Canter Resources

CONSOLIDATED FINANCIAL STATEMENTS

For the years ended June 30, 2024 and 2023

(Expressed in Canadian Dollars)

Independent Auditor's Report

To the Shareholders of Canter Resources Corp.

Opinion

We have audited the consolidated financial statements of Canter Resources Corp. (the "Company"), which comprise the consolidated statements of financial position as at June 30, 2024 and 2023, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and notes to the consolidated financial statements, including the material accounting policy information, collectively referred to as the ("financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit 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 Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements, which describes events or conditions that indicate the existence of a material uncertainty 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 financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter described in Material Uncertainty Related to Going Concern section, we have determined that there are no key audit matters to communicate in our report.

Other Information

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

Our opinion on the 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 financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

In preparing the 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 financial statements, including the disclosures, and whether the 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 Barry Hartley.

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DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC

October 28,2024

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(Expressed in Canadian Dollars)

As at	Note(s)	June 30, 2024 $	June 30, 2023 $
ASSETS			
Current assets			
Cash and cash equivalents	4	1,961,245	4,279
Amounts receivable		13,156	18,613
Prepaid expenses	5	54,016	-
		2,028,417	**22,892**
Non-current assets			
Deposit	5	23,328	23,328
Reclamation deposits	5	18,133	-
Exploration and evaluation assets	5	16,097,322	14,123
		16,138,783	**37,451**
TOTAL ASSETS		**18,167,200**	**60,343**
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	6, 8	156,638	38,806
TOTAL LIABILITIES		**156,638**	**38,806**
SHAREHOLDERS' EQUITY			
Common shares	7	20,664,372	607,927
Warrants reserve	7	98,084	-
Stock options reserve	7	28,677	-
Accumulated deficit		(2,802,940)	(586,390)
Accumulated other comprehensive loss		22,369	-
TOTAL SHAREHOLDERS' EQUITY		**18,010,562**	**21,537**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**18,167,200**	**60,343**

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These consolidated financial statements were approved for issue by the Board of Directors and signed on its behalf by:

/s/ Joness Lang Director **/s/ Eric Saderholm Director**

(Expressed in Canadian Dollars)

		For the years ended	
	Note(s)	June 30, 2024 $	June 30, 2023 $
Expenses			
Consulting fees	8	345,903	42,145
Foreign exchange loss		2,947	-
General and administrative expenses		114,264	34,684
Professional fees	8	280,570	30,580
Project evaluation costs		1,691	-
Share-based payments	7, 8	32,383	-
Shareholder information and investor relations		481,308	-
Transfer agent, regulatory and filing fees		75,524	14,923
Travel		31,088	-
Total expenses		**(1,365,678)**	**(122,332)**
Other expenses			
Finance income		34,066	-
Impairment of exploration and evaluation assets	5	(884,938)	(201,638)
Total other expenses		**(850,872)**	**(201,638)**
Net loss		**(2,216,550)**	**(323,970)**
Other comprehensive loss			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation differences for foreign operations		22,369	-
Total other comprehensive loss		**22,369**	**-**
Net loss and comprehensive loss		**(2,194,181)**	**(323,970)**
Basic and diluted loss per share for the year attributable to common shareholders ($ per common share)		**(0.06)**	**(0.03)**
Weighted average number of common shares outstanding - basic and diluted		**36,712,001**	**11,901,863**

(Expressed in Canadian Dollars)

	Note(s)	Common shares #	$	Warrants reserve $	Stock options reserve $	Accumulated deficit $	Accumulated other comprehensive loss $	TOTAL $
Balance as of June 30, 2023		**11,972,000**	**607,927**	**-**	**-**	**(586,390)**	**-**	**21,537**
Shares issued for cash - private placement	7	19,171,400	4,677,700	-	-	-	-	**4,677,700**
Shares issued for cash - exercise of stock options	7	75,000	7,500	-	-	-	-	**7,500**
Share issue costs	7	-	(147,678)	-	-	-	-	**(147,678)**
Fair value of finders' warrants	7	-	(98,084)	98,084	-	-	-	**-**
Shares issued for acquisition	3, 5, 7	18,020,001	14,235,801	-	-	-	-	**14,235,801**
Shares issued for exploration and evaluation assets	5, 7	2,050,000	1,377,500	-	-	-	-	**1,377,500**
Reclassification of grant-date fair value on exercise of stock options	7	-	3,706	-	(3,706)	-	-	**-**
Share-based payments	7	-	-	-	32,383	-	-	**32,383**
Loss and comprehensive loss		-	-	-	-	(2,216,550)	22,369	**(2,194,181)**
Balance as of June 30, 2024		**51,288,401**	**20,664,372**	**98,084**	**28,677**	**(2,802,940)**	**22,369**	**18,010,562**

