AMERICAN SALARS LITHIUM INC. (FORMERLY BLANTON RESOURCES CORP.)

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022

(EXPRESSED IN CANADIAN DOLLARS)

AMERICAN SALARS LITHIUM INC. (FORMERLY BLANTON RESOURCES CORP.)
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FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022
(Expressed in Canadian dollars)

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of American Salars Lithium Inc. (formerly Blanton Resources Corp.):

Opinion

We have audited the consolidated financial statements of American Salars Lithium Inc. (formerly Blanton Resources Corp.) and its subsidiary (together the "Company"), which comprise the consolidated statements of financial position as at September 30, 2023 and 2022, and the consolidated statements of loss and comprehensive loss, consolidated statements of changes in shareholders' equity and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at September 30, 2023 and 2022, 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 in our audits is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

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

Key Audit Matters

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

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

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td colspan="2">Assessment of the existence of impairment indicators for exploration and evaluation assets.</td></tr>
<tr><td>Refer to note 5.

As at September 30, 2023, the carrying amount of the Company’s exploration and evaluation assets was $539,747.

At each reporting period, management assesses exploration and evaluation assets to determine whether there are any indicators of impairment. If any such indicators exist, the asset’s recoverable amount is estimated. An impairment loss is recognized if the carrying amount of an asset exceeds its estimated recoverable amount.

Management assesses exploration and evaluation assets for impairment based on, at minimum, the presence of any of following indicators:
(i) the period for which the Company has the right to explore in the specific area has expired during the year or will expire in the near future, and is not expected to be renewed;
(ii) substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
(iii) the Company has decided to discontinue exploration for and evaluation of mineral resources in the specific area; and/or,
(iv) for areas of likely development, available data indicates that the carrying amount exceeds the recoverable amount.

No impairment indicators were identified by management as at September 30, 2023.

We considered this a key audit matter due to the significance of the exploration and evaluation assets and the judgments made by management in their assessment of impairment indicators related to exploration and evaluation assets. These factors have resulted in a high degree of subjectivity in performing audit procedures, related to the judgment applied by management.</td><td>Our approach to addressing the matter involved the following procedures, among others:

Evaluating the judgments made by management in determining the impairment indicators, which included the following:
• Obtained, for a sample of claims by reference to government registries, evidence to support (i) the right to explore the area and (ii) claim expiration dates.
• Read the board of directors’ minutes and obtained budget approvals to evidence continued and planned exploration expenditures, which included evaluating results of the Company’s work programs.
• Assessed whether available data indicates the potential for commercially viable mineral resources.
• Based on evidence obtained in other areas of the audit, considered whether other facts and circumstances suggest that the carrying amount may exceed the recoverable amount.</td></tr>
</table>

Other Information

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

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

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

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

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

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

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

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

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

Baker Tilly WM LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, B.C.
January 24, 2024

AMERICAN SALARS LITHIUM INC. (FORMERLY BLANTON RESOURCES CORP.)
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2023 AND 2022
(Expressed in Canadian dollars)

	2023	2022
ASSETS		
Current assets		
Cash	$ 40,809	$ 10,510
Amounts receivable	968	1,573
	41,777	12,083
Non-current assets		
Exploration and evaluation assets *(Note 5)*	539,747	197,247
	$ 581,524	$ 209,330
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities *(Note 7)*	$ 27,806	$ 118,016
SHAREHOLDERS' EQUITY		
Share capital (Note 6)	1,012,406	374,906
Reserves (Note 6)	155,964	155,964
Deficit	(614,652)	(439,556)
	553,718	91,314
	$ 581,524	$ 209,330

Nature of business and continuing operations (*Note 1*)
Subsequent events (*Note 12)*

Approved on behalf of the Board:

"Michael Dake"
Director

"Sean McGrath"
Director

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

AMERICAN SALARS LITHIUM INC. (FORMERLY BLANTON RESOURCES CORP.)
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022
(Expressed in Canadian Dollars)

