

**MAX POWER MINING CORP.**

Condensed Interim Consolidated Financial Statements

(unaudited)

March 31, 2024

(Expressed in Canadian dollars)

## **UNAUDITED INTERIM FINANCIAL STATEMENTS**

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the unaudited condensed interim consolidated financial statements for the three months ended March 31, 2024.

**MAX POWER MINING CORP.**Consolidated statements of financial position  
(Expressed in Canadian dollars)

	March 31, 2024 \$	December 31, 2023 \$
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	116,781	990,160
GST and QST receivable	113,142	96,021
Deposits and prepaid expenses (Notes 8)	271,680	515,291
	501,603	1,601,472
<u>Exploration and evaluation asset (Notes 5 &amp; 6)</u>	<u>9,153,106</u>	<u>9,153,106</u>
<b>Total assets</b>	<b>9,654,709</b>	<b>10,754,578</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
<u>Accounts payable and accrued liabilities</u>	<u>224,974</u>	<u>400,753</u>
<b>Total liabilities</b>	<b>224,974</b>	<b>400,753</b>
<b>Shareholders' equity</b>		
Share capital (Note 10)	14,495,463	14,495,463
Contributes surplus (Notes 11 & 12)	3,503,191	3,503,191
Share subscriptions received (Note 16)	75,000	–
Deficit	(8,643,919)	(7,644,829)
<b>Total shareholders' equity</b>	<b>9,429,735</b>	<b>10,353,825</b>
<b>Total liabilities and shareholders' equity</b>	<b>9,654,709</b>	<b>10,754,578</b>

Nature of operations and continuance of business (Note 1)  
Subsequent events (Note 16)

Approved and authorized for issuance by the Board of Directors on May 27, 2024:

/s/ "Rav Mlait"

Rav Mlait, Director

/s/ "Bryan Loree"

Bryan Loree, Director

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

**MAX POWER MINING CORP.**

Consolidated statements of operations and comprehensive income (loss)  
(Unaudited - Expressed in Canadian dollars)

	March 31, 2024 \$	March 31, 2023 \$
<b>Expenses</b>		
Exploration expenses (Note 7)	591,712	224,101
Advertising and promotion	128,419	82,373
Professional fees	5,939	8,203
Consulting fees	91,913	167,265
Transfer agent & filing fees	11,524	27,447
Office & miscellaneous	8,767	31,956
Research & development expenses (Note 8)	160,090	76,627
Stock-based compensation	–	170,735
Travel	726	43,689
<b>Total operating expenses</b>	<b>999,090</b>	<b>832,396</b>
Net loss before other income	(999,090)	(832,396)
<b>Net loss and comprehensive loss for the period</b>	<b>(999,090)</b>	<b>(832,396)</b>
Loss per share, basic and diluted	(0.02)	(0.02)
<b>Weighted average shares outstanding</b>	<b>49,508,421</b>	<b>40,113,877</b>

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

**MAX POWER MINING CORP.**Consolidated statements of changes in equity  
(Unaudited - Expressed in Canadian dollars)

	Share capital		Share Subscriptions Received \$	Contributed Surplus \$	Deficit \$	Total shareholders' equity \$
	Number of shares	Amount \$				
Balance, December 31, 2022	37,507,766	7,285,980	–	1,836,472	(2,437,246)	6,685,206
Issuance of common shares (Note 10)	249,444	181,665	–	(37,719)	–	143,946
Share issuance costs	–	(2,675)	–	–	–	(2,675)
Common shares issued for property option	3,500,000	2,695,000	–	–	–	2,695,000
Warrants issued for to property option	–	–	–	534,462	–	534,462
Stock options granted	–	–	–	170,735	–	170,735
Net loss	–	–	–	–	(832,396)	(832,396)
Balance, March 31, 2023	41,257,210	10,159,970	–	2,503,950	(3,269,642)	9,934,278
Balance, December 31, 2023	49,508,421	14,495,463	–	3,503,191	(7,644,829)	10,353,825
Share subscriptions received	–	–	75,000	–	–	75,000
Net loss	–	–	–	–	(999,090)	(999,090)
Balance, March 31, 2024	49,508,421	14,495,463	75,000	3,503,191	(8,643,919)	9,429,735

