

# **Voltage Metals Corp.**

## **Consolidated Financial Statements**

**For the years ended December 31, 2022 and 2021**

**(Expressed in Canadian Dollars)**

To the Shareholders of Voltage Metals Corp.:

## Opinion

We have audited the consolidated financial statements of Voltage Metals Corp. and its subsidiary (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2022 and December 31, 2021, and the consolidated statements of net loss and comprehensive loss, changes in equity, and 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 consolidated financial position of the Company as at December 31, 2022 and December 31, 2021, and its consolidated financial performance and its consolidated 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 is sufficient and appropriate to provide a basis for our opinion.

## Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the consolidated financial statements which indicates that the Company incurred a net loss during the year ended December 31, 2022 and, as of that date, the Company had a working capital deficiency and an accumulated deficit. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate 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 of the current period. 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, we have determined the matters described below to be the key audit matters to be communicated in our report.

## **Reverse Takeover Transaction**

### *Key Audit Matter Description*

During the year ended December 31, 2022, the Company completed a reverse takeover transaction ("RTO") as described in Notes 3 and 5 to the consolidated financial statements. The RTO was a significant transaction which required significant judgement in the assessment of the accounting acquirer. As a result, we considered this to be a key audit matter.

### *Audit Response*

We responded to this matter by performing procedures in relation to the reverse takeover transaction. Our audit work in relation to this included, but was not restricted to, the following:

- Evaluated management's assessment of Voltage Metals Inc. as the accounting acquirer against key terms and conditions identified within the signed securities exchange agreement.
- Assessed the relevant facts and circumstances relating to the RTO transaction against the criteria for the determination of the accounting acquirer outlined in IFRS 3 Business Combinations.

## **Other Information**

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

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 audits 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 audits or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. 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 audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

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 Andrew Kevin Spidle.

Mississauga, Ontario

August 28, 2023

*MNP* **LLP**

Chartered Professional Accountants

Licensed Public Accountants

**Voltage Metals Corp.**  
**Consolidated Statements of Financial Position**  
**As at December 31, 2022 and 2021**

*(Expressed in Canadian dollars)*

	December 31, 2022	December 31, 2021
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash	\$ 93,755	\$ 35,091
Marketable securities <i>(note 10)</i>	116,000	84,000
HST receivable	259,360	5,790
Deferred transaction costs <i>(note 5)</i>	---	77,491
<b>TOTAL ASSETS</b>	<b>\$ 469,115</b>	<b>\$ 202,372</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities <i>(note 9 &amp; 10)</i>	\$ 668,795	\$ 88,333
Promissory notes <i>(note 7)</i>	345,322	309,322
Shareholder loan <i>(note 5)</i>	---	200,000
<b>TOTAL LIABILITIES</b>	<b>1,014,117</b>	<b>597,655</b>
<b>Equity</b>		
Share capital <i>(note 8)</i>	6,481,157	700,128
Warrants reserve <i>(notes 5 &amp; 8)</i>	252,933	---
Options reserve <i>(note 8)</i>	72,627	---
Deficit	(7,351,719)	(1,095,411)
<b>TOTAL EQUITY</b>	<b>(545,002)</b>	<b>(395,283)</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 469,115</b>	<b>\$ 202,372</b>

**Going Concern** *(note 2)*

**Commitments** *(note 12)*

**Subsequent Events** *(note 13)*

Approved by the Board

Signed:

"Jay Freeman"

Director

"Layton Croft"

Director

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

# Voltage Metals Corp.

## Consolidated Statements of Net Loss and Comprehensive Loss For the years ended December 31, 2022 and 2021

*(Expressed in Canadian dollars, except weighted average shares)*

	2022	2021
<b>Expenses</b>		
Exploration and evaluation, net of recoveries <i>(notes 6 &amp; 10)</i>	\$ 4,500,035	\$ 850,000
Administrative and office	34,710	47,062
Share-based compensation <i>(notes 8 &amp; 9)</i>	72,627	---
Consulting <i>(note 9)</i>	308,168	---
Marketing	151,667	---
Professional	99,730	27,056
Regulatory <i>(note 5)</i>	1,005,371	---
Fair value adjustments <i>(note 10)</i>	48,000	(4,000)
Interest expense <i>(note 7)</i>	36,000	9,320
<b>Net loss and comprehensive loss for the year</b>	<b>\$ 6,256,308</b>	<b>\$ 929,438</b>
<b>Net loss per share (basic and diluted) <i>(note 8)</i></b>	<b>\$ (0.08)</b>	<b>\$ (0.03)</b>
<b>Weighted average number of shares outstanding during the year - basic and diluted</b>	<b>74,203,468</b>	<b>31,385,084</b>

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

# Voltage Metals Corp.

## Consolidated Statements of Changes in Equity For the years ended December 31, 2022 and 2021

(Expressed in Canadian dollars, except for number of shares)