		2023		**2022**
EXPENSES				
Management fees *(Note 7)*	$	28,000	$	39,000
Professional fees		79,126		119,751
Occupancy costs		20,869		33,174
Office		7,244		5,426
Share-based payments *(Notes 6 and 7)*		–		82,748
Transfer agent and filing fees		19,664		24,040
Travel and promotion		693		2,975
Other income *(Note 6)*		–		(42,716)
Loss on disposal of exploration and evaluation assets *(Note 5)*		19,500		–
Net loss and comprehensive loss	$	(175,096)	$	(264,398)
Loss per share (basic and diluted)	$	(0.02)	$	(0.04)
Weighted average number of common shares outstanding – basic and diluted		9,367,055		6,525,686

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

AMERICAN SALARS LITHIUM INC. (FORMERLY BLANTON RESOURCES CORP.)
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022
(Expressed in Canadian dollars)

	2023	2022
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Net loss for the year	$ (175,096)	$ (264,398)
Items not involving cash:		
Other income	–	(42,716)
Share-based payments	–	82,748
Loss on disposal of exploration and evaluation assets	19,500	–
	(155,596)	(224,366)
Changes in non-cash working capital balances:		
Amounts receivable	605	3,837
Accounts payable and accrued liabilities	(90,210)	25,951
Cash used in operating activities	(245,201)	(194,578)
INVESTING ACTIVITY		
Acquisition of exploration and evaluation assets	10,000	(105,440)
Cash provided by (used in) investing activities	10,000	(105,440)
FINANCING ACTIVITIES		
Shares issued for cash	265,500	350,000
Share issuance costs	–	(60,636)
Cash provided by financing activities	265,500	289,364
Net change in cash	30,299	(10,654)
Cash, beginning of year	10,510	21,164
Cash, end of year	$ 40,809	$ 10,510
SUPPLEMENTAL DISCLOSURES		
Income taxes paid	$ –	$ –
Interest paid (received)	$ –	$ –
NON-CASH FINANCING ACTIVITIES		
Shares issued for exploration and evaluation assets	$ 372,000	$ –
Fair value of agent warrants – share issuance costs	$ –	$ 28,216

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

AMERICAN SALARS LITHIUM INC. (FORMERLY BLANTON RESOURCES CORP.)
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2021
(Expressed in Canadian dollars)

	Common shares								
	Number of shares		**Amount**		**Reserves**		**Deficit**		**Total equity**
As at September 30, 2021	5,025,000	$	156,000	$	45,000	$	(175,158)	$	25,842
Shares issued for cash	1,750,000		350,000		–		–		350,000
Share issuance costs	–		(131,094)		28,216		–		(102,878)
Share-based payments	–		–		82,748		–		82,748
Net loss and comprehensive loss for the year	–		–		–		(264,398)		(264,398)
As at September 30, 2022	6,775,000	$	374,906	$	155,964	$	(439,556)	$	91,314
As at September 30, 2022	6,775,000	$	374,906	$	155,964	$	(439,556)	$	91,314
Shares issued for cash *(Note 6c)*	2,550,000		265,500		–		–		265,500
Shares issued for exploration and evaluation asset *(Note 6c)*	3,100,000		372,000		–		–		372,000
Net loss and comprehensive loss for the year	–		–		–		(175,096)		(175,096)
As at September 30, 2023	12,425,000	$	1,012,406	$	155,964	$	(614,652)	$	553,718

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

1. NATURE OF BUSINESS AND CONTINUING OPERATIONS

American Salars Lithium Inc. (formerly Blanton Resources Corp.) (the "Company") was incorporated on December 17, 2019 under the laws of British Columbia. The address of the Company's registered office is 704 - 595 Howe Street, Vancouver, British Colombia and its principal place of business is 200 – 551 Howe Street, Vancouver, British Columbia, Canada.

On December 22, 2021, the Company completed its initial public offering of 1,750,000 (post-consolidated) common shares at a price of $0.20 per share for total gross proceeds of $350,000. The Company's common shares were listed on the Canadian Securities Exchange ("CSE") effective December 21, 2021. The Company's common shares trade on the CSE under the symbol "USLI".

On July 21, 2023, the Company consolidated its common shares on a 2:1 basis. All share and per share amounts throughout the consolidated financial statements have been adjusted to reflect the share consolidation.