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

**MAX POWER MINING CORP.**Consolidated statements of cash flows  
(Unaudited - Expressed in Canadian dollars)

	March 31, 2024 \$	March 31, 2023 \$
<b>Operating activities</b>		
Net loss for the period	(999,090)	(832,396)
Items not involving cash:		
Stock-based compensation	–	170,735
Changes in non-cash operating working capital:		
Accounts payable and accrued liabilities	(175,779)	23,270
Accounts receivable	(17,121)	(6,340)
Deposits and prepaid expenses	243,611	12,500
<b>Net cash used in operating activities</b>	<b>(948,379)</b>	<b>(632,231)</b>
<b>Investing activities</b>		
Acquisition of exploration and evaluation assets	–	(132,387)
<b>Net cash used by investing activities</b>	<b>–</b>	<b>(132,387)</b>
<b>Financing activities</b>		
Proceeds from issuance of shares	–	143,946
Share issuance costs	–	(2,675)
Share subscriptions received	75,000	–
<b>Net cash provided by financing activities</b>	<b>75,000</b>	<b>141,271</b>
Increase (decrease) in cash	(873,379)	(623,347)
Cash, beginning of the period	990,160	4,351,927
<b>Cash, end of period</b>	<b>116,781</b>	<b>3,728,580</b>

**Supplemental Cash Flow Information**

During the period ended March 31, 2023, the Company had the following non-cash transactions affecting cash flows from investing activities:

- The Company issued 3,500,000 common shares with a fair value of \$2,695,000 for the acquisition of exploration and evaluation assets for the period ended March 31, 2023.
- The Company issued 1,000,000 share purchase warrants with a fair value of \$534,462 for the acquisition of exploration and evaluation assets for the period ended March 31, 2023.

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

# MAX POWER MINING CORP.

Notes to the consolidated financial statements (unaudited)

March 31, 2024

(Expressed in Canadian dollars)

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## 1. Nature of Operations and Continuance of Business

Max Power Mining Corp. (the “Company”) was incorporated on March 8, 2021 under the Business Corporations Act (BC). The Company’s registered office is at Suite 2700 – 1133 Melville Street, Vancouver, BC, V6E 4E5. The Company’s fiscal year end is December 31.

The Company is an exploration stage company currently focused on the exploration of mineral properties in Quebec, Canada, Ontario, Canada and Arizona, USA. It has not yet been determined whether the properties contain mineral reserves that are economically recoverable. The operations of the Company will require licences and permits from various governmental authorities which are or may be granted subject to various conditions and may be subject to renewal from time to time. There can be no assurance that the Company will be able to comply with such conditions and obtain or retain all necessary licences and permits that may be required to carry out exploration, development, and mining operations at the project. Failure to comply with these conditions may render the licences liable to forfeiture.

These condensed interim consolidated financial statements for the period ended March 31, 2024, include the financial results of the Company and the financial results of the Company’s wholly-owned subsidiary for the three months ended March 31, 2024.

These condensed interim consolidated financial statements have been prepared on the going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at March 31, 2024, the Company has no source of revenue and does not generate cash flows from operating activities. These factors raise substantial doubt about the Company’s ability to continue as a going concern. The continued operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing. Management is of the opinion that sufficient working capital will be obtained from external financing to meet the Company’s liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. Management estimates the Company has sufficient funds to further operations for the upcoming twelve months.

## 2. Basis of Preparation

### Basis of compliance

These condensed interim consolidated financial statements are prepared in accordance with International Accounting Standard (“IAS”) 34 Interim Financial Reporting under International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”). These condensed interim consolidated financial statements follow the same accounting policies and methods of application as the Company’s most recent annual financial statements but do not contain all of the information required for full annual financial statements. Accordingly, these condensed interim consolidated financial statements should be read in conjunction with the Company’s most recent annual financial statements, which were prepared in accordance with IFRS as issued by the IASB.

### Basis of measurement

The condensed interim consolidated financial statements have been prepared on a historical cost basis. The financial statements are presented in Canadian dollars, which is the functional currency of the parent and subsidiary company.

### Details of the group

In addition to the Company, the consolidated financial statements include all subsidiaries. Subsidiaries are all corporations over which the Company is able, directly or indirectly, to control financial and operating policies, which is the authority usually connected with holding majority voting rights.

## **MAX POWER MINING CORP.**

Notes to the consolidated financial statements (unaudited)

March 31, 2024

(Expressed in Canadian dollars)

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### **2. Basis of Preparation (continued)**

Subsidiaries are fully consolidated from the date on which control is acquired by the Company. Inter-company transactions and balances are eliminated upon consolidation. They are deconsolidated from the date that control by the Company ceases.

The Company has one wholly-owned subsidiary, Max Power Resources LLC, which was incorporated in the United States of America.

### **3. Material Estimates and Judgements**

The preparation of these condensed interim consolidated financial statements requires management to make estimates and judgments 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 estimates and judgments, which, by their nature, are uncertain.

The impact of estimates and judgments is pervasive throughout the financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates, or changes to judgments, are recognized in the period in which the estimate is revised and may affect both the period of revision and future periods.