Balance as of June 30, 2022		**11,722,000**	**593,427**	**-**	**-**	**(262,420)**	**-**	**331,007**
Shares issued for exploration and evaluation assets	5, 7	250,000	14,500	-	-	-	-	**14,500**
Loss and comprehensive loss		-	-	-	-	(323,970)	-	**(323,970)**
Balance as of June 30, 2023		**11,972,000**	**607,927**	**-**	**-**	**(586,390)**	**-**	**21,537**

(Expressed in Canadian Dollars)

	Note(s)	For the years ended June 30, 2024 $	June 30, 2023 $
Cash flow from (used in)			
OPERATING ACTIVITIES			
Net loss		(2,216,550)	(323,970)
Impairment of exploration and evaluation assets	5	884,938	201,638
Share-based payments	7, 8	32,383	-
Net changes in non-cash working capital items:			
Accounts receivable		17,207	(6,471)
Prepaid expenses		19,621	-
Accounts payable and accrued liabilities		(627,119)	19,175
Cash flow used in operating activities		**(1,889,520)**	**(109,628)**
INVESTING ACTIVITIES			
Exploration and evaluation assets additions	5	(662,049)	(106,397)
Cash assumed on acquisition, less transaction costs	3	14,996	-
Cash paid for reclamation deposits		(17,976)	-
Cash flow used in investing activities		**(665,029)**	**(106,397)**
FINANCING ACTIVITIES			
Proceeds on exercise of options	7	7,500	-
Proceeds on issuance of common shares, net of cash share issue costs	7	4,530,022	-
Cash flow provided by financing activities		**4,537,522**	**-**
Effects of exchange rate changes on cash and cash equivalents		(26,007)	-
Increase (decrease) in cash and cash equivalents		**1,956,966**	**(216,025)**
Cash and cash equivalents, beginning of year		**4,279**	**220,304**
Cash and cash equivalents, end of year		**1,961,245**	**4,279**
Supplemental cash flow information			
Exploration and evaluation assets included in accounts payable and accrued liabilities		21,378	5,334
Fair value of finders' warrants	7	98,084	-
Reclassification of grant-date fair value on exercise of stock options	7	3,706	-
Shares issued for acquisition	3	14,235,801	-
Shares issued for exploration and evaluation assets	5, 7	1,377,500	14,500
Cash paid for income taxes		-	-
Cash paid for interest		-	-

1) CORPORATE INFORMATION AND CONTINUANCE OF OPERATIONS

Canter Resources Corp. (the "Company") was incorporated under the British Columbia Business Corporations Act on March 7, 2018. The Company is engaged in the exploration and evaluation of resource properties in Canada and United States.

The Company's corporate office and principal place of business is Suite 400 – 1681 Chestnut Street, Vancouver, British Columbia, V6J 4M6. On December 31, 2021, the Company's common shares began trading on the Canadian Securities Exchange ("CSE") under the symbol CRC.

The Company is in the exploration stage and its principal business activity is the sourcing and exploration of exploration and evaluation assets in the United States (Montana and Nevada). The Company is in the process of exploring and evaluating its exploration and evaluation assets and has not yet determined whether these 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, the ability of the Company to obtain necessary financing to complete the development and upon future profitable production or proceeds from the disposition thereof.

These financial statements have been prepared on a going concern basis, which assumes that the Company will continue its operations for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. The Company has incurred losses since its inception and has an accumulated deficit of $2,802,940 as of June 30, 2024 (June 30, 2023 – $586,390), which has been funded primarily by issuance of shares. The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon obtaining additional financing or maintaining continued support from its shareholders and creditors and generating profitable operations in the future. The Company has been successful in the past in raising funds for operations by issuing shares but there is a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. If the Company is unable to raise the necessary capital and generate sufficient cash flows to meet obligations as they come due, the Company may have to reduce or curtail its activities or obtain financing at unfavorable terms. Furthermore, failure to continue as a going concern would require the Company's assets and liabilities be restated on a liquidation basis which would differ significantly from the going concern basis. These consolidated financial statements do not include any adjustments to the amounts and classification of assets and liabilities that may be necessary should the Company be unable to continue as a going concern. Such adjustments may be material.

On November 10, 2023, the Company entered into an amalgamation agreement (the "AVC Amalgamation Agreement") with Altitude Ventures Corp. ("Altitude") and 1447235 B.C. Ltd., the wholly owned subsidiary of the Company, to acquire all of the issued and outstanding common shares of Altitude by way of a three-cornered amalgamation (the "AVC Acquisition"). The Acquisition was completed on November 21, 2023 (the "AVC Acquisition Closing Date") (Note 3).

These consolidated financial statements of the Company for the year ended June 30, 2024 were approved by the Board of Directors on October 28, 2024.

2) MATERIAL ACCOUNTING POLICY INFORMATION AND BASIS OF PREPARATION

Statement of compliance

These consolidated financial statements of the Company have been prepared in accordance with IFRS Accounting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB").