	Number of Shares	Share Capital	Options Reserve	Warrants Reserve	Deficit	Total
<b>Balance, December 31, 2020</b>	<b>15,238,095</b>	<b>\$ 250,000</b>	<b>\$ ---</b>	<b>\$ ---</b>	<b>\$ (165,973)</b>	<b>\$ 84,027</b>
Shares issued – private placement ( <i>note 8</i> )	19,492,063	400,128	---	---	---	400,128
Shares issued – Battery Metals Project ( <i>note 8</i> )	1,269,842	50,000	---	---	---	50,000
Net loss for the year	---	---	---	---	(929,438)	(929,438)
<b>Balance, December 31, 2021</b>	<b>36,000,000</b>	<b>\$ 700,128</b>	<b>\$ ---</b>	<b>\$ ---</b>	<b>\$ (1,095,411)</b>	<b>\$ (395,283)</b>
Shares issued – reverse takeover transaction ( <i>note 5</i> )	46,046,844	5,597,754	---	---	---	5,832,754
Warrants issued – reverse takeover transaction ( <i>note 5</i> )	---	---	---	252,933	---	252,933
Shares issued – finders fees ( <i>note 5</i> )	750,000	95,025	---	---	---	95,025
Shares issued – Jerry Lake ( <i>note 8</i> )	350,000	61,250	---	---	---	61,250
Shares issued – Strachan ( <i>note 8</i> )	900,000	27,000	---	---	---	27,000
Stock-based compensation ( <i>note 8</i> )	---	---	72,627	---	---	72,627
Net loss for the year	---	---	---	---	(6,256,308)	(6,256,308)
<b>Balance, December 31, 2022</b>	<b>84,046,844</b>	<b>\$ 6,481,157</b>	<b>\$ 72,627</b>	<b>\$ 252,933</b>	<b>\$ (7,351,719)</b>	<b>\$ (545,002)</b>

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



**Voltage Metals Corp.**  
**Consolidated Statements of Cash Flows**  
**For the years ended December 31, 2022 and 2021**  
*(Expressed in Canadian dollars)*

	<b>2022</b>	<b>2021</b>
<b>Cash flows from operating activities</b>		
Net loss for the year	\$ (6,256,308)	\$ (929,438)
Items not affecting cash		
Stock-based compensation ( <i>notes 8 &amp; 9</i> )	72,627	---
Shares issued for property ( <i>notes 6 &amp; 8</i> )	88,250	50,000
Listing costs on RTO ( <i>note 5</i> )	900,000	---
Exploration properties on RTO ( <i>note 5</i> )	3,267,822	---
Accrued interest ( <i>note 7</i> )	36,000	9,320
Fair value adjustments ( <i>note 10</i> )	48,000	(4,000)
Marketable securities received for property ( <i>note 6</i> )	(80,000)	---
Changes in non-cash items relating to operating activities		
HST receivable	(213,895)	(5,790)
Deferred transaction costs	80,491	(77,491)
Accounts payable and accrued liabilities	451,052	83,333
	<b>(1,605,961)</b>	<b>(874,066)</b>
<b>Cash flows from investing activities</b>		
Cash acquired on RTO, net of issue costs ( <i>note 5</i> )	1,664,625	---
	<b>1,664,625</b>	<b>---</b>
<b>Cash flows from financing activities</b>		
Share subscriptions	---	400,128
Promissory note ( <i>note 7</i> )	---	300,002
Loans payable ( <i>note 5</i> )	(200,000)	200,000
Mansa loan ( <i>note 5</i> )	200,000	---
	---	900,130
<b>(Decrease) Increase in cash</b>	<b>(58,664)</b>	<b>26,064</b>
<b>Cash, beginning of the year</b>	<b>35,091</b>	<b>9,027</b>
<b>Cash, end of the year</b>	<b>\$ 93,755</b>	<b>\$ 35,091</b>

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

# Voltage Metals Corp.

## Notes to the consolidated financial statements December 31, 2022 and 2021

---

### 1. Incorporation

Voltage Metals Corp. (“Voltage” or the “Company”), formerly known as Mansa Exploration Inc. (“Mansa”), was incorporated on October 24, 2018 under the *Business Corporations Act* (Ontario). The Company was formed for the purpose of acquisition, exploration, and development of mineral properties.

On March 11, 2022, Voltage Metals Inc. (“Voltage Inc.”) and Mansa completed a reverse takeover transaction (“RTO”) pursuant to which Mansa acquired all the issued and outstanding shares of Voltage Inc. Under the purchase method of accounting, Voltage Inc. was identified as the accounting acquirer, and accordingly the Company’s consolidated financial statements reflect a continuation of Voltage Inc. with the net assets of Mansa deemed to have been acquired by Voltage Inc. (Note 5). The consolidated financial statements for the year ended December 31, 2021 include the results of operations of Voltage Inc. as at and for the year-ended December 31, 2021. The consolidated financial statements for the year ended December 31, 2022 include the results of operations of Voltage Inc. from January 1, 2022 to December 31, 2022 and of Mansa from March 11, 2022, the date of the RTO.

The Company’s head office is located at 35A Hazelton Avenue, Unit 3 Toronto, ON M5R 2E3, Toronto, Ontario. The Company’s shares are listed on the Canadian Securities Exchange and trade under the symbol “VOLT”.

These consolidated financial statements were approved by the Board of Directors on August 22, 2023.