Information about significant areas of estimation uncertainty considered by management in preparing the financial statements is as follows:

- Fair value of options

Determining the fair value of share options requires estimates related to the choice of a pricing model, the estimation of stock price volatility, the expected forfeiture rate and the expected term of the underlying instruments. Any changes in the estimates or inputs utilized to determine fair value could have a significant impact on the Company's future operating results or on other components of shareholders' equity (deficit).

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements include, but are not limited to, the following:

- Going concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its operating expenditures, meet its liabilities for the ensuing year, and to fund planned project-acquisitions, involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

- Exploration and evaluation expenditures

Management is required to assess impairment in respect of intangible exploration and evaluation assets. The triggering events are defined in IFRS 6. In making the assessment, management is required to make judgments on the status of each project and the future plans towards finding commercial reserves. The nature of exploration and evaluation activity is such that only a proportion of projects are ultimately successful and some assets are likely to become impaired in future periods. During the period ended March 31, 2024, management determined that no impairment indicators were present and no impairment charge was required.



## **MAX POWER MINING CORP.**

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### **4. Material Accounting Policy Information**

#### **(a) Cash and Cash Equivalents**

Cash includes deposits held in a trust account and which are available on demand.

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance, are readily convertible to known amounts of cash, and which are subject to insignificant risk of changes in value to be cash equivalents.

#### **(b) Exploration and Evaluation Assets**

The Company records its interests in mineral properties and areas of geological interest at cost. All direct and indirect costs related to the acquisition of these interests are capitalized on the basis of specific claim blocks or areas of geological interest until the properties to which they relate are placed into production, sold or management has determined there to be an impairment in value. These costs will be depleted using the unit-of-production method based on the estimated proven and probable reserves available on the related property following commencement of production.

The amounts shown for mineral properties represent costs, net of write-offs, option proceeds and recoveries, and do not necessarily reflect present or future value. Recoverability of these amounts will depend upon the existence of economically recoverable reserves, the ability of the Company to obtain financing necessary to complete development, and future profitable production. The Company reviews the carrying values of mineral properties when there are any events or change in circumstances that may indicate impairment. Where estimates of future cash flows are available, an impairment charge is recorded if the estimated undiscounted future net cash flows expected to be generated by the property is less than the carrying amount. An impairment charge is recognized by the amount by which the carrying amount of the property exceeds the fair value of the property.

#### **(c) Mineral Exploration and Development Costs**

Exploration costs are charged to operations as incurred. When it has been established that a mineral deposit is commercially mineable and a decision has been made to formulate a mining plan (which occurs upon completion of a positive economic analysis of the mineral deposit), the costs subsequently incurred to develop the mine on the property prior to the start of the mining operations are capitalized.

#### **(d) Impairment of Non-Current Assets**

At each reporting date, the Company reviews the carrying amounts of its tangible assets to determine whether there are any indications of impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any.

Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash generating unit ("CGU") to which the asset belongs. The recoverable amount is determined as the higher of fair value less direct costs to sell and the asset's value in use. In assessing value in use, the estimated future cash flows are discounted to their present value. Estimated future cash flows are calculated using estimated recoverable reserves, estimated future commodity prices and the expected future operating and capital costs. The pre-tax discount rate applied to the estimated future cash flows reflects current market assessments of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

If the carrying amount of an asset or CGU exceeds its recoverable amount, the carrying amount of the asset or CGU is reduced to its recoverable amount through an impairment charge to the statement of income.

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Notes to the consolidated financial statements (unaudited)

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### **4. Material Accounting Policy Information (continued)**

#### **(d) Impairment of Non-Current Assets (continued)**

Assets that have been impaired are tested for possible reversal of the impairment whenever events or changes in circumstance indicate that the impairment may have reversed. When an impairment subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but only so that the increased carrying amount does not exceed the carrying amount that would have been determined (net of depreciation, depletion and amortization) had no impairment loss been recognized for the asset or CGU in prior periods. A reversal of impairment is recognized as a gain in the statement of operations.

#### **(e) Reclamation and Remediation Provisions**

The Company recognizes a provision for statutory, contractual, constructive or legal obligations associated with decommissioning of mining operations and reclamation and rehabilitation costs arising when environmental disturbance is caused by the exploration or development of mineral properties, plant and equipment. Provisions for site closure and reclamation are recognized in the period in which the obligation is incurred or acquired, and are measured based on expected future cash flows to settle the obligation, discounted to their present value. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability including risks specific to the countries in which the related operation is located.

When an obligation is initially recognized, the corresponding cost is capitalized to the carrying amount of the related asset in mineral properties, plant and equipment. These costs are depreciated using either the unit of production or straight line method depending on the asset to which the obligation relates.