Basis of preparation

These consolidated financial statements have been prepared on a historical cost basis, with the exception of certain financial instruments that are measured at fair value. Additionally, the consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The consolidated financial statements are presented in Canadian dollars ("$" or "CA$"), which is also the functional currency of the parent company. The functional currency of the Company's subsidiaries, Altitude Ventures Corp. and Altitude Lithium USA Corp., is CA$ and the United States dollar ("$"), respectively.

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

These consolidated financial statements, including comparatives, have been prepared on the basis of IFRS that are published at the time of preparation and that are effective on June 30, 2024.

Basis of consolidation

These consolidated financial statements comprise the accounts of the Company and the following subsidiaries of the Company:

			Percentage owned		
	Note	**Country of incorporation**	**June 30, 2024**	**June 30, 2023**	**Reporting date**
Altitude Ventures Corp.	3	Canada	100%	nil%	June 30
Altitude Lithium USA Corp. ("Altitude USA")	3	USA	100%	nil%	June 30

- *Subsidiaries*
  A subsidiary is an entity over which the Company has power to govern the operating and financial policies in order to obtain benefits from its activities. The consolidated financial statements include all the assets, liabilities, revenues, expenses and cash flows of the Company and its subsidiaries after eliminating inter-entity balances and transactions.

- *Acquisitions and disposals*
  The results of entities acquired during the reporting period are brought into the consolidated financial statements from the date the control is transferred. The results of entities sold during the reporting period are included in the consolidated financial statements for the period up to the date the control ceases. Gains or losses on disposal are calculated as the difference between the sale proceeds (net of expenses) and the net assets attributable to the interest which has been sold. Where a disposal represents a separate major line of business or geographical area of operations, the net results attributable to the disposed entity are shown separately in the statement of loss and comprehensive loss.

2) MATERIAL ACCOUNTING POLICY INFORMATION AND BASIS OF PREPARATION (CONTINUED)

Critical accounting estimates

The information about significant areas of estimation uncertainty considered by management in preparing the consolidated financial statements are as follows:

- *Carrying value and recoverability of exploration and evaluation assets*

  The carrying amount of Company's exploration and evaluation assets does not necessarily represent present or future values, and the Company's exploration and evaluation assets have been accounted for under the assumption that the carrying amount will be recoverable. Recoverability is dependent on various factors, including the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to commence and complete development and upon future profitable production or proceeds from the disposition of the mineral properties themselves. Additionally, there are numerous geological, economic, environmental and regulatory factors and uncertainties that could impact management's assessment as to the overall viability of its properties or to the ability to generate future cash flows necessary to cover or exceed the carrying value of the Company's exploration and evaluation assets. Ownership of exploration and evaluation assets involves certain inherent risks, including geological, metal prices, operating costs, and permitting risks. Many of these risks are outside the Company's control. The ultimate recoverability of the amounts capitalized for the exploration and evaluation assets is dependent upon the delineation of economically recoverable ore reserves, obtaining the necessary financing to complete their development, obtaining the necessary permits to operate a mine, and realizing profitable production or proceeds from the disposition thereof. Management's estimates of recoverability of the Company's investment in its exploration and evaluation assets have been based on current and expected conditions. However, it is possible that changes could occur which could adversely affect management's estimates and may result in future write downs of exploration and evaluation assets carrying values.

- *Deferred Income taxes*

  The estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income, which in turn is dependent upon the successful discovery, extraction, development and commercialization of mineral reserves. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and future income tax provisions or recoveries could be affected.

- *Business combinations*

  Management determines whether assets acquired, and liabilities assumed constitute a business. A business consists of inputs and processes applied to those inputs that have the ability to create outputs. During the year ended June 30, 2024, the Company completed the acquisition of Altitude and concluded that the transactions did not qualify as a business combination under IFRS 3, "Business Combinations".

2) MATERIAL ACCOUNTING POLICY INFORMATION AND BASIS OF PREPARATION (CONTINUED)

Critical accounting judgments

Critical accounting judgments are accounting policies that have been identified as being complex or involving subjective judgments or assessments.

- *Functional currency*
  In accordance with IAS 21, "The Effects of Changes in Foreign Exchange Rates," management has determined that the functional currency of the Company and its subsidiaries is the currency of the primary economic environment in which each entity operates.

- *Going concern*
  The preparation of these consolidated financial statements requires management to make judgments regarding the going concern of the Company as discussed in Note 1.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits held on call with banks, highly liquid investments that are readily convertible into a known amount of cash and which are subject to insignificant risk of changes in value, net of bank overdrafts which are repayable on demand.

Foreign exchange

- *Translation of foreign transactions and balances into the functional currency*
  Foreign currency transactions are translated into the functional currency of the underlying entity using appropriate average rates of exchange. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rate of exchange in effect at the end of each reporting period. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in profit or loss.

- *Translation of the functional currency into the presentation currency*
  The results of foreign operations which have a different functional currency than the Company are translated to Canadian dollars at appropriate average rates of exchange during the year and are included in other comprehensive income (loss). The assets and liabilities of foreign operations are translated to Canadian dollars at rates of exchange in effect at the end of the period. Gains or losses arising on translation of foreign operation's assets and liabilities to Canadian dollars at period end are recognized in accumulated other comprehensive income (loss) as a foreign currency translation adjustment. When a foreign operation is sold, such exchange differences are recognized in profit or loss as part of the gain or loss on sale.