The Company's principal business activities include the acquisition and exploration of mineral property assets. As at September 30, 2023, the Company has not yet determined whether the Company's mineral property assets contain ore reserves that are economically recoverable. The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development of and the future profitable production from the property or realizing proceeds from its disposition.

The Company had a deficit of $614,652 as at September 30, 2023, which has been funded by the issuance of equity. The Company's ability to continue its operations and to realize its assets at their carrying value is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

These consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for its next fiscal year. Realization values may be substantially different from carrying values as shown and these consolidated financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern.

2. BASIS OF PRESENTATION

a) Statement of Compliance

These consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

b) Basis of measurement

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

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

The functional and presentation currency of the Company is Canadian dollars.

(Expressed in Canadian dollars)

2. BASIS OF PRESENTATION *(continued)*

c) Basis of Consolidation

These consolidated financial statements include the financial statements of the Company and the entities controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Control is defined as the exposure, or rights, to variable returns from involvement with an investee and the ability to affect those returns through power over the investee. Power over an investee exists when an investor has existing rights that give it the ability to direct the activities that significantly affect the investee's returns. This control is generally evidenced through owning more than 50% of the voting rights or currently exercisable potential voting rights of the Company's common shares. All significant intercompany transactions and balances have been eliminated.

The controlled subsidiaries are listed in the following table:

Name of subsidiary	Country of incorporation	Ownership interest at September 30, 2023	Ownership interest at September 30, 2022	Principal Activity
Aesir Lithium Corp.	Canada	100%	-	Holding company

d) Approval of the Consolidated Financial Statements

The consolidated financial statements of the Company for the years ended September 30, 2023 and 2022 were reviewed by the Audit Committee and approved and authorized for issuance by the Board of Directors on January 24, 2024.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such 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 future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the consolidated statement of financial position reporting date, 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:

Significant accounting estimates

i. Inputs used in accounting for share-based payments, including the volatility of the Company's stock and forfeiture rate. Given the Company's limited history, changes in the assumptions leading to these estimates could result in material changes to the share-based payments.

Significant accounting judgments

i. Carrying value of exploration and evaluation assets: The recoverability of the exploration and evaluation assets' carrying values is dependent upon the determination of economically recoverable reserves, the ability of the Company to obtain the necessary financing and permits to complete development and future profitable production or proceeds from the disposition thereof. At each reporting date, the Company reviews the carrying amounts of its exploration and evaluation assets to determine whether there is an indication of impairment. The Company did not identify any indications of impairment as of September 30, 2023.

ii. The Company applies significant judgment to conclude whether an acquired set of activities and assets is a business. The acquisition of a business is accounted for as a business combination, under IFRS 3. If an acquired set of activities and assets does not meet the definition of a business, the transaction is accounted for as an asset acquisition. The Company also applied judgment in identifying the assets acquired and evaluating which IFRS standard the assets should be measured under.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Cash Equivalents

Cash equivalents include short term deposits with an original maturity of three months or less, which are readily convertible into a known amount of cash. As at September 30, 2023 and 2022, the Company held no cash equivalents.

b) Income Taxes

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the consolidated statement of financial position date, and includes any adjustments to tax payable or receivable in respect of previous years.

Deferred taxes are recorded using the liability method whereby 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 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 consolidated statement of financial position date. Deferred tax is not recognized for temporary differences which arise on 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.

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.

c) Loss Per Share

The Company presents basic loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding as the effect is anti-dilutive. Basic and diluted loss per share excludes all of the Company’s common shares from the weighted average shares calculation that are contingently returnable. As at September 30, 2023 and 2022, there were no such shares.

d) Share Issuance Costs

Professional, consulting, regulatory and other costs directly attributable to financing transactions are recorded as deferred financing costs until the financing transactions are completed, if the completion of the transaction is considered likely; otherwise they are expensed as incurred. Share issuance costs are charged to share capital when the related shares are issued. Deferred financing costs related to financing transactions that are not completed are recognized in profit or loss.

e) Share Capital

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

The Company bifurcates units which consist of common shares and share purchase warrants using the residual value approach, whereby it measures the common share component of the unit at fair value using the trading price and then allocates the residual value, if any, of the units over the fair value of the common shares to the warrant component. The value of the warrant component is

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

e) Share Capital (continued)

credited to reserves. When warrants are exercised, the corresponding value is transferred from reserves to share capital. When warrants expire unexercised or are cancelled, the applicable amounts recorded in reserves are reclassified to deficit.