Due to uncertainties concerning environmental remediation, the ultimate cost to the Company of future site restoration could differ from the amounts provided. The estimate of the total provision for future site closure and reclamation costs is subject to change based on amendments to laws and regulations, changes in technology, price increases and changes in interest rates, and as new information concerning the Company's closure and reclamation obligations becomes available.

#### **(f) Financial Instruments**

##### **Classification**

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income ("FVOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

##### **Measurement**

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

## **MAX POWER MINING CORP.**

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(Expressed in Canadian dollars)

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### **4. Material Accounting Policy Information (continued)**

#### **(f) Financial Instruments (continued)**

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

Financial assets and liabilities carried at FVOCI are initially recorded at fair value. Unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVOCI are included in comprehensive income or loss in the period they arise. On recognition, communicative gains and losses of financial assets in other comprehensive income or loss are reclassified to period in which profit or loss occurs.

#### **Impairment of Financial Assets at Amortized Cost**

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. Regardless of whether credit risk has increased significantly, the loss allowance for trade receivables without a significant financing component classified at amortized cost, are measured using the lifetime expected credit loss approach. The Company shall recognize in the statements of net (loss) income, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

#### **Derecognition**

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the statements of net (loss) income.

#### **Share Capital**

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and stock options are recognized as a deduction from equity, net of any tax effects.

#### **(g) Foreign Currency Translation**

The functional and reporting currency is the Canadian dollar. Transactions denominated in foreign currencies are translated using the exchange rate in effect on the transaction date or at an average rate. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange in effect at the statement of financial position date. Non-monetary items are translated using the historical rate on the date of the transaction. Foreign exchange gains and losses are included in the statement of operations.

#### **(h) Income Taxes**

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year,

## MAX POWER MINING CORP.

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(Expressed in Canadian dollars)

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### 4. Material Accounting Policy Information (continued)

#### (h) Income Taxes (continued)

using tax rates enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

#### (i) Flow-through Shares

The resource expenditure deductions for income tax purposes related to exploration and development activities funded by flow-through share arrangements are renounced to investors in accordance with Canadian tax legislation. On issuance, the premium recorded on the flow-through share, being the difference in price over a common share with no tax attributes, is recognized as a liability. As flow-through shares are renounced, the deferred income tax liability associated with the renounced tax deductions is recognized in the statement of operations with a pro-rata portion of the deferred premium.

#### (j) Loss Per Share

Basic loss per share is computed using the weighted average number of common shares outstanding during the period. The treasury stock method is used for the calculation of diluted loss per share, whereby all "in the money" stock options and share purchase warrants are assumed to have been exercised at the beginning of the period and the proceeds from their exercise are assumed to have been used to purchase common shares at the average market price during the period. When a loss is incurred during the period, basic and diluted loss per share are the same as the exercise of stock options and share purchase warrants is considered to be anti-dilutive. As at March 31, 2024, the Company had 12,436,081 (2023 – 11,003,415) potential dilutive shares outstanding.

#### (k) Comprehensive Loss

Comprehensive income (loss) is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders and includes items that are not included in the statement of operations.

## **MAX POWER MINING CORP.**

Notes to the consolidated financial statements (unaudited)

March 31, 2024

(Expressed in Canadian dollars)

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### **4. Material Accounting Policy Information (continued)**

#### **(l) Share-based Payments**

The fair value of options granted is recognized as a share-based payment expense or capitalized to exploration and evaluation assets with a corresponding increase in equity reserves.

Fair value is measured at grant date, and each tranche is recognized using the graded vesting method over the period during which the options vest. The fair value of granted options is measured using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the options were granted. At each reporting date, the amount recognized as an expense is adjusted to reflect the actual number of stock options that are expected to vest. In situations where equity instruments are issued to settle amounts due or for goods or services received by the Company as consideration which cannot be specifically identified, they are measured at the fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of the amount settled or goods or services received.

#### **(m) Equity Financing**

The Company engages in equity financing transactions to obtain the funds necessary to continue operations and explore and evaluate mineral properties. These equity financing transactions may involve issuance of common shares or units. Units typically comprise a certain number of common shares and share purchase warrants. Depending on the terms and conditions of each equity financing transaction, the warrants are exercisable into additional common shares at a price prior to expiry as stipulated by the terms of the transaction. The Company has adopted the residual value method with respect to the measurement of common shares and share purchase warrants issued as private placement units. The fair value of the common shares issued in private placements is determined by the closing quoted bid price on the closing date. The balance, if any, is allocated to the attached share purchase warrants.