Share-based payments

The Company grants stock options to buy common shares of the Company to directors, officers, employees and service providers. The Company recognizes share-based payments expense based on the estimated fair value of the options. A fair value measurement is made for each vesting installment within each option grant and is determined using the Black-Scholes Option-Pricing Model. The fair value of the options is recognized over the vesting period of the options granted as both share-based payments and reserves. This includes a forfeiture estimate, which is revised for actual forfeitures in subsequent periods. The reserves account is subsequently reduced if the options are exercised and the amount initially recorded is then credited to share capital.

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

2) MATERIAL ACCOUNTING POLICY INFORMATION AND BASIS OF PREPARATION (CONTINUED)

Income taxes

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

Deferred tax is recorded using the liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting or taxable loss; nor differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Exploration and evaluation assets

- *Pre-license expenditures*
  Pre-license expenditures are costs incurred before the legal rights to explore a specific area have been obtained. These costs are expensed in the period in which they are incurred as exploration and evaluation expense.

- *Exploration and evaluation expenditures*
  Once the legal right to explore has been obtained, costs directly associated with the exploration project are capitalized as exploration and evaluation assets according to the nature of the asset acquired. Such exploration and evaluation costs may include undeveloped land acquisition, geological, geophysical and seismic, exploratory drilling and completion, testing, decommissioning and directly attributable internal costs. Exploration and evaluation costs are not depleted and are carried forward until technical feasibility and commercial viability of extracting a mineral resource is considered to be determined. The technical feasibility and commercial viability of a mineral resource is considered to be established when proved and or probable mineral reserves are determined to exist. All such carried costs are subject to technical, commercial and management review at least once a year to confirm the continued intent to develop or otherwise extract value from the exploratory activity. When this is no longer the case, impairment costs are charged to exploration and evaluation expense. Upon determination of mineral reserves, exploration and evaluation assets attributed to those reserves are first tested for impairment and then reclassified to development and production assets within property, plant and equipment, net of any impairment. Expired land costs are also expensed to exploration and evaluation expense as they occur.

2) MATERIAL ACCOUNTING POLICY INFORMATION AND BASIS OF PREPARATION (CONTINUED)

Exploration and evaluation assets (continued)

- *Impairment*
  Exploration and evaluation assets are assessed for impairment when indicators and circumstances suggest that the carrying amount may exceed its recoverable amount. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period.

  Industry-specific indicators for an impairment review arise typically when one of the following circumstances applies:

  - Substantive expenditures or further exploration and evaluation activities is neither budgeted nor planned;
  - Title to the asset is compromised, has expired or is expected to expire;
  - Adverse changes in the taxation, regulatory or political environment;
  - Adverse changes in variables in commodity prices and markets making the project unviable; and
  - Variations in the exchange rate for the currency of operation.

  Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Provision for environmental rehabilitation
The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of exploration and evaluation assets and equipment, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future rehabilitation cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to the related asset along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The rehabilitation asset is depreciated on the same basis as the related asset.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related asset with a corresponding entry to the rehabilitation provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates.

Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit and loss for the period.

For the years presented the Company has no provisions for environmental rehabilitation.

2) MATERIAL ACCOUNTING POLICY INFORMATION AND BASIS OF PREPARATION (CONTINUED)

Loss per share

Basic loss per share is calculated using the weighted-average number of shares outstanding during the year. The diluted earnings (loss) per share reflects the potential dilution of common share equivalents, such as outstanding stock options and warrants, in the weighted average number of common shares outstanding during the period, if dilutive.

Financial instruments

- ***Financial assets***

Classification and measurement

The Company classifies its financial assets in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income ("FVTOCI") or at amortized cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

The classification of debt instruments is driven by the business model for managing the financial assets and their contractual cash flow characteristics. Debt instruments are measured at amortized cost if the business model is to hold the instrument for collection of contractual cash flows and those cash flows are solely principal and interest. If the business model is not to hold the debt instrument, it is classified as FVTPL. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payments of principal and interest.

Equity instruments that are held for trading (including all equity derivative instruments) are classified as FVTPL, for other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument by-instrument basis) to designate them as at FVTOCI.

Financial assets at FVTPL – Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the consolidated statement of loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial asset held at FVTPL are included in the consolidated statement of loss and comprehensive loss in the period in which they arise. Derivatives are also categorized as FVTPL unless they are designated as hedges. As of June 30, 2024 and 2023, the Company has classified its cash classified as FVTPL.

Financial assets at FVTOCI – Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income. There is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. As of June 30, 2024 and 2023, the Company has no financial assets classified as FVOCI.