### 2. Nature of Operations and Going Concern

Mineral exploration projects, even when successful, require large amounts of exploration investment to prove mineable reserves, generally over long periods of time, prior to commencement of production. The ability of the Company to continue as a going concern is dependent upon, among other things, being able to obtain additional financing, the continued support of its existing shareholders, and the outlining and development of commercial deposits of metals at its project(s) to generate positive cash flows from operations. While the Company has been successful in securing financing and identifying suitable properties to date, there is no assurance that the Company will continue to be successful in achieving these objectives. To date the Company has incurred losses since inception and expects to incur further losses in the development of its business. As at December 31, 2022, the Company had an accumulated deficit of \$7,351,719 which has been funded primarily by the issuance of share capital.

The ability of the Company to realize the costs it has incurred to date on its properties is dependent upon the Company being able to identify economically recoverable reserves, to finance their development costs and to resolve any environmental, regulatory or other constraints, which may hinder the successful development of the reserves. Although the Company has taken steps to verify title to the properties on which it is conducting exploration and development activities and in which it has an interest, in accordance with industry standards for the current stage of exploration and development of such properties, these procedures do not guarantee the Company’s title. Property title may be subject to government licensing requirements or regulations, unregistered prior agreements, unregistered claims, and non-compliance with regulatory and environmental requirements.

These factors represent a material uncertainty that may cast significant doubt upon the Company’s ability to continue as a going concern and, therefore, the Company may be unable to realize its assets and discharge its liabilities in the normal course of business. These consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize assets and discharge liabilities in the normal course of operations for the foreseeable future and do not reflect the adjustments to the carrying values of assets and liabilities, the reported revenues and expenses, and reclassifications to the consolidated statement of financial position that might be necessary if the Company was unable to continue as a going concern. Such adjustments could be material.

# Voltage Metals Corp.

## Notes to the consolidated financial statements December 31, 2022 and 2021

---

### 3. Significant Accounting Policies

#### Statement of Compliance

These consolidated financial statements, including comparatives, have been prepared in accordance with 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”).

#### Basis of presentation

These consolidated financial statements are presented in Canadian dollars, which is also the Company’s and subsidiary functional currency. All reference to dollars (\$) are to Canadian dollars unless otherwise noted.

These consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments that have been measured at fair value.

The consolidated financial statements include the accounts of Voltage and its wholly-owned subsidiary Voltage Inc. All transactions and balances between Voltage and Voltage Inc. are eliminated on consolidation, including unrealized gains and losses on transactions between the companies. As outlined in note 1, these consolidated financial statements reflect a continuation of Voltage Inc.

Loss and other comprehensive loss of subsidiaries acquired or disposed of during the year are recognized from the effective date of acquisition, or up to the effective date of disposal, as applicable.

#### Significant accounting estimates and judgments

The preparation of these consolidated financial statements requires management to make judgments and estimates that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these judgments and estimates. The consolidated financial statements include judgments and estimates which, by their nature, are uncertain. The impacts of such judgments and estimates are pervasive throughout the consolidated financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both current and future periods.

Significant assumptions about the future and other sources of judgments and estimates that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Estimates and judgments:

- The Company’s ability to continue its on-going and planned exploration activities and continue operations as a going concern, is dependent upon the recoverability of costs incurred to date on mineral properties, the existence of economically recoverable reserves, and the ability to obtain necessary equity financing from time to time. See Note 2.
- Accounting for the RTO required management to determine the accounting acquirer. Factors considered, include, but are not limited to: the relative voting rights in the combined entity after the business combination, the existence of a large minority voting interest in the combined entity if no other owner or organised group of owners has a significant voting interest, the composition of the governing body of the combined entity, the composition of the senior management of the combined entity, the terms of the exchange of equity interests, and which of the combining entities initiated the combination. See Note 5.
- The fair value of the shares and warrants issued pursuant to RTO transaction required significant estimation by management. See Note 5.

# Voltage Metals Corp.

## Notes to the consolidated financial statements December 31, 2022 and 2021

---

### 3. Significant Accounting Policies (Cont'd)

#### Significant accounting estimates and judgments (Cont'd)

- The fair value of the marketable securities received required significant estimation by management. See Note 6.

#### Financial instruments

Financial instruments measured at amortized cost are initially recognized at fair value, plus adjustments for transaction costs, and then subsequently measured at amortized cost using the effective interest rate method, with gains and losses recorded as a charge against earnings.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled, or expired.

Financial assets and liabilities are offset and the net amount presented in the statements of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

A financial asset carried at amortized cost is considered impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flow of that asset and that the estimated future cash flow of that asset can be estimated reliably. An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.

The following table summarizes the classification of The Company's financial assets and liabilities:

	<u>Classification</u>
<b>Financial assets:</b>	
Cash	Amortized cost
Marketable securities ( <i>note 10</i> )	FVTPL
<b>Financial liabilities:</b>	
Accounts payable and accrued liabilities	Amortized cost
Promissory notes	Amortized cost
Shareholder loan	Amortized cost

#### Cash

Cash comprises cash balances deposited at Canadian chartered banks.

#### Income taxes

Income tax 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 or other comprehensive income, in which case the income tax is also recognized directly in equity or other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years. Current tax assets and current tax liabilities are only offset if a legally enforceable right exists to offset the amounts and the Company intends to settle on a net basis, or to realize the asset and settle the liability simultaneously.