#### **(n) Research and Development**

The Company incurred costs on activities that relate to research and development of new technologies. Research and development costs are expensed, except in cases where development costs meet certain identifiable criteria for deferral, including technical and economic feasibility. Development costs are capitalized only if the expenditures can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to, and has sufficient resources to, complete development and to use or sell the asset. As at March 31, 2024, the company has not capitalized any research and development costs.

### **5. Mineral Property**

Mineral property acquisition:

#### **Nicobat Property**

On March 8, 2021, the Company entered into an LOI option agreement to acquire a 100% interest in the Nicobat Property located in Ontario, Canada. On April 23, 2021, the Company signed a definitive option agreement. On February 9, 2024, the Company amended the Nicobat property option agreement, originally dated April 23, 2012, whereby the Company earned 100% interest in the property by extending the 1,000,000 warrants issued to Sassy Gold Corp. for an additional 24 months. The Company is no longer required to incur any additional exploration expenditures pursuant to the terms of the original option agreement.

The optionor retains a 1% Net Smelter Royalty which the Company has first right to purchase for \$1,000,000 after the Company exercises the option to acquire the 100% interest in the property.

## MAX POWER MINING CORP.

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### 5. Mineral Property (continued)

Shares and warrants issued:

- 5,000,000 common shares and 1,000,000 warrants issued within two business days of the listing date.
- 2,000,000 common shares issued as a finder's fee.

Total exploration costs incurred by the Company on the Nicobat property from March 8, 2021 to March 31, 2024, \$274,296, which relates to updating the technical report, a drill program, and claim maintenance.

Acquisition and carrying costs of the exploration and evaluation asset is as follows:

	Nicobat \$
Cost:	
Balance, December 31, 2021	—
Additions: 7,000,000 common shares	1,750,000
Fair value of 1,000,000 warrants	229,339
Balance, March 31, 2023, December 31, 2023 & March 31, 2024	1,979,339

### Quebec properties

#### Corvette Property

On January 26, 2023, the company entered into a purchase and sale agreement with Canadian Li Inc., to acquire 189 mineral claims in Quebec, Canada. The purchase price consists of 3,500,000 common shares of the Company and 1,000,000 share purchase warrants exercisable at \$0.85 for a period of 36 months.

#### Spark Property

On April 20, 2023, the Company entered into a purchase and sale agreement with a syndicate, made up of six private parties, to acquire 400 mineral claims in Quebec, Canada. The purchase price consists of cash consideration of \$121,600 and 1,500,000 common shares.

The seller retains a 1% Net Smelter Royalty.

#### Raglan West

On July 11, 2023, the Company closed the purchase and sale agreement with a syndicate to acquire 100% of the Raglan West claim block, consisting of 247 mineral claims in Quebec, Canada. The purchase price consists of 1,000,000 common shares and cash consideration of \$66,960.

The seller retains a 1% Net Smelter Royalty.

During the period ended September 30, 2023, the Company staked 381 mineral claims in the Nunavik area of Northern Quebec, Canada. The Nunavik claims are contiguous to the Raglan West claims and are considered part of the Raglan West property.

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### 5. Mineral Property (continued)

#### Raglan South

On July 17, 2023, Company closed the purchase and sale agreement with a syndicate to acquire 100% of the Raglan South claim block, consisting of 802 mineral claims in Quebec, Canada. The purchase price consists of 1,000,000 common shares and cash consideration of \$216,540.

The seller retains a 1% Net Smelter Royalty.

A summary of the combined mineral property acquisition costs of the Quebec properties are as follows:

	Spark \$	Raglan West \$	Raglan South \$	Corvette \$	Total \$
Cost:					
Balance, December 31, 2022	–	–	–	–	–
Additions: Fair value of common shares	–	–	–	2,695,000	2,695,000
Fair value of warrants	–	–	–	534,462	534,462
Claim staking and maintenance	–	40,500	–	1,693	42,193
Balance, March 31, 2023	–	40,500	–	3,231,155	3,271,655
Additions: Fair value of common shares	840,000	590,000	590,000	–	2,020,000
Cash payments	121,600	66,690	216,540	–	404,830
Claim staking and maintenance	–	12,628	1,693	–	14,321
Balance, December 31, 2023 & March 31, 2024	961,600	709,818	808,233	3,231,155	5,710,806

### 6. Max Power Resources LLC

Max Power Resources LLC is a 100% wholly-owned subsidiary of the Company and is located in Arizona, USA. The purpose of the subsidiary is to hold mineral exploration permits and mineral claims within the State of Arizona.

#### Willcox Property

On December 16, 2022, the Company entered into a purchase and sale agreement to acquire 100% of 3 mineral exploration permits in the State of Arizona, USA. The purchase price consists of \$40,000 and 500,000 common shares.