Financial assets at amortized cost – Financial assets at amortized cost are initially recognized at fair value and subsequently carried at amortized cost less any impairment. They are classified as current assets or non-current assets based on their maturity date. As of June 30, 2024 and 2023, the Company has classified amounts receivable, deposits and reclamation deposits as amortized cost

2) MATERIAL ACCOUNTING POLICY INFORMATION AND BASIS OF PREPARATION (CONTINUED)

Financial instruments (continued)

- ***Financial assets (continued)***

  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 loss allowance for the financial asset is measured 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 loss allowance is measured for the financial asset at an amount equal to twelve month expected credit losses. For trade receivables the Company applies the simplified approach to providing for expected credit losses, which allows the use of a lifetime expected loss provision.

  Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognized.

  Derecognition of financial assets
  Financial assets are derecognized when they mature or are sold, and substantially all the risks and rewards of ownership have been transferred. Gains and losses on derecognition of financial assets classified as FVTPL or amortized cost are recognized in the consolidated statement of loss and comprehensive loss. Gains or losses on financial assets classified as FVTOCI remain within accumulated other comprehensive income.

- **Financial liabilities**
  The Company classifies its financial liabilities into one of two categories as follows:

  Fair value through profit or loss (FVTPL) – This category comprises derivatives and financial liabilities incurred principally for the purpose of selling or repurchasing in the near term. They are carried at fair value with changes in fair value recognized in profit or loss.

  Amortized cost – This category consists of liabilities carried at amortized cost using the effective interest method. The Company derecognizes financial liability when its contractual obligations are discharged, cancelled or expire. As of June 30, 2024 and 2023, the Company has classified its accounts payable as other financial liabilities

Refer to Note 11 for further disclosures.

2) MATERIAL ACCOUNTING POLICY INFORMATION AND BASIS OF PREPARATION (CONTINUED)

New accounting standards and pronouncements

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB that are mandatory for accounting periods beginning on or after July 1, 2024. The Company does not expect that any new or amended standards or interpretations that are effective for annual periods beginning on or after July 1, 2024 will have a significant impact on the Company's results of operations or financial position.

- *Disclosure of Accounting Policies*
  In February 2021, the IASB issued amendments to IAS 1, which change the disclosure requirements with respect to accounting policies from 'significant accounting policies' to 'material accounting policy information'. The amendments provide guidance on when accounting policy information is likely to be considered material. The amendments to IAS 1 are effective for annual reporting periods beginning on or after January 1, 2023, with earlier application permitted.

- *Definition of Accounting Estimates (Amendment to IAS 8)*
  In February 2021, the IASB issued amendments to IAS 8, which added the definition of Accounting Estimates in IAS 8. The amendments also clarified that the effects of a change in an input or measurement technique are changes in accounting estimates, unless resulting from correction of prior period errors.

  There was no material impact upon adoption of the above accounting standards.

- *Classification of Liabilities as Current or Non-Current*
  The IASB issued amendments to IAS 1 - Classification of Liabilities as Current or Non-current in January 2020, which have been further amended partially by amendments Non-current Liabilities with Covenants issued in October 2022. The amendments require that an entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement for at least twelve months after the reporting period. Subsequent to the release of amendments to IAS 1 Classification of Liabilities as Current or Non-Current, the IASB amended IAS 1 further in October 2022. If an entity's right to defer is subject to the entity complying with specified conditions, such conditions affect whether that right exists at the end of the reporting period, if the entity is required to comply with the condition on or before the end of the reporting period and not if the entity is required to comply with the conditions after the reporting period. The amendments also provide clarification on the meaning of 'settlement' for the purpose of classifying a liability as current or non-current.

- *IFRS 18 Presentation and Disclosure in the Financial Statements*
  In April 2024, the IASB issued a new IFRS accounting standard to improve the reporting of financial performance. IFRS 18 Presentation and Disclosure in the Financial Statements replaces IAS 1 Presentation of Financial Statements. The standards will become effective January 1, 2027, with early adoption permitted.

The Company is in the process of assessing the impact of these new standards on the Company's consolidated financial statements.

(Expressed in Canadian Dollars)

3) ACQUISITION OF ALTITUDE VENTURES CORP.

As discussed in Note 1, on November 21, 2023, the Company closed the AVC Acquisition by issuing 18,020,001 common shares of the Company (the "Consideration Shares") with fair value of $14,235,801 (Notes 5 and 7).

The AVC Acquisition constitutes an asset acquisition as Altitude does not meet the definition of a business, as defined in IFRS 3, "Business Combinations" and is accounted for in accordance with guidance provided IFRS 2, "Share-Based Payment".

In connection with the AVC Acquisition, the Company incurred transaction costs of $28,707.

Prior to the closing of the AVC Acquisition, the Company advanced a loan of US$135,000 to Altitude to satisfy certain payment obligations under the option agreement of the Columbus Lithium-Boron Property (Note 5). The amount was eliminated upon the consolidation.

Pursuant to the AVC Amalgamation Agreement, 7,220,000 of the Consideration Shares are subject to a lock-up period (Note 7).