# Voltage Metals Corp.

## Notes to the consolidated financial statements December 31, 2022 and 2021

---

### 3. Significant Accounting Policies (Cont'd)

#### Income taxes (cont'd)

Deferred tax is recognized in respect of all qualifying temporary differences arising between the tax basis of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the end of the reporting period and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that the assets can be recovered. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Deferred tax assets are recognized to the extent future recovery is probable. At each reporting period end, deferred tax assets are reduced to the extent that it is no longer probable that sufficient taxable earnings will be available to allow all or part of the asset to be recovered.

#### Loss per share

Basic loss per common share is calculated by dividing the loss attributed to shareholders for the year by the weighted average number of common shares outstanding in the year. Diluted loss per common share is calculated by adjusting the weighted average number of common shares outstanding to assume conversion of all dilutive potential common shares using the treasury method.

#### Accounting for flow-through shares

Expenditure deductions for income tax purposes related to exploratory activities funded by flow-through equity instruments are renounced to investors in accordance with income tax legislation. For accounting purposes, the proceeds from issuance of these shares are allocated between the offering of shares and the sale of tax benefits. The allocation is made based on the difference between the quoted price of the existing shares and the amount the investor pays for the flow-through shares. A liability is recognized for this difference. The liability is reduced and the reduction of premium liability is recorded in the statements of net loss and comprehensive loss on a pro-rata basis based on the corresponding eligible expenditures that have been incurred.

#### Share-based compensation

Stock options awarded to employees are accounted for using the fair value-based method. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee. The fair value of options granted is calculated using the Black-Scholes model and is recorded as stock-based compensation expense over the vesting period of the options. Consideration paid on the exercise of stock options is credited to share capital. The contributed surplus associated with the options is transferred to share capital upon exercise. The fair value of options issued to non-employees is measured based on the fair value of the goods or services exchanged.

#### Impairment of non-financial assets

Non-financial assets are reviewed for impairment if there is any indication that the carrying amount may not be recoverable. If any such indication is present, the recoverable amount of the asset is estimated in order to determine whether impairment exists. Where the asset does not generate cash flows that are independent from other assets, Voltage estimates the recoverable amount of the cash-generating unit to which the asset belongs.

An asset's recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value, using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted.

# Voltage Metals Corp.

## Notes to the consolidated financial statements December 31, 2022 and 2021

---

### 3. Significant Accounting Policies (Cont'd)

#### Impairment of non-financial assets (cont'd)

If the recoverable amount of an asset or cash generating unit is estimated to be less than its carrying amount, the carrying amount is reduced to the recoverable amount recognizing an impairment loss in the statement of operations. Where an impairment subsequently reverses, the carrying amount is increased to the revised estimate of the recoverable amount but only to the extent that this does not exceed the carrying value that would have been determined if no impairment had previously been recognized.

#### Mining properties and exploration and evaluation costs

Exploration and evaluation expenditures include the costs of acquiring licenses and costs associated with exploration and evaluation activity. Exploration and evaluation expenditures are expensed as incurred and are recognized in profit or loss.

### 4. Capital Management

The Company's capital comprises shareholders' equity. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its mineral properties and to maintain optimal returns to shareholders and benefits for other stakeholders.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may attempt to issue new shares or debt or dispose of assets. There can be no assurance that the Company will be able to obtain debt or equity capital in the case of operating cash deficits (*note 2*).

### 5. Reverse Takeover Transaction

As described in note 1, on March 11, 2022, the Company completed a reverse takeover transaction ("RTO") with Voltage Inc., whereby the shareholders of Voltage Inc. become shareholders of the Company.

On closing, the Company acquired all the issued and outstanding common shares of Voltage Inc. in exchange for the Company's common shares on the basis of 1.269841 of the Company's common shares for each Voltage Inc. share issued and outstanding. The Company issued a total of 36,000,000 common shares to Voltage Inc.'s shareholders, as a result of which Voltage Inc. became a wholly-owned subsidiary of the Company. To reflect a continuation of Voltage Inc.'s historical financial information, the exchange ratio of 1.269841 is treated as a stock split, presented retrospectively throughout these consolidated financial statements, such that there were 36,000,000 common shares of Voltage Inc. issued and outstanding immediately prior to the RTO.

After evaluating all the facts surrounding this transaction, Management determined that the acquisition was not a business combination as defined under IFRS 3, *Business Combinations*, and was therefore accounted for as an asset acquisition with Voltage Inc. as the acquirer for accounting purposes issuing shares and warrants to the shareholders of Voltage and incurring costs to facilitate the transaction.

# Voltage Metals Corp.

## Notes to the consolidated financial statements December 31, 2022 and 2021

### 5. Reverse Takeover Transaction (Cont'd)

The following table summarizes the fair value of the total consideration deemed to be issued to the Voltage (Mansa) shareholders by Voltage Inc. and the fair value of the identified assets acquired, and liabilities assumed, based on estimates of fair value.