Warrants issued as finders' and agents' fees, including agents' compensation options issued during the initial public offering, are recorded at fair value measured using the Black-Scholes option pricing model.

f) Share-based Payments

The Company grants stock options to acquire common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model, and is recognized in expenses and reserves over the vesting period. Consideration paid for the shares along with the fair value recorded in reserves on the exercise of stock options is credited to share capital. The Company estimates a forfeiture rate and adjusts the corresponding expense each period based on an updated forfeiture estimate.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the Company as consideration 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 goods or services received.

Where the terms and conditions of options are modified, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

g) Financial Instruments

<u>Financial Assets</u>

When the Company becomes party to a contract, financial assets are classified as measured at:

i. Amortized cost;

ii. Fair value through other comprehensive income ("FVOCI"); or

iii. Fair value through profit and loss ("FVTPL").

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Financial assets are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

g) Financial Instruments (continued)

Subsequent measurement of financial assets depends on their classification:

i. Amortized cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included as finance income using the effective interest method.

The Company does not have any assets classified at amortized cost.

ii. FVOCI

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains and losses, interest revenue, and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains (losses). Interest income from these financial assets is included as finance income using the effective interest method.

The Company does not have any assets classified at FVOCI.

iii. FVTPL

Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss on an investment that is subsequently measured at FVTPL is recognized in profit or loss and presented net as revenue in the statement of loss and comprehensive loss in the period in which it arises.

The Company's cash is classified at FVTPL.

<u>Impairment of financial assets</u>

There is a three-stage expected credit loss ("ECL") model for determining impairment of financial assets. The ECL model does not require the occurrence of a triggering event before the Company recognizes credit losses. The Company is required to recognize ECLs upon initial recognition of a financial asset and to update the quantum of ECLs at the end of each reporting period to reflect changes to credit risk of the financial asset.

<u>Financial Liabilities and Equity</u>

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

g) Financial Instruments (continued)

Financial liabilities are classified as measured at (i) FVTPL; (ii) FVOCI; or (iii) amortized cost.

(i) FVTPL

A financial liability is classified as at FVTPL if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognized in profit or loss as incurred. The amount of change in the fair value that is attributable to changes in the credit risk of the liability is presented in OCI and the remaining amount of the change in the fair value is presented in profit or loss.

The Company does not classify any financial liabilities at FVTPL.

(ii) FVOCI

The amount of change in the fair value that is attributable to changes in the credit risk of the liability is presented in OCI and the remaining amount of the change in the fair value is presented in profit or loss.

The Company does not classify any financial liabilities at FVOCI.

(iii) Amortized cost

Other non-derivative financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest method. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

The Company classifies its accounts payable and accrued liabilities at amortized cost.

h) Exploration and Evaluation Assets

Pre-exploration costs or property investigation costs are expensed in the period in which they are incurred. Once the legal right to explore a property has been acquired, all costs related to the acquisition, exploration and evaluation are capitalized by property. Costs not directly attributable to exploration and evaluation activities, including general and administrative overhead costs, are expensed in the period in which they occur.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

h) Exploration and Evaluation Assets (continued)

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

The recoverability of mineral properties and exploration and development costs is dependent on the existence of economically recoverable reserves, the ability to obtain the necessary financing to complete the development of the reserves, and the profitability of future operations. The Company has not yet determined whether or not any of its future mineral properties contain economically recoverable reserves. Amounts capitalized to mineral properties as exploration and development costs do not necessarily reflect present or future values.

