, 2024 AND 2023 AND THE FINANCIAL YEAR ENDED SEPTEMBER 30, 2023 (EXPRESSED IN CANADIAN DOLLARS)

(Continued)		June 30, 2024 (3 months)		June 30, 2023 (3 months)		June 30, 2024 (9 months)		June 30, 2023 (9 months)		September 30, 2023 (12 months) Financial Audited
CASH FLOWS USED IN INVESTING ACTIVITIES										
Exploration and evaluation assets, net		-		-		(20,000)		(204,152)		(129,311)
Net cash used in investing activities		-		-		(20,000)		(204,152)		(129,311)
CASH FLOWS FROM FINANCING ACTIVITIES										
Shares issued for cash (net)		106,185		497,561		484,683		1,422,897		1,307,763
Net cash provided by financing activities		106,185		497,561		484,683		1,422,897		1,307,763
Increase (decrease) in cash during the period		71,073		(24,670)		(523,448)		634,894		163,558
CASH, BEGINNING OF PERIOD		**32,701**		1,123,228		627,222		463,664		463,664
CASH, END OF PERIOD	**$**	**103,774**	**$**	**1,098,558**	**$**	**103,774**	**$**	**1,098,558**	**$**	**627,222**
Interest paid		-		-		-		-		-
Income taxes paid		-		-		-		-		-

See accompanying notes to the financial statements

1. REPORTING ENTITY AND GOING CONCERN

Reporting

E-Power Resources inc. (the "Company") was incorporated on October 18, 2018. The corporate office is located at Suite 400, 3 Place Ville-Marie, Montreal, Quebec, Canada. Effective January 16, 2023, the Company trades on the Canadian Securities Exchange (the “CSE”) under the symbol EPR.

The principal business activity of the Company is the exploration for mineral resources in the province of Quebec, Canada. Exploration activities consist of searching for resources suitable for commercial exploitation by researching and analyzing an area's historic exploration data, by conducting topographical, geological, geochemical and geophysical studies, and by exploratory drilling, trenching and sampling.

The Company's financial statements for the three and nine months ended June 30, 2024 were issued and approved by the Board of Directors on August 16, 2024.

Going Concern

These financial statements have been prepared on the basis of the accounting principles applicable to a going concern, which assumes the Company’s ability to continue in operation for the foreseeable future and to realize its assets and discharge its liabilities in the normal course of operations.

There are several adverse conditions that may cast substantial doubt upon the Company’s ability to continue as a going concern. The Company has incurred operating losses, has no source of revenue, is unable to self-finance operations other than by the issuance of share capital, and has significant on-going cash requirements to meet its operating expenses and maintain its mineral interests.

The Company’s ability to continue as a going concern is dependent upon its ability in the future to achieve profitable operations and, in the meantime, to obtain the necessary financing to meet its obligations and repay its liabilities when they become due. External financing, predominantly by the issuance of equity to the public, will be sought to finance the operations of the Company.

As a result, there exists material uncertainty which raises significant doubt about the Company’s ability to continue as a going concern. These financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue in business.

2. BASIS OF PREPARATION

(a) Statement of compliance

The Company’s financial statements for the three and nine months ended June 30, 2024 and 2023 are prepared in accordance with the IAS 34, Interim Financial Reporting, using accounting policies consistent with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (“IASB”) and interpretations of the IFRS Interpretations Committee ("IFRIC") on a basis consistent with those accounting policies followed in the most recent audited financial statements. The financial statements are prepared in Canadian dollars being the functional currency of the Company.

(b) Use of Estimates and Judgments

The preparation of financial statements in compliance with IFRS requires management to make certain judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from these estimates and assumptions.

The estimates and associated assumptions are based on management's experience and various other factors that are believed to be reasonable under the circumstances, the results of which is the basis of making the judgments about carrying value of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are continuously evaluated and reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the revision affects both current and future periods.

Significant areas requiring the use of management estimates include amounts of provisions, if any, for impairment of exploration and evaluation assets, reclamation and environmental obligations and deferred income taxes reported in the notes to the financial statements.