On May 5, 2023, the Company closed the transaction and issued the common shares pursuant to the purchase and sale agreement. In connection with the purchase, the Company paid a finder's fees of 500,000 common shares.

During the year ended December 31, 2023, the Company acquired an additional 3 mineral exploration permits and 82 mineral claims Arizona as part of the Willcox property. The Company paid \$90,194 in cash and a finder's fee of 1,500,000 common shares in connection with the acquisition.

## MAX POWER MINING CORP.

Notes to the consolidated financial statements (unaudited)

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### 6. Max Power Resources LLC (continued)

Total cost related to the Willcox property are as follows:

	Willcox \$
Cost:	
Balance, December 31, 2022	–
Additions: Claim staking	90,194
Balance, March 31, 2023	90,194
Additions: Fair value of common shares issued	1,250,000
Cash payments	40,000
Claim staking and maintenance	82,767
Balance, December 31, 2023 & March 31, 2024	1,462,961

### 7. Mineral Exploration Expenses

Exploration expenses incurred during the quarters ended March 31, 2024 and 2023 are as follows:

	Corvette Property	Spark Property	Raglan West	Raglan South	Willcox Property	General Exploration	Total
	\$	\$	\$	\$	\$	\$	\$
<b>Exploration Expenses 2023:</b>							
Geophysics and surveys	–	–	–	–	184,518	–	184,518
Consulting	5,800	2,800	–	–	9,908	21,075	39,583
	5,800	2,800	–	–	194,426	21,075	224,101
<b>Exploration Expenses 2024:</b>							
Drilling	–	–	–	–	428,259	–	428,259
Soil Samples	–	–	–	–	12,076	–	12,076
Permits & applications	–	–	–	–	2,867	–	2,867
Consulting	2,041	2,213	945	527	4,293	46,872	56,891
Assays	–	–	–	–	91,619	–	91,619
	2,041	2,213	945	527	539,114	46,872	591,712

### 8. Research and Development Agreements

#### University of California Lawrence Berkeley National Laboratory

On December 12, 2022, the Company entered into a cooperative research and development agreement (“CRADA”) with *The Regents of the University of California Ernest Orlando Lawrence Berkeley National Laboratory* (“the University”) and the U. S. Department Of Energy (“DOE”). The Company is collaborating with the University in order to research and develop direct lithium extraction technologies. Under the Agreement, the Company’s estimated funding contribution will be \$915,111 USD.



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### 8. Research and Development Agreements (continued)

The DOE has granted the Company and the University the right to retain title to any Subject Inventions that may result from the CRADA. The Company has been granted the option to choose an exclusive license, for reasonable compensation, for a pre-negotiated field of use to the Subject Inventions. The U.S. Government will retain a nonexclusive, nontransferable, irrevocable, paid-up license to practice every Subject Invention under the CRADA throughout the world. The DOE will have certain march-in rights to any Subject Inventions in accordance with 48 CFR 27.304-1(g) and 15 U.S.C. 3710a(b)(1)(B) and (C).

As at March 31, 2024, the Company has advanced the University \$69,346 USD, which is included in prepaid expenses and deposits, and has incurred costs of \$397,645 USD towards the project, which has been included as research and development expenses.

#### Alpha Cleantech Labs

On June 10, 2022, the Company entered into a research and development agreement with Alpha Cleantech Labs Inc. (the "Alpha Agreement"), whereby the Company will provide funding for the purpose of research and development. During the period ended March 31, 2024, the Company incurred research and development expenses in the amount of \$nil (2023 - \$25,629) in relation to the agreement with Alpha Cleantech.

### 9. Related Party Transactions

- (a) As at March 31, 2024, the Company owed \$31,722 (2023 - \$nil) to officers and directors of the Company which was included in accounts payable and accrued liabilities.
- (b) During the period ended March 31, 2024, the Company incurred consulting fees of \$90,000 (2023 \$90,000) to officers of the Company.
- (c) During the period ended March 31, 2023, the Company incurred exploration consulting costs of \$41,600 (2023 - \$19,300) to a director of the Company.

### 10. Share Capital

Authorized: Unlimited common shares without par value  
Unlimited preferred shares without par value

There were no share issuances during the period ended March 31, 2024.

Share issuances for the period ended December 31, 2023:

During the year ended December 31, 2023, the Company issued 187,166 common shares pursuant to the exercise of warrants for proceeds of \$112,299.

During the year ended December 31, 2023, the Company issued 313,308 common shares pursuant to the exercise of agent's warrants for proceeds of \$111,904.