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

Exploration and evaluation expenditures are classified as intangible assets.

i) Decommissioning, Restoration and Similar Liabilities

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration or development of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, along with a corresponding liability as soon as the obligation to incur such costs arises. The timing of the actual rehabilitation expenditure is dependent on a number of factors such as the life and nature of the asset, the operating license conditions and, when applicable, the environment in which the mine operates.

Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the units-of-production or the straight-line method. The corresponding liability is progressively increased as the effect of discounting unwinds creating an expense recognized in profit or loss.

Decommissioning costs are also adjusted for changes in estimates. Those adjustments are accounted for as a change in the corresponding capitalized cost, except where a reduction in costs is greater than the unamortized capitalized cost of the related assets, in which case the capitalized cost is reduced to nil and the remaining adjustment is recognized in profit or loss.

The operations of the Company have been, and may in the future be, affected from time to time in varying degree by changes in environmental regulations, including those for site restoration costs. Both the likelihood of new regulations and their overall effect upon the Company are not predictable.

The Company has no material restoration, rehabilitation and environmental obligations as the disturbance to date is immaterial.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

i) Business combinations and Asset Acquisitions

A business combination is a transaction or event in which an acquirer obtains control of one or more businesses and is accounted for using the acquisition method. The total consideration paid for the acquisition is the fair value of the assets transferred, liabilities incurred and equity instruments issued in exchange for control of the acquiree at the acquisition date. The acquisition date is the date when the Company obtains control of the acquiree. The identifiable assets acquired and liabilities assumed are recognized at their acquisition date fair values, except for deferred taxes and share-based payment awards where IFRS provides exceptions to recording the amounts at fair value. Goodwill represents the difference between total consideration paid and the fair value of the net-identifiable assets acquired. Acquisition costs incurred are expensed in profit or loss.

Based on the facts and circumstances that existed at the acquisition date, management will perform a valuation analysis to allocate the purchase price based on the fair values of the identifiable assets acquired and liabilities assumed on the acquisition date. Management has one year from the acquisition date to confirm and finalize the facts and circumstances that support the finalized fair value analysis and related purchase price allocation.

Acquisitions that do not meet the definition of a business combination are accounted for as asset acquisitions. Consideration paid for an asset acquisition is allocated to the individual identifiable assets acquired and liabilities assumed based on their relative fair values. Transaction costs for asset acquisitions are capitalized as part of the cost of the assets acquired. Asset acquisitions do not give rise to goodwill.

k) Adoption of New Accounting Standards, Interpretations and Amendments

Recently adopted accounting standards

During the year, the Company adopted the amendments to IAS 16, Property, Plant and Equipment, Proceeds before Intended Use. The amendments were adopted retrospectively. The amended standard prohibits the Company from deducting any proceeds from selling items produced from the cost of building an item of property, plant and equipment, while bringing that asset to be capable of operating in the manner intended by management. With the adoption of the amended standard, revenue from sales of mineral properties, and related costs while bringing the property into a condition necessary for it to be capable of operating in the manner intended by management are recognized in profit or loss.

The adoption of the amendments had no impact on the Company's consolidated financial statements.

Recently issued but not yet effective accounting standards

The Company has performed an assessment of new standards issued by the IASB that are not yet effective. The Company has assessed that the impact of adopting these accounting standards on its consolidated financial statements would not be significant.

5. EXPLORATION AND EVALUATION ASSETS

Isla property option

On November 8, 2020, and amended on February 9, 2021 and August 29, 2023, the Company entered into a Purchase Agreement (the "Isla Agreement") with an arms-length party. Pursuant to the Isla Agreement, the Company has an option to acquire 100% interest in six mineral claims known as the Isla claims located in British Columbia, Canada from the arms-length party.

(Expressed in Canadian dollars)

5. EXPLORATION AND EVALUATION ASSETS *(continued)*

In addition, the Isla claims are subject to a Net Smelter Return Royalty of 1.5% which can be purchased at any time for $1,500,000 from the arms-length party.

Under the Isla Agreement, the Company will make cash payments totaling $40,000 as follows:

a. make a cash payment of $5,000 upon execution and delivery of the agreement (paid);
b. make a further cash payment of $5,000 on the date upon which the common shares are listed on a stock exchange in Canada (paid); and
c. make a further cash payment of $5,000 within 24 months (paid) and $25,000 within 30 months of listing on a stock exchange in Canada.