Significant areas requiring the use of management judgments include recognition of impairment of exploration and evaluation assets, reclamation and environmental obligations, deferred income taxes, classification of financial instruments and assessment of the going concern assumption reported in the notes to the financial statements.

(c) Basis of Measurement

These financial statements have been prepared on an accrual basis and are based on historical cost.

(d) Presentation and Functional Currency

These financial statements are presented in Canadian dollars, the functional currency of the Company.

3. SIGNIFICANT ACCOUNTING POLICIES

New standards, amendments and interpretations not yet adopted

Certain pronouncements are issued by the IASB or IFRS Interpretations Committee that are mandatory for future accounting periods, and which could be early adopted such as standards and amendments effective since September 30, 2023 for annual periods beginning October 1, 2023. None of the standards that could have been early adopted impact the Company's financial statements, nor are they expected to affect the Company in the period of initial application. In all cases the Company will apply the new standards from application date when required. There were no accounting standard changes to analyze as to their potential impact on the Company's financial statements. All other IFRSs or IFRIC Interpretations that have an effective date beginning October 1, 2023 have been considered in the financial statements.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held with financial institutions and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and subject to an insignificant risk of change in value.

Prepaids

The prepaids consist of deferred expenses and costs for which their benefits will be recorded in future periods as expenses are recognized.

Exploration and evaluation assets

Exploration expenses and mining fees that are of administrative nature such as claims renewals are expensed as incurred. Exploration and development expenditures that are related to the core business activities are capitalized until an economic feasibility study has established that there is no proven and probable reserves leading to the development of the project, at which time exploration and development expenditures incurred are expensed. Costs incurred relating to the acquisition and claim maintenance of mineral properties, including option payments and annual fees to maintain the project in good standing, are capitalized and deferred by project until the project to which they relate is sold, abandoned, impaired or placed into production. The Company assesses its capitalized mineral project costs for indications of impairment on a regular basis and when events and circumstances indicate a risk of impairment. A project is written down or written off when the Company determines that an impairment of value has occurred or when exploration results indicate that no further work is warranted. Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers, or title may be affected by undetected defects. Furthermore, unknown and unpredictable climate-related matters may impair the exploration and evaluation assets and cause them to be obsolete, which would require a reduction in their carrying value. Since inception, no climate-related or other adverse conditions have caused the Exploration and evaluation capitalized costs to require a write-down or a write off.

Mining tax credits and duties credits for losses

Mining exploration tax credits for certain exploration expenditures in Quebec are accounted for on the same basis as the related assets, that is as a reduction of the capitalized exploration costs when there is reasonable assurance that the credits are realized.

Claims and environmental obligations

The Company recognizes liabilities for statutory, contractual or legal obligations associated with the reclamation of exploration and evaluation assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The Company records the present value of the estimated costs of legal and constructive obligations required to restore the exploration sites in the period in which the obligation is incurred. Upon initial recognition of the liability, the corresponding asset retirement cost is added to the carrying amount of the related asset and the cost is amortized as an expense over the economic life of the asset using either the unit-of-production method or the straight-line method, as appropriate. Following the initial recognition of the asset retirement obligation, the carrying amount of the liability is increased for the passage of time and adjusted for changes to the amount or timing of the underlying cash flows needed to settle the obligation. As at March 31, 2024, the Company has no asset retirement obligations and accordingly, has not recorded an asset retirement obligation in the financial statements.

Impairment of non-financial assets

At the end of each reporting period the carrying amount of non-financial assets are reviewed to determine whether there is any indication that those assets are impaired. Impairment is recognized when the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. The impairment loss is recognized in profit or loss for the period. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount had no impairment loss been recognized. A reversal of an impairment loss is recognized immediately in profit or loss.

Income taxes

Income tax expense comprises current and deferred taxes. Current and deferred taxes are recognized on profit or loss except to the extent that they relate to a business combination or items recognized directly in equity or in other comprehensive income/loss.