46,046,844 shares issued to Voltage (Mansa) shareholders (i)	\$ 5,597,754
5,529,420 warrants issued to Voltage (Mansa) warrant holders (ii)	252,933
Less: consideration attributed to debt settlement (iii)	(200,000)
Transaction costs	161,441
750,000 finders' shares (i)	95,025
<b>Purchase Price</b>	<b>\$ 5,907,153</b>
Cash	\$ 1,826,066
Non-cash working capital	(86,735)
Listing costs (expensed) (iv)	900,000
Exploration properties (expensed) (v)	3,267,822
<b>Total</b>	<b>\$ 5,907,153</b>

(i) The fair value of the 46,046,844 common shares deemed to be issued to the Voltage (Mansa) shareholders and the 750,000 finders' shares was determined using the Black Scholes option pricing model in reference to the private placement financing completed by Voltage (Mansa) immediately prior to the RTO such that the sum of the values of the instruments comprising the unit (one common share and one half of one common share purchase warrant) was equal to the unit subscription price of \$0.15. The following variables were used:

Share price:	\$0.12666	Exercise price	\$0.25
Annualized volatility:	100%	Expected life	2 years
Risk-free rate:	2.35%	Dividend yield:	0.00%

6,360,000 of the shares deemed to be issued were subject to an escrow restriction. A discount to these shares was valued at \$235,000 using the Black Scholes option pricing model to value a put exercisable at the share price for the duration of the escrow term ranging between 3 months to 12 months. All other variables are the same as noted above.

(ii) The fair value of the warrants deemed to be issued to the Voltage (Mansa) warrant holders was determined using the same variables in (i) above adjusted for differences in the exercise price (\$0.10 to \$0.25) and the expected useful life (0.77 years to 1.94 years).

(iii) In December 2021, Voltage Inc. received a short-term interest-free bridge loan of \$200,000 from a shareholder which was used to pay the final option payment on the Battery Metals Project (note 6). In January 2022, Voltage (Mansa) advanced \$200,000 to Voltage Inc. which was used to repay the bridge loan. The loan was considered to be extinguished with a portion of the RTO consideration.

(iv) The purpose of the RTO was for Voltage Inc. to acquire Voltage (Mansa's) listing status as a public company. The value assigned to the listing costs was determined by reference to several recently completed qualifying transactions of capital pool companies and is included in regulatory expense.

(v) Under the Company's exploration and evaluation accounting policy, all exploration and evaluation expenditures are expensed as incurred.

(vi) \$77,491 of transaction costs were deferred at December 31, 2021.

# Voltage Metals Corp.

## Notes to the consolidated financial statements December 31, 2022 and 2021

### 6. Mineral Properties

	December 31, 2022	December 31, 2021
Acquisition costs and option payments expensed	3,356,072	850,000
Exploration costs	1,248,963	-
Recoveries	(105,000)	-
<b>Exploration and evaluation, net of recoveries</b>	<b>\$ 4,500,035</b>	<b>\$ 850,000</b>

#### **Battery Metals Project**

On June 30, 2020, Voltage Inc. and Pancontinental Resources Corporation ("PUC") entered into an option agreement whereby the Voltage Inc. would acquire from PUC an 80% interest in four nickel-copper-cobalt exploration projects in northern Ontario: the St. Laurent, Montcalm, Nova, and Gambler projects. On March 1, 2021, Voltage Inc. and PUC modified the payment terms of the option agreement as follows:

- \$100,000 on closing (paid);
- \$100,000 within 3 months (paid);
- 1,269,841 common shares by March 31, 2021 (issued, see note 8);
- \$300,000 by March 31, 2021 (paid);
- \$300,000 by September 30, 2021 (paid);
- \$200,000 by December 31, 2021 (paid, see also note 5).

If the Voltage Inc. acquires the 80% interest and incurs a total of \$2,000,000 or more of exploration expenditures with respect to any of the Projects, PUC's 20% free and carried interest shall automatically be converted into a 1.5% NSR on each of the Projects and Voltage Inc. will have the right to purchase 1% of each NSR by paying \$1,000,000 for each 1% of each of the NSRs.

On December 23, 2022, the Company entered into an agreement with Mink Ventures Corporation ("Mink") whereby Mink acquired the exclusive option, for a period of two years, to acquire an 80% interest in the Montcalm project by making the following cash payments and share issuances:

- Pay \$25,000 by December 23, 2022 (received)
- Issue 800,000 Mink common shares (received).
- Pay \$25,000 by December 23, 2023
- Issue 800,000 Mink common shares on or before December 23, 2023.

Mink is also required to meet minimum work expenditures of \$300,000 before April 12, 2023 and an additional \$300,000 before April 12, 2024. Upon earning the 80% interest, the Company and Mink will form a joint venture ("JV"). If either party's interest is reduced to 10% or less, then the JV interest shall be automatically extinguished and converted into a 1.5% NSR. The JV shall automatically be terminated upon such automatic conversion, and the surviving party shall become the sole owner of a 100% undivided legal and beneficial interest in and to the property, subject to (i) the above royalty; and (ii) such 1.5% NSR, 0.5% of which may be repurchased by the other party at any time during the 2 year period following declaration of Commercial Production by paying the royalty holder \$1,000,000 of immediately available funds.