		Isla Property
Balance, September 30, 2021	$	91,807
Acquisition costs		5,000
Reports, maps, and data processing		8,251
Labour and surveys sampling		29,950
Project preparation, meals, accommodations, and fuel		57,364
Administration		4,875
Balance, September 30, 2022		197,247
Recovery		(10,000)
Loss on disposal of exploration and evaluation assets		(19,500)
Balance, September 30, 2023	$	167,747

The Company allowed the expiry of one of the six claims during the year. Consequently, the Company recorded a loss on disposal related to the Isla property of $19,500 to reflect the forfeiture of the one claim.

Aesir lithium claims

On May 31, 2023, the Company entered into a Purchase Agreement (the "Aesir Agreement") with an arms-length party to acquire a 100% interest in Aesir Lithium Corp. Pursuant to the Aesir Agreement, the Company acquired a 100% interest in twenty seven mineral claims known as the Aesir lithium claims located in Quebec, Canada.

As consideration the Company issued 3,100,000 shares at their fair value $0.12 per share.

		Aesir Lithium Claims
Balance, September 30, 2022	$	–
Acquisition costs		372,000
Balance, September 30, 2023	$	372,000

The Company accounted for this transaction as an asset acquisition. The assets acquired consisted entirely of the Aesir lithium claims, and there were no liabilities assumed. The $372,000 purchase consideration was applied entirely to the exploration and evaluation asset and there were no transaction costs.

6. SHARE CAPITAL

a) Authorized:

Unlimited number of common shares without par value.

b) Escrow shares:

As at September 30, 2023, there were 855,001 (2022 – 1,425,000) common shares held in escrow.

c) Issued and outstanding

As at September 30, 2023 the Company had 12,425,000 (2022 – 6,775,000) common shares issued and outstanding.

During the year ended September 30, 2023, the Company had the following transactions:

On December 22, 2022 the Company issued 1,500,000 common shares at a price of $0.10 per share for gross proceeds of $150,000 pursuant to a private placement.

On April 5, 2023, the Company completed a private placement of 1,050,000 units at $0.11 per unit for gross proceeds of $115,500. Each unit consists of one common share and one share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share at $0.14 per share for a period of 36 months. $Nil was allocated to the warrants, under the residual value method.

On June 8, 2023 the Company issued 3,100,000 common shares for the Aesir lithium claims (Note 5).

During the year ended September 30, 2022, the Company had the following transactions:

On December 22, 2021, the Company completed its initial public offering ("IPO") of 1,750,000 common shares at a price of $0.20 per share for total gross proceeds of $350,000.

Pursuant to the agency agreement dated November 17, 2021, Canaccord Genuity Corp. acted as agent (the "Agent") for the IPO. The Company granted the Agent and its sub-agents non-transferable warrants entitling the Agent and its sub-agents to purchase a total of 175,000 common shares at a price of $0.20 per common share until December 22, 2026.

In connection with the IPO, the Company incurred a total of $175,253 of share issuance costs. A portion of share issuance costs, $42,242, was incurred during the year ended September 30, 2021, and was recorded as deferred financing costs. Share issuance costs, including all Agent related fees, totalling $131,094 were recorded as share issuance costs within share capital and the balance totaling $44,159 was recorded as professional fees in profit and loss.

d) Stock options

During the year ended September 30, 2023, the Company adopted a Stock Option Plan (the "Plan"). Under the Plan, the Company can issue up to 10% of the issued and outstanding common shares as incentive stock options to directors, officers, employees and consultants to the Company. The Plan limits the number of stock options which may be granted to any one individual to not more than 5% of the total issued common shares of the Company in any 12-month period. The Plan also limits the stock options which may be granted to any one individual if the exercise would result in the issuance of common shares more than 2% in any 12-month period. The number of options granted to any one consultant or a person employed to provide investor relations activities in any 12 month period must not exceed 2% of the total issued common shares of the Company.