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. They are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date. Since inception, the Company has not incurred any current income tax expense payable.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss. Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting period the Company reassesses recognized and unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered. Since inception, the Company has not recorded any tax asset arising from their timing difference or from the application of the tax losses against future taxable income.

Earnings (loss) per common share

Basic earnings/loss per share is computed by dividing the net income or loss applicable to common shares of the Company by the weighted average number of common shares outstanding for the relevant period.

Diluted earnings/loss per common share is computed by dividing the net income or loss applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding pursuant to issues of warrants and RSUs, if potentially dilutive instruments were converted.

Financial Instruments

Financial assets

The Company initially measures its financial assets at fair value, except for certain related party transactions that are measured at the carrying or exchanged amount as appropriate. For subsequent measurement, there are two measurement categories into which the Company classifies its financial assets:

(a) Amortized cost:

Assets that are held for collection of contractual cash flows where they represent solely payments of principal and interest are measured at amortized cost. The Company's cash and receivables are classified at amortized cost.

(b Fair value through profit or loss (FVTPL) :

Assets that do not meet the criteria of amortized cost are the marketable securities in the investment portfolio. A gain or loss arising from a change in their fair value are classified as at fair value through profit or loss and are recognized in profit or loss.

Financial liabilities

The Company initially measures its financial liabilities at fair value, except for certain related party transactions that are measured at the carrying or exchanged amount as appropriate. Financial liabilities are subsequently measured at amortized cost using the effective interest method, except for financial liabilities at FVTPL. Such liabilities shall be subsequently measured at fair value. Interest expense from financial liabilities classified as amortized cost is included in financial expenses using the effective interest rate method. Accounts payable and accrued liabilities are classified at amortized cost.

Impairment

At each reporting date, the Company assesses, on a forward-looking basis, the expected credit losses associated with its financial assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Fair value hierarchy

The Company assesses all information available, including on a forward-looking basis, the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as the reporting date, with the risk of default as at the date of initial recognition, based on all information available, and reasonable and supportive forward-looking information.

Translation of foreign currency transactions

Transactions in foreign currencies are translated at the exchange rate in effect at the date of the transaction. Foreign denominated monetary assets and liabilities are translated to their Canadian dollar equivalents using foreign exchange rates prevailing at the financial position reporting date. Exchange gains or losses arising on foreign currency translation are reflected in profit or loss. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Share-based compensation

The Company grants share-based awards, including restricted share units (“RSUs”), finders warrants, and stock options, to directors, officers and consultants.

Share-based compensation to employees is measured at the fair value of the instruments issued and recognized over the vesting periods. Share-based compensation to non-employees is measured at the fair value of goods or services received or the fair value of the equity instruments issued, if 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 share-based payment reserve.

The fair value of RSUs is determined based on quoted market price of the Company’s common shares, in situations where the fair value of the goods or services received cannot be estimated reliably. The fair value of options is determined using the Black-Scholes Option Pricing Model which incorporates all market vesting conditions. The number of RSUs 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.

Upon the exercise of stock options and other share-based payments, consideration received on the exercise of these equity instruments is recorded as share capital and the related share-based compensation in share-based payment reserve is transferred to share capital.

Share capital

The Company records proceeds from share issuances, net of issue costs. Common shares issued for consideration other than cash are valued based on their market value at the date the agreement to issue shares was concluded.

Flow-through shares

The Company may, from time to time, issue flow-through common shares to finance its Canadian exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into using the residual value method into: i) share capital; and ii) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability. Upon expenses being renounced, the Company derecognizes the liability and recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The premium is recognized as other income and the related deferred tax is recognized as a tax provision.

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures within a two-year period. The Company indemnifies the subscribers of flow-through shares against certain tax related amounts that become due related to their flow-through subscriptions.

The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Look-back Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial liability until paid.

Valuation of equity units in private placements

Proceeds received on the issuance of units, consisting of common shares and warrants, are allocated first to common shares based on the market trading price of the common shares at the time the units are priced, and any excess is allocated to warrants.