The total consideration of $14,235,801 and the transaction costs of $28,707 associated with the AVC Acquisition has been allocated as follows:

	$
Cash	43,703
Amounts receivable	11,750
Prepaid expenses	73,637
Exploration and evaluation assets (see below)	14,868,995
Accounts payable and accrued liabilities	(733,577)
Fair value of net assets acquired	**14,264,508**
Consideration comprised of:	
Fair value of common shares issued	14,235,801
Transaction costs	28,707
	14,264,508

	$
Exploration and evaluation assets*	
Beaver Creek	870,815
Columbus Lithium-Boron	13,998,180
	14,868,995

** The fair value allocation of the exploration and evaluation assets was determined based on their relative carrying values as of the acquisition date*

4) CASH AND CASH EQUIVALENTS

	June 30, 2024 $	June 30, 2023 $
Cash	231,738	4,279
Cash equivalents	1,729,507	-
	1,961,245	**4,279**

(Expressed in Canadian Dollars)

5) EXPLORATION AND EVALUATION ASSETS

Exploration and evaluation assets

Project / Property	Balance as of June 30, 2023 $	Acquisition costs $	Staking fees $	Expenditures $	Impairment $	Effect of movements in exchange rate $	Balance as of June 30, 2024 $
Puzzle Lake	14,123	-	-	-	(14,123)	-	-
Beaver Creek	-	870,815	-	-	(870,815)	-	-
Columbus Lithium-Boron	-	15,416,140	40,460	595,575	-	45,147	16,097,322
	14,123	**16,286,955**	**40,460**	**595,575**	**(884,938)**	**45,147**	**16,097,322**

Project / Property	Balance as of June 30, 2022 $	Acquisition costs $	Staking fees $	Expenditures $	Impairment $	Effect of movements in exchange rate $	Balance as of June 30, 2023 $
Schotts Lake	101,259	42,500	-	57,879	(201,638)	-	-
Puzzle Lake	-	7,000	-	7,123	-	-	14,123
	101,259	**49,500**	**-**	**65,002**	**(201,638)**	**-**	**14,123**

Breakdown of the expenditures incurred by the Company on various projects during the years ended June 30, 2024 and 2023 are as follows:

	Columbus Lithium-Boron $
For the year ended June 30, 2024	
Consulting	17,387
Equipment rental	2,723
Field	223,815
Geological	260,154
Mapping	32,851
Sample analysis	27,834
Travel	30,811
	595,575

	Schotts Lake $	Puzzle Lake $	Total $
For the year ended June 30, 2023			
Consulting	57,879	7,123	65,002
	57,879	**7,123**	**65,002**

(Expressed in Canadian Dollars)

5) EXPLORATION AND EVALUATION ASSETS (CONTINUED)

Columbus Lithium-Boron Property

In connection with the AVC Acquisition, the Company entered into an option agreement to acquire a 100% interest of the Columbus Lithium-Boron Project located in the Columbus Salt Marsh Basin, Esmeralda County, Nevada, USA (the "CLB Agreement"). The option agreement was entered into by Altitude Lithium USA Corp. on November 9, 2023 (the "CLB Effective Date").

To acquire 100% interest of the Columbus Lithium-Boron Project, the Company is required to make the following payments to the optionors of the Columbus Lithium-Boron Property (the "CLB Optionors"):

	Cash (US$)		Common Shares (#)	
Within 5 business days of the CLB Effective Date	160,000	(Paid prior to the AVC Acquisition)	-	
Within 60 days following the CLB Effective Date	-		1,750,000	(issued with fair value of $1,295,000 (Note 7))
Within 12 months of the CLB Effective Date	-		1,000,000	
Within 18 months of the CLB Effective Date	250,000		1,000,000	
On or before the earlier of: *24 months of the CLB Effective Date*	600,000*		-*	
30 days after publishing the technical report for the Columbus Lithium-Boron Property prepared in accordance with National Instrument 43-101 – Standards of Disclosure for Mineral Projects which includes a current resource estimate on the Columbus Lithium-Boron Property				

* $300,000 should be paid either by cash or 1,000,000 common shares at the election of the Company.

In addition, the Company is required to incur US$750,000 exploration and evaluation expenditures, including total cumulative drilling in the Area of Interest of at least 2,000 feet and having used best efforts to retrieve brine samples of a quality suitable for lab assay on the Columbus Lithium-Boron Property within 18 months following the CLB Effective Date (the "CLB Work Commitment Period"). In any circumstance, if the Company encounters a delay by the authority to review and issue permits for which the Company must apply to conduct any mining works on the Columbus Lithium-Boron Property, the Company is allowed to extend the CLB Work Commitment Period for the duration of such delays with a maximum of 36 months from the CLB Effective Date.