(Expressed in Canadian dollars)

6. SHARE CAPITAL *(continued)*

d) Stock options

As well, stock options granted under the Plan may be subject to vesting provisions as determined by the Board of Directors.

On February 3, 2022, the Company granted 400,000 stock options to certain directors and officers of the Company at an exercise price of $0.30 for a period of three years from the date of grant. The fair value of these options was calculated to be $82,748. The remaining contractual life as at September 30, 2023 is 1.35 years.

A continuity of the options outstanding as at September 30, 2022 and 2023 is as follows:

	Number of options outstanding and exercisable	**Weighted average exercise price $**
Balance, September 30, 2021	–	–
Issued	400,000	0.30
Expired	(75,000)	0.30
Balance, September 30, 2022 and 2023	325,000	0.30

The weighted average assumptions used in the Black-Scholes option pricing model valuation of options granted during the year ended September 30, 2022 are as follows:

	2022
Share price	$0.30
Exercise price	$0.30
Risk-free interest rate	1.39%
Expected life of options	3 years
Dividend rate	0.00%
Annualized volatility	115%

Volatility was based on historical stock prices of comparable public companies. The fair value per option granted is $0.20.

A summary of the Company's options outstanding as at September 30, 2023 is as follows:

Expiry Date	Exercise Price ($)	Options Outstanding	Weighted Average Remaining Life of Options (Years)	Options Exercisable
December 22, 2026	0.30	325,000	1.35	325,000

On December 22, 2021, the Company issued 175,000 agent warrants related to the IPO. The agent warrants are exercisable at $0.20 per share for a period of five years from the date of issue. The fair value of these warrants was calculated to be $28,216. On April 3, 2023 1,050,000 warrants were issued as part of a unit private placement (note 6c)), with $nil fair value allocated to these warrants under the residual value method. As at September 30, 2023, the remaining contractual life of the warrants is 2.62 years.

(Expressed in Canadian dollars)

6. SHARE CAPITAL *(continued)*

e) Warrants

A continuity of the warrants outstanding as at September 30, 2022 and 2023 is as follows:

	Number Of warrants	**Weighted average exercise price $**
Balance, September 30, 2021	–	–
Issued	175,000	$0.20
Balance, September 30, 2022	175,000	$0.20
Issued	1,050,000	$0.14
Balance, September 30, 2023	1,225,000	$0.15

The weighted average assumptions used in the Black-Scholes option pricing model valuation of warrants issued during the year ended September 30, 2022 are as follows:

	2022
Share price	$0.20
Exercise price	$0.20
Risk-free interest rate	0.96%
Expected life of warrants	5 years
Dividend rate	0%
Annualized volatility	115%

Volatility was based on historical stock prices of comparable public companies. The fair value per warrant issued was $0.15.

A summary of the Company's warrants outstanding as at September 30, 2023 is as follows:

Expiry Date	Exercise Price ($)	Warrants Outstanding	Weighted Average Remaining Life of Warrants (Years)	Warrants Exercisable
December 22, 2026	0.20	175,000	3.23	175,000
April 5, 2026	0.14	1,050,000	2.51	1,050,000
	0.15	1,225,000	2.62	1,225,000

(Expressed in Canadian dollars)

7. RELATED PARTY BALANCES AND TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Key management personnel includes directors and key officers of the Company, including the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO").

The Company incurred the following key management personnel costs:

		2023		**2022**
Management fees	$	28,000	$	39,000
Share-based payments		–		82,748
	$	28,000	$	121,748

As at September 30, 2023 included in accounts payable and accrued liabilities is $Nil (2022 - $33,075) owed to a company controlled by a director and $Nil (2022 - $986) owed to a director.

8. MANAGEMENT OF CAPITAL

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 Company's principal business activities which include the acquisition and exploration of mineral property assets. The Company does not have any externally imposed capital requirements to which it is subject.

The Company's capital structure consists of shareholders' equity of $553,718 (2022 - $91,314). As at September 30, 2023, the Company had capital resources consisting of cash. The Company manages the 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 the capital structure, the Company may attempt to issue common shares or dispose of assets or adjust the amount of cash.