# Voltage Metals Corp.

## Notes to the consolidated financial statements December 31, 2022 and 2021

---

### 6. Mineral Properties (Cont'd)

#### Battery Metals Project (cont'd)

On December 23, 2022, Mink issued 800,000 shares to the Company valued at \$80,000. At December 23 and December 31, 2022, the shares of Mink were level 2 financial instruments within the fair value hierarchy as Mink had closed its qualifying transaction on December 23, 2022 and had not yet commenced trading. The fair value of the 800,000 Mink common shares was determined using the Black Scholes option pricing model in reference to the concurrent financing to the qualifying transaction under which Mink issued units for \$0.14 comprising one common share and one common share purchase warrant exercisable at \$0.20 for the first 18 months and at \$0.25 for the second 18 months. The following variables were used:

Share price:	\$0.09716	Exercise price	\$0.25
Annualized volatility:	100%	Expected life	3 years
Risk-free rate:	3.080%	Dividend yield:	0.00%

#### Jerry Lake

On April 8, 2022, the Company entered into an option agreement to acquire the Jerry Lake nickel/copper property. The Company has the right to earn a 100% interest in the Jerry Lake Project by making cash payments totaling \$150,000 and issuing 1.7 million shares, over the three-year option period as follows:

- \$15,000 and 350,000 common shares within five days of signing (paid and issued);
- \$25,000 and 400,000 common shares on the first anniversary;
- \$50,000 and 450,000 common shares on the second anniversary; and
- \$60,000 and 500,000 common shares on the third anniversary.

The mining claims are subject to a 2.5% NSR with a buyback of 1% of the NSR for 1 million dollars. As at December 31, 2022, the Company has paid \$15,000 and issued 350,000 common shares.

The Company decided not to maintain this option and the payments due on April 8, 2023 were not made.

#### Strachan Property

On September 30, 2022, the Company entered into a purchase and sale agreement to acquire the Strachan property in exchange for 900,000 common shares of the Company. The shares were issued on November 28, 2022 and were valued at \$27,000.

The mining claims are subject to 1.5% NSR with a buyback of 1% of the NSR for \$1,000,000.

#### Skyfire Mineral Property

On completion of the RTO (note 5) Voltage Inc., acquired Voltage (Mansa's) rights in an option agreement entered on October 13, 2013 and amended on January 31, 2020, and November 21, 2021 for certain mineral claims located at the Skyfire Mineral Property in central British Columbia

In order to earn its 100% interest, The Company was required to meet certain (amended) minimum exploration expenditures and to issue 1,000,000 common shares upon completion of a positive feasibility study.

# Voltage Metals Corp.

## Notes to the consolidated financial statements December 31, 2022 and 2021

---

### 6. Mineral Properties (Cont'd)

#### Skyfire Mineral Property (Cont'd)

The expenditure requirements were:

June 30, 2021 (met prior to RTO)	\$ 100,000
December 31, 2021 (met prior to RTO)	150,000
June 30, 2022	250,000
December 31, 2022	750,000
	<hr/>
	<b>\$ 1,250,000</b>

In July 2022, the Company decided not to meet the minimum exploration requirements and has allowed the option to expire.

#### Wheeler Property

On July 7, 2021, Voltage (Mansa) acquired Wheeler Resources Inc., a private company incorporated under the laws of British Columbia, Canada, which owned a 100% interest in 760 claims on the Wheeler Property located in Newfoundland and Labrador, Canada. The original vendor retained a 2.0% NSR on the property, of which 1% may be purchased by the Company for \$1,000,000.

Upon full exercise of the option, the Company shall assume responsibility for payment of the aggregate 1.25% net smelter returns royalty to the extent of its relative ownership interest in the project. The royalty is subject to a right on the part of Voltage to repurchase 0.5% of the NSR for a price of \$500,000, reducing the royalty payable from 1.25% to 0.75%.

### 7. Promissory Note

In September 2021, Voltage Inc. received \$300,002 in exchange for promissory notes payable to companies under the control of shareholders. The notes bear interest at 12% per year and were due on March 31, 2022. At December 31, 2022, these loans remain outstanding, having accrued interest totalling \$45,320.

### 8. Share Capital, Warrants, and Options

#### **Common shares**

##### **Authorized:**

Unlimited number of common shares without par value.

##### **Escrow**

The following table outlines the Company's escrowed common shares and their respective release date:

<u>Release Date</u>	<u>Number</u>
March 18, 2023	8,028,095
June 21, 2023	255,000
September 18, 2023	2,285,714
December 21, 2023	255,000
March 18, 2024	2,285,714
September 18, 2024	2,285,714
March 18, 2025	2,285,714
	<hr/>
	<b>17,620,952</b>

# Voltage Metals Corp.

## Notes to the consolidated financial statements December 31, 2022 and 2021

---

### 8. Share Capital, Warrants, and Options (Cont'd)

#### **2021 Activity:**

At December 31, 2020, Voltage Inc. had 15,238,095 shares issued and outstanding which are held entirely by G+G Corp., a private company controlled by the Directors.

On March 21, 2021, Voltage Inc. closed a share subscription financing for 15,238,095 common shares at \$0.0158 per common share. 317,460 of the shares were ultimately issued on August 3, 2021.