(Expressed in Canadian Dollars)

5) EXPLORATION AND EVALUATION ASSETS (CONTINUED)

Columbus Lithium-Boron Property (continued)

Furthermore, within 60 days of the CLB Effective Date, the Company is required to reimburse the CLB Optionors the annual mining claim maintenance fees of Columbus Lithium-Boron Property paid by the CLB Optionors since June 1, 2023, to the U.S. Department of the Interior Bureau of Land Management and documented payments of state mining claim fees paid to Esmeralda County, Nevada to keep the Columbus Lithium-Boron Property in good standing.

The CLB Optionors will retain a production royalty equal to 2.5% of the gross value from all mineral production from the Columbus Lithium-Boron Project, including any unpatented mining claims located in the applicable area of interest. Altitude may, within 36 months of the CLB Effective Date, repurchase 40% of the production royalty (representing 1.0% of the gross value) for a one-time payment of US$1,500,000.

Water Right Appurtenance Agreement

On November 27, 2023 (the "WRA Effective Date"), the Company, through its wholly-owned subsidiary Altitude Lithium USA Corp., entered into a water right appurtenance agreement (the "WRA Agreement") to acquire a 100% interest in certain water rights permits applicable to the Columbus Lithium-Boron Property. The CLB Optionors are the owners of two applications to appropriate the waters of the State of Nevada filed with the Nevada Division of Water Resources (the "CLB Permits").

Pursuant to the terms of the WRA Agreement, to acquire a 100% interest in the CLB Permits, the Company is required to make the following payments (the "WRA Payments") to the CLB Optionors:

	Cash (US$)		Common Shares (#)	
6 months after the WRA Effective Date	20,000	(paid)	300,000	(issued with fair value $82,500 (Note 7))
12 months after the WRA Effective Date	30,000		400,000	
18 months after the WRA Effective Date	50,000		500,000	
24 months after the WRA Effective Date	300,000		600,000	
Total	**400,000**		**1,800,000**	

The Company reserves the right to terminate the agreement at any time, without incurring any obligation to make further payments.

On completion of the WRA Payments, the CLB Optionors should convey the Permits to the Company.

The Company has reclamation deposits of $18,133 (US$13,258) (June 30, 2023 – $nil (US$nil)) as collateral on the Columbus Lithium-Boron Property.

Railroad Valley Lithium-Boron Project

On September 12, 2024, the Company, through its subsidiary Altitude USA, completed the acquisition of the Railroad Valley Lithium-Boron Project located in Nye County, Nevada, from Ramp Metals USA Inc. ("RMUSA"), a subsidiary of Ramp Metals Inc. ("RMI"). According to the agreement, the Company is obligated to issue 300,000 common shares to RMI (issued subsequent to June 30, 2024).

Additionally, RMUSA will retain a 0.5% net smelter royalty (NSR), which the Company has the right to buy back for a one-time payment of $500,000 at any time.

(Expressed in Canadian Dollars)

5) EXPLORATION AND EVALUATION ASSETS (CONTINUED)

Beaver Creek Property

In connection with the AVC Acquisition, the Company acquired 100% interest in the Beaver Creek Property. The Beaver Creek Property is comprised of a series of lithium occurrences located in the town of Lincoln, Montana, USA.

Subsequent to June 30, 2024, the Company decided to cease further exploration activities on the Beaver Creek Property. As a result, the Company recognized an impairment of $870,815 on the capitalized exploration and evaluation costs associated with the Beaver Creek Property for the year ended June 30, 2024.

Puzzle Lake Property

On January 23, 2023, the Company entered into an option agreement (the "PL Agreement") with Eagle Plains Resources Inc. ("Eagle Plains") to acquire up to a 60% interest in six mineral claims located in Saskatchewan with respect to the Puzzle Lake Property.

Pursuant to the PL Agreement, to earn 60% interest in the Puzzle Lake Property, the Company is required make the following payments and expenditures (the "PL Required Payments"):

	Cash payment ($)	Shares (#)		Exploration expenditures ($)
On January 23, 2023	-	100,000	(issued with fair value of $7,000 (Note 7))	-
On or before December 31, 2023	40,000	100,000		100,000
On or before December 31, 2024	50,000	200,000		200,000
On or before December 31, 2025	60,000	200,000		300,000
On or before December 31, 2026	100,000	400,000		900,000
On or before December 31, 2027	-	-		1,500,000
Total	**250,000**	**1,000,000**		**3,000,000**

On December 21, 2023, the Company entered into an amendment (the "PL Amended Agreement") with Eagle Plains. Pursuant to the PL Amended Agreement, the PL Required Payments were amended as follows:

	Cash payment ($)	Shares (#)		Exploration expenditures ($)
On January 23, 2023	-	100,000	(issued with fair value of $7,000)	-
On or before March 31, 2024	40,000	100,000		100,000
On or before December 31, 2024	50,000	200,000		200,000
On or before December 31, 2025	60,000	200,000		300,000
On or before December 31, 2026	100,000	400,000		900,000
On or before December 31, 2027	-	-		1,500,000
Total	**250,000**	**1,000,000**		**3,000,000**

On March 27, 2024, the Company announced that it has decided not to proceed with further expenditures or option payments to Eagle Plains relating to the Puzzle Lake Property in Saskatchewan and accordingly the PL Agreement was terminated. As a result of the termination agreement, the Company impaired the capitalized costs associated with the Puzzle Lake Property with an amount of $14,123 during the year ended June 30, 2024. In addition, the Company is no longer required to fulfill its obligations under the PL Amended agreement.