The Company's strategy for managing capital did not change during the year ended September 30, 2023.

9. FINANCIAL INSTRUMENTS AND FINANCIAL RISK

Fair value of financial instruments

IFRS 13, Fair value measurement, establishes a fair value hierarchy that reflects the reliability of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value of the Company's cash is classified as Level 1.

The carrying value of accounts payable and accrued liabilities approximates its fair value due to the relatively short period to maturity of this instrument.

Financial risk management objectives and policies

The Company's financial instruments include cash, and accounts payable and accrued liabilities. The risks associated with these financial instruments and the policies on mitigating these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner. There were no changes to the Company's risk exposure during the year ended September 30, 2023.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash and the Company's maximum exposure to credit risk is the carrying amount of cash. To minimize the credit risk the Company places these instruments with a high quality financial institution. The Company's exposure to and management of credit risk has not changed materially from that of the prior year.

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. In the management of liquidity risk, the Company maintains a balance between continuity of funding and the flexibility through the use of debt. Management closely monitors the liquidity position and expects to have adequate sources of funding to finance the Company's projects and operations. The Company's accounts payable have contractual maturities of less than 30 days and are subject to normal trade terms. As at September 30, 2023, the Company had cash of $40,809 (2022 - $10,510) to settle accounts payable and accrued liabilities of $27,806 (2022 - $118,016). The Company's management of liquidity risk has not changed materially from that of the prior year.

(Expressed in Canadian dollars)

9. FINANCIAL INSTRUMENTS AND FINANCIAL RISK (*continued*)

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. These risks are generally outside the control of the Company. The objective of the Company is to mitigate market risk exposures within acceptable limits. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. It is management's opinion that the Company is not exposed to material currency risk, interest rate risk or other price risk. The Company's exposure to and management of market risk has not changed materially from that of the prior year.

10. INCOME TAXES

The following table reconciles the amount of income tax recoverable on application of the combined statutory Canadian federal and provincial income tax rates to the tax expense (recovery) recognized in the consolidated financial statements:

	2023	2022
(Loss) for the year	$ (175,096)	$ (264,398)
Canadian statutory income tax rate	27%	27%
	$ (47,000)	$ (71,000)
Income tax recovery at statutory rate		
Change in statutory rates and other	10,000	(11,000)
Items not deductible for tax	–	11,000
Impact of flow-through shares	–	26,000
Share issuance costs	–	(35,000)
Change in deferred tax assets not recognized	37,000	80,000
	$ –	$ –

Significant components of the Company's deductible (taxable) temporary differences are shown below:

	2023	2022
Exploration and evaluation assets	$ (50,000)	$ (50,000)
Share issuance costs	21,000	28,000
Non-capital loss carry forwards	158,000	114,000
	129,000	92,000
Unrecognized	(129,000)	(92,000)
	$ –	$ -

The Company has non-capital loss carry forwards of approximately $584,000, which may be carried forward to apply against taxable income, subject to the final determination by taxation authorities, expiring in the following years:

Expiry date	**Amount**
2040	$ 20,000
2041	152,000
2042	210,000
2043	202,000
	$ 584,000

11. SEGMENT REPORTING

The Company operates in a single reportable segment being the acquisition and exploration of mineral property assets in Canada.

12. SUBSEQUENT EVENTS

Subsequent to September 30, 2023, the Company acquired 100% of American Brines Lithium Inc., which owns the Black Rock South Lithium project located in Washoe County, Nevada. Under the terms of the agreement the Company issued 3,495,009 shares on closing on November 9, 2023, fair valued at $0.15 per share, and will issue an additional 3,495,009 shares on the first anniversary and 3,494,997 shares on the second anniversary dates of closing.

The Company is in the process of arranging an unsecured convertible debenture private placement of up to $500,000 at a price of $0.175 per convertible debenture unit. The Debentures will mature 36 months from the issuance date and will accrue interest at a rate of 10% per annum payable at the maturity date. Each debenture unit will include one transferrable share purchase unit, entitling the holder to purchase one additional common share at an exercise price of $0.25 per share for a period of 3 years after issuance of the debenture units.