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4. RECEIVABLES

		June 30, 2024 Q2 2024		June 30, 2023 Q2 2023		September 30, 2023 Financial (Audited)
Goods and Services Tax receivable	$	18,454	$	-	$	51,648
	$	18,454	$	-	$	51,648

5. MARKETABLE SECURITIES

During the year ended September 30, 2022, the Company received 300,000 common shares of Rival Technologies Inc. related to the disposal of certain claims on the Turgeon Graphite Project (Note 8) valued at $112,464. As at June 30, 2024 the fair value of the 300,000 common shares was $6,984 (September 30, 2023 $6,826 and June 30, 2023 $11,923). The Company recorded an unrealized gain on investment of $220 during the three months ended June 30, 2024 (an unrealized loss of $34,757 during the year ended September 30, 2023, and an unrealized loss of $158,593 during the three months ended June 30, 2023).

6. EXPLORATION AND EVALUATION ASSETS

June 30, 2024 – Q3 2024

		Cost		Accumulated Amortization		Net Book Value
Tetepisca	$	1,177,466	$	-	$	1,177,466
Turgeon Graphite		147,112		-		147,112
	$	1,324,578	$	-	$	1,324,578

June 30, 2023 – Q3 2023

		Cost		Accumulated Amortization		Net Book Value
Tetepisca	$	302,820	$	-	$	302,820
Turgeon Graphite		180,411		-		180,411
	$	483,231	$	-	$	483,231

September 30, 2023 Financial (Audited)

		Cost		Accumulated Amortization		Net Book Value
Tetepisca	$	1,157,466	$	-	$	1,157,466
Turgeon Graphite		147,112		-		312,453
	$	1,304,578	$	-	$	1.304.578

Capitalization of exploration and evaluation expenditures incurred since inception are the following:

- Tetepisca: $92,335 (2019); $2,088 (2020); $184,855 (2021); $95,652 (2022);$882,078 (2023) less mining tax credits -$99,542; $20,000 (2024); total : $1,177,466

- Turgeon Graphite: $74,766 (2019); $10,631 (2020); $334,490 (2021); $30,030 less option disposal of $137,464 (2022); $7,350 less mining tax credits -$172,691 (2023); Total: $147,112

- Quatre Milles East: $131 (2020); discontinued and expensed ($131) (2022); Total: $Nil

-Tetespica Project, Quebec: On April 15, 2019, the Company entered into an agreement to purchase 52 mineral claims located 225 km from Baie-Comeau, Quebec. The purchase price was $10,000; and 200,000 new common shares issued when a technical report commissioned to include a mineral resources estimate in accordance with NI 43-101 is initiated; and a royalty in an amount equal to 1.5% of all Net Smelter Returns (NSR) with a right to repurchase at any time 0.5% of the NSR for $500,000.

-Turgeon Project, Quebec: a property acquired in 2019 located 122 km from Matagami, Quebec. Exploration work has started, and reports were issued to the *Ministère de l'Énergie et des Ressources naturelles*.

➢ An Option Agreement (the 'Option') was entered into on February 2, 2022 with Rival Technologies Inc. (the 'Optionee', 'Rival' - OTCBB RIVT) to dispose of 84 of the 338 claims comprising the property for cash and stock payments over the next 5 years. It was determined that the nature of the Option combined with the remaining claims did not qualify the property to be reclassified as an asset held for sale and consequently, its classification remains a long-term exploration and evaluation asset. The Option provided for the grant to the Optionee of the exclusive and irrevocable right to acquire a 100% interest in 84 of the 338 claims comprising the Turgeon property. The consideration to be paid by the Optionee for the grant of the Option was a series of individual cash payments and issuance of its stock currently traded on the US OTCBB. The stock was reported being issued on March 31, 2022 at the issuance value of 0.30 USD (the trading value at that date was 0.40 USD). The cash consideration was totaling $675,000, and the number of stock to be issued 4,300,000. Payments received in the quarter ended March 31, 2022 were $25,000 and 300,000 common shares of Rival valued at $112,464 (Note 6). The irrevocable option payments received amounting to $137,464 first reduced the value of the related asset, as options proceeds do before profits are recognized as income. On March 1, 2023, the Option was terminated because the condition whereby work on the property amounting to $100,000 by February 28, 2023 was not met by the Optionee and any of the agreed future unrealized terms resulted in the termination of the Option with the claims remaining the property of the Company. All amounts earned by the Company cannot be claimed back by the Optionee, and neither party has any further obligation or liability regarding the Option agreement.