On December 13, 2023, the Company completed a non-brokered private placement by issuing 2,000,181 units at \$0.55 per unit for gross proceeds of \$1,100,100. Each unit consisted of one common share and one common share purchase warrant. Each whole warrant is exercisable at \$0.90 for a period of 36 months. In connection with the offering, the Company paid cash finder's fees of \$23,925 and issued 43,500 broker warrants exercisable at \$0.90 for a period of 18 months. The warrants had a fair value of \$120,011, which was calculated based on the residual value of the shares and was included in contributed surplus.

On July 20, 2023, the Company issued 1,000,000 common shares pursuant to the purchase of the Raglan West property, located in Quebec, Canada.

On July 20, 2023, the Company issued 1,000,000 common shares pursuant to the purchase of the Raglan South property, located in Quebec, Canada.

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Notes to the consolidated financial statements (unaudited)

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### 10. Share Capital (continued)

On May 16, 2023, the Company issued 1,500,000 common shares pursuant to the purchase of the Spark lithium property in Quebec, Canada.

On May 5, 2023, the Company issued 2,500,000 common shares pursuant to the acquisition of 6 mineral exploration permits and 82 mineral claims in the State of Arizona, USA. These permits and claims make up the Willcox property.

On January 26, 2023, the Company issued 3,500,000 common shares and 1,000,000 share purchase warrants exercisable at \$0.85 for a period of 36 months, pursuant to the Corvette Property purchase agreement.

### 11. Share Purchase Warrants

The following table summarizes the continuity of share purchase warrants:

	Number of warrants	Weighted average exercise price \$
Balance, December 31, 2022	5,365,250	0.62
Issued	1,000,000	0.85
Exercised	(137,166)	0.60
Balance, March 31, 2023	6,228,084	0.66
Issued	2,000,181	0.90
Exercised	(50,000)	0.60
Expired	(2,324,084)	0.60
Balance, December 31, 2023 & March 31, 2024	5,854,181	0.76

As at March 31, 2024 the following share purchase warrants were outstanding:

Number of warrants outstanding	Exercise price \$	Expiry date
1,000,000	0.25	February 15, 2026
1,854,000	0.85	June 9, 2024
1,000,000	0.85	January 26, 2026
2,000,181	0.90	December 13, 2026

The fair value of the warrants issued have been estimated using the Black-Scholes option pricing model assuming no expected dividends and forfeitures, and the following weighted average assumptions:

	2024	2023
Risk-free interest rate	—	3.79%
Expected life (in years)	—	3.0
Expected volatility	—	118%

The fair value of the warrants issued during the period ended March 31, 2024 was \$nil (2023 - \$534,462) and was capitalized under exploration & evaluation assets. The weighted average fair value of the warrants granted during the period ended March 31, 2024 was \$nil (2023 - \$0.53) per warrant.

## MAX POWER MINING CORP.

Notes to the consolidated financial statements (unaudited)

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### 11. Share Purchase Warrants (continued)

#### Agent's Warrants

The following table summarizes the continuity of agent's warrants:

	Number of warrants	Weighted average exercise price \$
Balance, December 31, 2022	812,609	0.48
Exercised	(112,278)	0.55
Balance, March 31, 2023	700,331	0.47
Issued	43,500	0.90
Exercised	(201,030)	0.25
Expired	(385,901)	0.47
Balance, December 31, 2023 & March 31, 2024	156,900	0.86

The fair value for agents' warrants issued have been estimated using the Black-Scholes option pricing model assuming no expected dividends and forfeitures, and the following weighted average assumptions:

	2023	2022
Risk-free interest rate	—	0.50%
Expected life (in years)	—	1.5
Expected volatility	—	200%

There were no agent's warrants granted during the quarters ended March 31, 2024 and March 31, 2023. The weighted average fair value of the agent's warrants granted during the year ended December 31, 2023 was \$0.14 per warrant.

As at March 31, 2024 the following agent's warrants were outstanding:

Number of warrants outstanding	Exercise price \$	Expiry date
113,400	0.85	June 9, 2024
43,500	0.90	June 13, 2025

### 12. Stock Options

The Company has adopted a stock option plan pursuant to which options may be granted to directors, officers, employees and consultants of the Company to a maximum of 15% of the issued and outstanding common shares. The aggregate number of options granted to any one optionee in a one year period is limited to 5% of the issued shares of the corporation. The exercise price of each option is set by the Board of Directors at the time of the grant. Options vest immediately when granted and can have a maximum term of ten years.