On April 5, 2021, Voltage Inc. closed a share subscription financing for 2,412,698 common shares at \$0.0394 per share.

On March 29, 2021, Voltage Inc. issued 1,269,841 common shares to PUC in accordance with the terms of its options agreement (see note 6). The shares were valued at \$0.0394 per share based on the pricing of the subscription receipts received in March 2021 and which formally closed on April 5, 2021.

On April 15, 2021, the Company closed a share subscription financing for 380,952 common shares at \$0.0591 per share.

On May 21, 2021, the Company closed a share subscription financing for 1,015,873 common shares at \$0.0394 per share.

On August 3, 2021, the Company closed a share subscription financing for 126,984 common shares at \$0.0394 per share.

The Company incurred \$7,372 of costs related to the financings during the year ended December 31, 2021.

#### **2022 Activity:**

On March 11, 2022, Voltage completed the RTO resulting in the acquisition of control of Voltage by the shareholders of Voltage Inc. Pursuant to the RTO accounting, the Company issued a total of 46,796,844 common shares (note 5).

On April 12, 2022, the Company issued 350,000 common shares valued at \$61,250 in connection with the acquisition of the Jerry Lake property agreement (note 6).

On November 28, 2022, the Company issued 900,000 common shares valued at \$27,000 in connection with the acquisition of the Strachan property agreement (note 6).

# Voltage Metals Corp.

## Notes to the consolidated financial statements December 31, 2022 and 2021

### 8. Share Capital, Warrants, and Options (Cont'd)

#### Warrants

All of the warrants issued and outstanding were deemed issued as part of the RTO transaction (note 5).

On December 17, 2022, 488,400 warrants with an exercise price of \$0.10 per share expired unexercised. At December 31, 2022, there were 5,041,020 (2021 – NIL) warrants outstanding, with each warrant entitling the holder to acquire one common share of the Company at the prices noted below:

Number	Exercise Price	Remaining Contractual Life In Years	Expiry Date
3,556,333	\$0.25	0.99	December 29, 2023
335,160	\$0.15	0.99	December 29, 2023
258,300	\$0.20	0.99	December 29, 2023
803,167	\$0.25	1.13	February 17, 2024
79,310	\$0.15	1.13	February 17, 2024
8,750	\$0.20	1.13	February 17, 2024
<b>5,041,020</b>	<b>\$0.24</b>	<b>1.02</b>	

#### Restricted Share Units

The Company has adopted a restricted share unit plan (the “RSU Plan”), which provides that the Board of Directors of the Company may, from time to time, grant to directors, officers, employees and technical consultants of the Company, non-transferable restricted share units. The expiry date for each restricted share unit shall be set by the Board of Directors at the time of issue. A vesting schedule may be imposed at the discretion of the Board of Directors at the time of issue. The number of shares that may be reserved for issuance shall not exceed 10% of the total number of issued and outstanding shares of the Company. Upon vesting, the Company may choose to either issue one share for each vested restricted share unit, or pay cash amount equal to the fair market value of the vested restricted share unit.

#### Stock Options

The Company has adopted a stock option plan (the “Option Plan”), which provides that the Board of Directors of the Company may, from time to time, grant to directors, officers, employees and technical consultants of the Company, non-transferable options to purchase common shares. The expiry date for each option shall be set by the Board of Directors at the time of issue. A vesting schedule may be imposed at the discretion of the Board of Directors at the time of issue. The number of shares that may be reserved for issuance shall not exceed 10% of the total number of issued and outstanding shares of the Company.

On April 5, 2022, the Company granted 795,000 stock options at an exercise price of \$0.18 per share, expiring two years from the date of grant. Of this total, 265,000 options vested immediately with the remaining 530,000 vesting 25% each quarter over the first 12 months. These stock options had an estimated fair value of \$76,082 using the Black Scholes model with the following inputs:

Share price:	\$0.18	Exercise price	\$0.18
Annualized volatility:	100%	Expected life	2 years
Risk-free rate:	2.35%	Dividend yield:	0.00%

The Company recognized \$72,627 of stock-based compensation expense in relation to the vesting of these options during the year ended December 31, 2022 (2021 – \$nil).

# Voltage Metals Corp.

## Notes to the consolidated financial statements December 31, 2022 and 2021

---

### 8. Share Capital, Warrants, and Options (Cont'd)

#### Loss per Common Share

The options and warrants for the years ended December 31, 2022 and 2021 were excluded from the computation of diluted loss per share as the potential effect was anti-dilutive.

### 9. Related Party Transactions and Balances

#### *Management compensation*

The Company incurred the following expenditures with officers and directors of Voltage, or with companies controlled by those individuals:

---

	Years Ended	
	December 31,	
	2022	2021
Stock-based compensation	\$ 72,627	\$ ---
Consulting	204,000	---
Total management compensation	\$ 276,627	\$ ---

---

In September 2021, the Company received \$300,002 in exchange for promissory notes payable to companies under the control of shareholders. The notes bear interest at 12% per year and are due on March 31, 2022. During the year ended December 31, 2022, the Company accrued \$36,000 (2021 - \$9,320) of interest expense.

As at December 31, 2022, included in accounts payable is \$90,200 (December 31, 2021 \$nil).