Segmented information

The Company’s business consists of one reportable segment being resource exploration. Details about geographic areas as at June 30, 2024 and 2023, and September 30, 2023 consist of the 2 sites in the province of Quebec (Canada) as described above.

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7. SHARE CAPITAL

Authorized:

Unlimited common shares with no par value.

Unlimited class A preferred shares, one vote per share, non-participating, dividend determined at the discretion of the Board of directors, but not exceeding twelve percent (12%) per annum of the redemption price for such shares, redeemable at their paid-in value plus an amount equal to any dividends declared thereon but unpaid.

Unlimited class B preferred shares, non-voting, non-participating, dividend determined at the discretion of the Board of directors but not exceeding thirteen percent (13%) per annum of the redemption price for such shares, redeemable at their paid-in value plus an amount equal to any dividends declared thereon but unpaid.

		June 30, 2024		June 30, 2023		September 30, 2023 Financial (Audited)
Issued						
39,231,015 common shares (September 30, 2023 - 26,808,527 common shares; June 30, 2023 – 26,759,729 common shares), net of share issue costs	$	4,940,034	$	4,521,409	$	4,361,228
Flow-through premium liability		(114,426)		-		(114,426)
	$	4,825,608	$	3,068,788	$	4,246,802

Shares Issued:

During the year ended September 30, 2022, the Company issued a total of 861,636 shares for $258,491 as follows: 461,636 shares for cash amounting to $138,491 and 400,000 shares for settlement of debt arising from services rendered amounting to $120,000 (2021: 6,300,680 shares for $1,748,063 as follows: 5,459,538 shares for cash amounting to $1,637,861 and 841,142 shares for settlement of debt arising from services rendered amounting to $110,202). The Company paid share issue costs of $13,500 during the year ended September 30, 2022. No shares were issued during the three months ended December 31, 2022.

On January 23, 2023, the Company issued 188,333 common shares for services rendered amounting to $56,500.

On March 14, 2023, the Company issued 55,000 common shares for services rendered amounting to $18,700.

On March 31, 2023, the Company completed a $866,016 private placement consisting of a combination of (i) 590,000 units of the Company issued on a non-flow-through basis at a price of $0.40 per non-flow- through unit for gross proceeds of $236,000, and (ii) 1,369,600 units of the Company issued on a flow- through basis at a price of $0.46 per flow-through unit for gross proceeds of $630,016. Each flow-through unit and each non-flow-through unit consists of one common share and one common share purchase warrant, with an exercisable price of $0.60 per share for a period of 2 years from the closing date. The flow- through liability associated with these issuances using the residual method was $82,176.

(Continued)

On April 26, 2023, the Company closed a private placement of 84,495 units for gross proceeds of $33,798 at a price of $0.40 per unit. Each unit is comprised of one common share and one warrant exercisable into a common share for $0.60 per share for a period of 2 years from the closing date.

On June 13, 2023, the Company completed a $476,550 private placement consisting of a combination of (i) 313,437 units of the Company issued on a non-flow-through basis at a price of $0.32 per non-flow- through unit for gross proceeds of $100,300, and (ii) 1,075,000 units of the Company issued on a flow- through basis at a price of $0.35 per flow-through unit for gross proceeds of $376,250. Each flow-through and each non-flow-through unit consists of one common share and one common share purchase warrant, with an exercisable price of $0.48 per share for a period of 2 years from the closing date. The flow-through liability associated with these issuances using the residual method was $32,250.