## MAX POWER MINING CORP.

Notes to the consolidated financial statements (unaudited)

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### 12. Stock Options (continued)

The following table summarizes the continuity of the Company's stock options:

	Number of stock options	Weighted average exercise price \$
Outstanding, December 31, 2022	3,700,000	0.43
Granted	375,000	0.85
Outstanding, March 31, 2023	4,075,000	0.47
Granted	2,350,000	0.69
Outstanding, December 31, 2023 & March 31, 2024	6,425,000	0.53

Additional information regarding stock options outstanding as at March 31, 2024, is as follows:

Exercise price \$	Outstanding and exercisable		
	Number of stock options	Weighted average remaining contractual life (years)	Weighted average exercise price \$
0.10	1,675,000	7.3	0.10
0.25	375,000	0.9	0.25
0.65	2,000,000	4.1	0.65
0.81	1,650,000	4.2	0.81
0.85	375,000	1.9	0.85
0.90	350,000	0.8	0.90

The fair value of stock options granted have been estimated using the Black-Scholes option pricing model assuming no expected dividends or forfeitures and the following weighted average assumptions:

	2024	2023
Risk-free interest rate	–	4.19%
Expected life (in years)	–	3.0
Expected volatility	–	122%

The total fair value of stock options granted and vested during the period ended March 31, 2024 was \$nil (2023 - \$170,735), which was recorded as share-based payment reserve and charged to operations. The weighted average fair value of the stock options granted during the period ended March 31, 2024 was \$nil (2023 - \$0.46) per option.

### 13. Financial Instruments and Risks

#### (a) Categories of Financial Instruments and Fair Values

Financial instruments are classified into one of the following categories: fair value through profit or loss ("FVTPL"); amortized cost; and fair value through other comprehensive income ("FVOCI"). The carrying values of the Company's financial instruments are classified into the following categories

## MAX POWER MINING CORP.

Notes to the consolidated financial statements (unaudited)

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### 13. Financial Instruments and Risks (continued)

Financial Instrument	Category	March 31, 2024 \$	March 31, 2023 \$
Cash and cash equivalents	FVTPL	116,781	3,728,850
Accounts payable and accrued liabilities	Amortized cost	(224,974)	(30,904)

#### (b) Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash and cash equivalents. The Company limits its exposure to credit loss by placing its cash and cash equivalents with high credit quality financial institutions.

#### (c) Foreign Exchange Rate and Interest Rate Risk

The Company is not exposed to any significant foreign exchange rate or interest rate risk.

#### (d) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs.

#### (e) Price Risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities.

#### (f) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk.

### 14. Capital Management

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of cash and cash equivalents and equity comprised of issued share capital and share-based payment reserve.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under the specific circumstances.

The Company is not subject to externally imposed capital requirements.

## MAX POWER MINING CORP.

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### 15. Segmented Information

The Company operates in two reportable operating segments, with the primary segment being the acquisition, exploration and evaluation of mineral resources properties. The Company is also conducting research and development on DLE technologies.

The Company has two operating segments, consisting of mineral exploration properties, and research and development. Each segment operates in Canada and the USA. The Company has assets held in Canada and the USA. The Company's President and Chief Executive Officer and Chief Financial Officer are the operating decision-makers and direct the allocation of resources to its segments. The following is the segmented information by operating segments:

	Canadian Exploration Properties \$	Canadian R&D Project \$	US Mineral Exploration Property \$	US R&D Project \$	Corporate \$	Total \$
<b>March 31, 2023</b>						
<b>Total assets</b>	5,250,994	–	90,194	212,152	3,871,842	9,425,182
<b>Total liabilities</b>	–	–	–	–	30,904	30,904
<b>Net loss (income)</b>	8,600	25,629	194,426	50,998	552,743	832,396
<b>March 31, 2024</b>						
<b>Total assets</b>	7,690,145	–	1,462,961	95,477	406,126	9,654,709
<b>Total liabilities</b>	148,903	–	–	–	76,071	224,974
<b>Net loss (income)</b>	52,598	–	539,114	160,090	247,288	999,090

### 16. Subsequent Events

- Subsequent to March 31, 2024, the Company issued 150,000 common shares pursuant to the exercise of options for gross proceeds of \$37,500.
- On May 16, 2024, the Company completed a non-brokered private placement by issuing 9,745,744 units at \$0.195 per unit for gross proceeds of \$1,900,420. Each unit consisted of one common share and one-half of a common share purchase warrant. Each whole warrant is exercisable at \$0.30 for a period of 24 months. In connection with the offering, the Company paid cash finder's fees of \$54,859 and issued 281,323 broker warrants exercisable at \$0.30 for a period of 24 months. During the period ended March 31, 2024, the Company had received deposits of \$75,000 in subscription proceeds.
- On May 16, 2024, the Company granted 1,600,000 stock options exercisable at \$0.35 for a period of 5 years and 500,000 stock options exercisable at \$0.35 for a period of 2 years.