# Voltage Metals Corp.

## Notes to the consolidated financial statements December 31, 2022 and 2021

### 10. Financial Instruments and Risk Factors

Voltage's risk exposures and impact on The Company's financial instruments are summarized below:

#### Credit risk

Credit risk is the risk of loss associated with Voltage's inability to collect accounts receivable and safe keep cash. Voltage's receivables consist mainly of a Harmonized Sale Tax (HST) due from the federal government, on which there is no credit risk. The Company is also exposed to credit risk on its cash, however, it has deposited its cash with reputable Canadian financial institutions, from which management believes the risk of loss is minimal.

#### Liquidity risk

Voltage manages liquidity risk to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2022, Voltage had cash of \$93,755 to settle current financial liabilities of \$1,014,117 (December 31, 2021 - \$35,091 to settle current financial liabilities of \$597,655). Voltage has no source of recurring operating cash flows and in the absence of additional financing or strategic alternatives, the Company faces substantial liquidity risk (note 2).

#### Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and commodity and equity prices.

- i) Interest rate risk - Voltage is not exposed to significant interest rate risk as it does not have variable interest rates on its debt.
- ii) Commodity price risk - The ability of Voltage to develop its mineral properties and future profitability of the Company is directly related to the market price of the battery metals outlined in note 6.
- iii) Stock price risk – the Company's marketable securities are shares of publicly traded companies. A 10% change in the share price of these companies would result in a change in their fair values by approximately \$11,600.

The following table summarizes the Company's marketable securities:

Name	Ticker	December 31, 2022		December 31, 2021	
		Quantity	Value	Quantity	Value
<b>December 31, 2022</b>					
Carolina Rush Corporation (formerly Pancontinental Resource Corporation)	RUSH.V	800,000	\$36,000	800,000	\$84,000
Mink Ventures Corporation*	MINK.V	800,000	\$80,000	-	\$-
			<b>\$116,000</b>		<b>\$84,000</b>

*\*As at December 31, 2022, the shares of Mink Ventures Corporation were not yet trading as it had recently closed its Qualifying Transaction. Accordingly, the Mink shares were classified and valued as level 2 fair value financial instruments. See note 6.*

The following table summarizes the Company's marketable securities activity for the years ended December 31, 2022 and 2021:

	December 31, 2022	December 31, 2021
<b>Balance, beginning of the year</b>	<b>\$ 84,000</b>	<b>\$ 80,000</b>
Sale of property (note 6)	80,000	-
Fair market value adjustments	(48,000)	4,000
<b>Balance, end of the year</b>	<b>\$ 116,000</b>	<b>\$ 84,000</b>

# Voltage Metals Corp.

## Notes to the consolidated financial statements December 31, 2022 and 2021

### 11. Income Tax

The reconciliation of the combined Canadian federal and provincial statutory income tax rate of 26.5% (2021 – 26.5%) to the effective tax rate is as follows:

	2022 \$	2021 \$
Net Loss before recovery of income taxes	(6,256,308)	(929,438)
Expected income tax (recovery)	(1,657,920)	(246,300)
Effect of RTO	656,420	---
Stock-based compensation and other non-deductible expenses	19,250	---
Share issuance costs booked to equity	14,890	(1,560)
Capital items	6,360	(530)
Renunciation of flow-through expenditures	239,560	---
Change in tax benefits not recognized	721,440	248,390
Income tax expense (recovery)	---	---

### Deferred Tax

The following table summarizes the components of deferred tax:

	2022 \$	2021 \$
<b>Deferred Tax Assets</b>		
Operation losses carried forward	---	5,370
<b>Deferred Tax Liabilities</b>		
Marketable securities	---	(5,370)
<b>Net deferred tax liability</b>	---	---

Deferred tax assets and liabilities have been offset where they relate to income taxes levied by the same taxation authority and the Company has the legal right and intent to offset.

### **Unrecognized deferred tax assets**

Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities. Deferred tax assets have not been recognized in respect of the following temporary differences because it is not probable that future taxable profit will be available against which the Company can utilize the benefits therefrom:

	2022 \$	2021 \$
Exploration properties	1,996,880	1,039,000
Operating tax losses carried forward	1,195,750	78,130
Financing costs	95,150	4,420
Marketable securities	7,500	---

The Canadian operating tax loss carry forwards expire between 2035 and 2042.

The financing costs will be deducted in 2023 and 2024.

The remaining deductible temporary differences may be carried forward indefinitely.

# Voltage Metals Corp.

## Notes to the consolidated financial statements December 31, 2022 and 2021

---

### 12. Commitments

On December 31, 2021 and February 17, 2022, Voltage (Mansa) raised total proceeds of 904,000 by issuance of flow-through shares. During the year ended December 31, 2022, the Company satisfied its flow-through expenditure obligation.

### 13. Subsequent Events

On March 30, 2023, the Company closed a \$605,243 financing, issuing 20,174,762 common shares at a price of \$0.03 per share.

On July 6, 2023, the Ontario Securities Commission issued a cease trade order which resulted in the Company's shares being halted from trading. This order will remain in place until the Company files all required documents required to regain good standing with the regulators.

On April 23, 2023, the Company sold the Wheeler property (note 6) for \$1.