In connection with the private placements completed during the year ended September 30, 2023, the Company paid finders' fees of $68,601 cash and issued a total of 150,918 finders' warrants. Of this total amount, 80,087 finders' warrants are exercisable at $0.60 per share for a period of 2 years and 70,831 finders' warrants are exercisable at $0.48 per share for a period of 2 years. The 150,918 finders' warrants were valued at $37,641 using Black Scholes option pricing model using an weighted average expected life of 2 years, volatility of 135%, dividend rate of 0% and risk-free interest rate of 4.02%.

On December 21, 2023, the Company closed the third and final tranche of the November 16, 2023 private placement. An aggregate of 400,247 units of the Company were issued in the non-flow through portion of the private placement at a price of $0.06 per unit for gross proceeds of $24,015. Each unit comprises one common share in the capital of the Company and one common share purchase warrant entitling its holder thereof to acquire one common share at a price of $0.10 per warrant for a period of 60 months from the closing date. Finders' fees amounted to $981 cash, in addition to 16,350 broker warrants, with each broker warrant entitling its holder thereof to purchase one common share of the Company at a price of $0.10 and expiring in 24 months. The shares issued were recorded upon closing of the final tranche. As mentioned in Note 14, Subsequent events, the issue was finalized in January 2024 and the warrants and the finders' fees will be accounted subsequently.

On January 31, 2024, 141,250 shares were issued for settlement of debt arising from services rendered amounting to $14,125.

In April and May 2024, 2,204,917 shares were issued for cash considerations of $106,185. On April 1, 2024, 996,657 shares were issued for settlement of debt arising from services rendered amounting to $69,766.

Stock Option and Restricted Share Unit Plans

On February 16, 2022, the Board of Directors has approved a resolution to adopt a Stock Option Plan and a Restricted Share Unit Plan (together referred to as the 'Plans'), providing that at no time a maximum 10% of the total number of issued and outstanding Shares (calculated on a non- diluted basis) may be reserved for issue under the two Plans.

On June 25, 2024 , the Company announced it has made option grants to certain directors, officers and consultants. A total of 1,700,000 options were issued. The options will expire on June 10, 2029, and have a strike price of 12 cents. The impact of the option grants will be reflected in the Q4-2024 financial statements when the issue is finalized.

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Subscribers' warrants:

	June 30, 2024		June 30, 2023		September 30, 2023	
	Number of warrants	Weighted average exercise price $	Number of warrants	Weighted average exercise price $	Number of warrants	Weighted average exercise price $
Outstanding, beginning of year	3,432,532	0.55	-	-	-	-
Issued	8,840,407	0.11	-	-	3,432,532	0.55
Outstanding, end	12,272,939	0.23	-	-	3,432,532	0.55

Details of warrants outstanding and exercisable at September 30, 202June 30, 2024, are as follows:

Date of expiry	Exercise price $	Number of warrants	Weighted average remaining
March 31, 2025	0.6	1,959,600	0.75
April 26, 2025	0.6	84,495	0.82
June 13, 2025	0.48	1,388,437	0.95
November 22, 2028	0.1	3,601,833	4.40
December 12, 2028	0.1	3,176,634	4.45
December 21, 2028	0.1	400,247	4.47
April 10, 2029	0.15	680,951	4.23
May 9, 2029	0.15	924,557	4.85
May 31, 2029	0.15	56,185	1.92
		12,272,939	2.98

Finders' warrants:

	June 30, 2024		June 30, 2023		September 30, 2023	
	Number of warrants	Weighted average exercise price $	Number of warrants	Weighted average exercise price $	Number of warrants	Weighted average exercise price $
Outstanding, beginning of year	150,918	0.54	-	-	-	-
Issued	250,850	0.13	-	-	150,918	0.54
Outstanding, end	401,768	0.29	-	-	150,918	0.54

Details of warrants outstanding and exercisable at June 30, 2024, are as follows:

Date of expiry	Exercise price $	Number of warrants	Weighted average remaining
March 31, 2025	0.6	95,872	0.75
April 26, 2025	0.6	1,715	0.82
June 13, 2025	0.48	70,831	0.95
November 22, 2025	0.1	178,500	1.40
December 12, 2025	0.1	38,500	1.45
December 21, 2025	0.1	16,350	1.47
		401,768	1.14

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8. INCOME TAXES

Since inception, the Company did not incur any differences in the carrying amount of assets and liabilities from their tax base, consequently there are no tax asset or liability arising from their timing differences recorded in the financial statements. The Company is uncertain that future taxable profit will allow the differed tax asset to be recovered in the application period, consequently there are no tax asset arising from tax losses carryforward. For the year ended September 30, 2023 and the six months ended March 31, 2024 and 2023, a reconciliation of income taxes at statutory rates with reported taxes is as follows:

	June 30, 2024	June 30, 2023	September 30, 2023 Financial (Audited)
Loss before income taxes	$ (836,188)	$ (753,965)	$ (1,045,302)
Expected income tax benefit at the combined rate of 26.5%	(221,590)	(199,801)	(278,050)
Increase (decrease) in income tax benefit resulting from:			
Non-deductible expenses		-	(17,972)
Unrecognized tax benefit	221,590	199,801	296,022
	$ -	$ -	$ -

The Company can carry forward losses totaling $2,787,695 for income tax purposes at the Quebec and Federal levels. The expiration dates for using these losses to reduce income taxes are as follows:

2039	$ 387,881
2040	318,047
2041	377,187
2042	680,653
2043	1,025,927
	$ 2,787,695

9. LOSS PER SHARE

The calculation of the basic loss per share is based on the net loss and comprehensive loss for the year divided by the weighted average number of shares in circulation during the year. In calculating the diluted loss per share, potential common shares such as stock options, warrants and RSUs have not been included, as they would have the effect of decreasing the loss per share from continuing operations. Decreasing the loss per share from continuing operations would be antidilutive.

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10. RELATED PARTY TRANSACTIONS

Related parties include those having the authority and responsibility for planning, directing and controlling the Company's operation, directly or indirectly. They include the Board of directors and key management personnel such as senior officers including the President and Chief Executive Officer, the Chief Financial Officer and senior management. The Company paid or accrued amounts to key senior officers, management and directors or companies controlled by them, and to shareholders or companies controlled by them, for consulting services rendered in the normal course of business in the areas of operational expertise, and for financial and accounting services.

TRANSACTIONS DURING THE PERIOD	June 30, 2024 (3 months)	June 30, 2023 (3 months)	June 30, 2024 (9 months)	June 30, 2023 (9 months)	September 30, 2023 (12 months) Financial audited
	$	$	$	$	$
Officers and shareholders :					
- Management services by the CEO	42,000	42,000	72,000	41,751	134,571
- Financial/accounting services by the CFO	15,000	7,500	30,000	22,500	30,000
Directors and shareholders:					
-Administrative services	-	-	-	-	7,500
-Operating services by the VP Exploration					
capitalized to Exploration assets	-	-	16,000	-	39,000
expensed to mining and exploration	20,000	-	20,000	-	26,000
	77,000	49,500	138,000	63,751	237,071

BALANCES PAYABLE AT PERIOD END	June 30, 2024 $	June 30, 2023 $	September 30, 2023 $
CEO	-	-	14,000
V-P Exploration and Director	15,000	-	10,000
Director	-	18,000	18,000
	15,000	18,000	42,000

11. FINANCIAL INSTRUMENTS

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments. As at June 30, 2024, the Company has current liabilities amounting to $403,701 including a non-cash flow-through premium of $114,426 (June 30, 2023 $74,104 and September 30, 2023 $748,611).

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 on its cash held in bank accounts. The Company's cash is deposited in bank accounts held with a major bank in Canada. As most of the Company's cash is held by a bank there is a concentration of credit risk. This risk is managed by using a major bank that is a high-quality financial institution as determined by rating agencies.

Market risk

Market risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market prices. Some of the Company's financial instruments expose it to this risk, which comprises currency risk, interest rate risk and other price risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk is not material. The Company's exposure to and management of interest rate risk has not changed materially during and since the year ended September 30, 2023.

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 is currently not exposed to any significant foreign exchange rate risk.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, 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. The other price risk associated with the Company's current investments primarily relates to the change in the market price of the investment in marketable securities. As at June 30, 2024, a 10% change in the market price of the Company's marketable securities would have an impact on profit or loss of approximately $698 (June 30, 2023 - $1,192, and September 30, 2023 $683). Management believes there is other price risk related to this investment, because while the Company will seek to maximize the proceeds it receives from the sale of its investment, there is no assurance as to the timing of disposition or the amount that will be realized. The Company's exposure to and management of other price risk has not changed materially during and since year September 30, 2023.

12. CAPITAL MANAGEMENT

The Company's objectives of capital management are intended to safeguard the Company's ability to continue as a going concern and to support the Company's exploration and evaluation of its resource properties and support any expansion plans. Management defines capital as the Company's shareholders' equity.

The Company manages the capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the Company's underlying assets. To effectively manage the entity's capital requirements, the Company has in place a planning and budgeting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its financial objectives. When required and permitted, the Company issues new shares or seek debt financing to ensure that there is sufficient working capital to meet its short-term business requirements.

On June 30, 2024, total managed capital was $1,160,773 (June 30, 2023 - $1,816,841; September 30, 2023 - $1,402,964). The Company is not subject to any externally imposed restrictions and there has been no change to capital management during the nine months ended June 30, 2024.

13. SUBSEQUENT EVENT

On July 30, 2024, the Company has closed the flow-through non-brokered private placement (the "FT Offering") previously announced on July 24, 2024. An aggregate of 1,250,000 units (the "FT Units") of the Company were issued in the FT Offering at a price of $0.08 per FT Unit for gross proceeds of $100,000, each FT Unit being comprised of one common share in the capital of the Company (each a "Common Share") and one common share purchase warrant (each a "Warrant"), each Warrant entitling its holder thereof to acquire one additional common share (each a "Warrant Share") at a price of $0.12 per Warrant Share for a period of 5 years. All securities issued as part of the closing of the FT Offering, including any shares that may be issued pursuant to the exercise of the Warrant Shares, are subject to a hold period in Canada until November 25, 2024, being four months and one day from the closing of the FT Offering, in accordance with applicable Canadian securities legislation. Net proceeds from the FT Offering will be used by the Company to incur eligible "Canadian exploration expenses" that will qualify as "flow-through mining expenditures", as defined in subsection 127(9) of the Income Tax Act (Canada) and under section 359.1 of the Taxation Act (Quebec) (the "Qualifying Expenditures"), related to the Company's Tetepisca Graphite Property, located in the Tetepisca Graphite District of the North Shore Region of Quebec on or before December 31, 2025. All Qualifying Expenditures will be renounced in favour of the subscribers to the FT Offering effective December 31, 2024. In addition, with respect to Quebec resident subscribers of FT Shares and who are eligible individuals under the Taxation Act (Quebec), the Canadian exploration expenses will also qualify for inclusion in the "exploration base relating to certain Quebec exploration expenses" within the meaning of section 726.4.10 of the Taxation Act (Quebec) and for inclusion in the "exploration base relating to certain Quebec surface mining expenses or oil and gas exploration expenses" within the meaning of section 726.4.17.2 of the Taxation Act (Quebec). No Insiders of the Company participated in this FT Offering. The Company paid finders' fees to Qwest Fund Management Ltd. ("Qwest"). Qwest received a cash commission of $8,000. In addition, Qwest received 100,000 broker warrants, with each Warrant entitling its holder thereof to purchase one Common Share of the Company at a price of $0.08 per Warrant Share for a period of 5 years. The transactions will be reflected in the financial statements of the following quarter and year end ending September 30, 2024.