(Expressed in Canadian Dollars)

5) EXPLORATION AND EVALUATION ASSETS (CONTINUED)

Schotts Lake Property

On May 11, 2021, the Company signed a letter of intent (the "SLP LOI") with Eagles Plains whereby the Company has the option to acquire a 60% interest in twelve mineral claims located approximately 40 km northwest of Creighton, Saskatchewan. On July 21, 2021, the Company signed a definitive option agreement (the "SLP Agreement") with Eagle Plains to acquire a 60% interest in the Schotts Lake Property.

Pursuant to the SLP Agreement, to earn 60% interest in the Schotts Lake Property the Company will make the following payments and expenditures:

	Cash payment ($)		Shares (#)		Exploration expenditures ($)
Upon signing of the LOI	10,000	(paid)	-		-
Upon listing on the CSE or December 20, 2021	20,000	(paid)	150,000	(issued with fair value of $15,000)	-
On or before July 31, 2022	35,000	(paid)	150,000	(issued with fair value of $7,500 (Note 7))	100,000
On or before December 31, 2022	50,000		150,000		500,000
On or before December 31, 2023	75,000		150,000		800,000
On or before December 31, 2024	120,000		200,000		1,600,000
On or before December 31, 2025	200,000		200,000		2,000,000
Total	**500,000**		**1,000,000**		**5,000,000**

The Company did not make the required cash payment, share issuance and exploration expenditures required by December 31, 2022, and decided to abandon the Schott Lake Property on January 25, 2023. As a result of the decision, the Company impaired the carrying value of the Schotts Lake Project and recognized an impairment of $201,638 in the consolidated statement of loss and comprehensive loss during the year ended June 30, 2023.

During the year ended June 30, 2022, the Company paid deposit of $60,000 which was used to offset the cost incurred by Eagle Plains. As of June 30, 2024, the balance of the remaining deposit was $23,328 (June 30, 2023 – $23,328).

6) ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	June 30, 2024 $	June 30, 2023 $
Trade payables (Note 8)	77,591	13,286
Accrued liabilities	79,047	25,520
	156,638	**38,806**

7) SHARE CAPITAL AND RESERVES

Authorized share capital
Unlimited number of common shares without par value.

Issued share capital
As of June 30, 2024, the Company had 51,288,401 common shares issued and outstanding (June 30, 2023 – 11,972,000) with a value of $20,664,372 (June 30, 2023 – $607,927).

During the year ended June 30, 2024

- On September 27, 2023, the Company completed a non-brokered private placement of 12,270,000 common shares, which are subject to a lock-up period (see “Escrow Shares”), at a price of $0.10 for gross proceeds of $1,227,000. In connection with the private placement, the Company incurred share issuance costs of $12,607.

- On the AVC Acquisition Closing Date, the Company issued 18,020,001 common shares with a fair value of $14,235,801 to the shareholders of Altitude (Notes 3 and 5).

- On December 21, 2023, the Company completed a non-brokered private placement of 6,401,400 units at a price of $0.50 for gross proceeds of $3,200,700. Each unit consists of one common share and one-half common share purchase warrant. Each whole warrant entitles its holder to purchase one additional common share at an exercise price of $0.70 at any time prior to December 21, 2025.

  For accounting purposes, the Company applied the residual method to allocate the proceeds to common shares and warrants and concluded no value was allocated to warrants.

  In connection with the private placement, the Company incurred the following transaction costs which were recorded as share issuance costs:

  - Paid cash of $96,460 as finders’ fees;
  - Issued 192,920 finders warrants with fair value of $94,686; and
  - Paid cash of $23,554 for other expenses.

  The Company estimated the fair value of finders’ warrants using the Black-Scholes Options Pricing Model, assuming a risk-free interest rate of 3.97%, an expected life of 2 years, an expected volatility of 80% and an expected dividend yield of 0%. The finders’ warrants entitle its holder to purchase one additional common share at an exercise price of $0.50 at any time prior to December 21, 2025.

- On January 8, 2024, the Company issued 1,750,000 common shares with fair value of $1,295,000 pursuant to the CLB Agreement (Note 5).

- On March 5, 2024, the Company completed a non-brokered private placement of 500,000 units at a price of $0.50 for gross proceeds of $250,000. Each unit consists of one common share and one-half common share purchase warrant. Each whole warrant entitles its holder to purchase one additional common share at an exercise price of $0.70 at any time prior to March 5, 2026.

  For accounting purposes, the Company applied the residual method to allocate the proceeds to common shares and warrants and concluded no value was allocated to warrants.

(Expressed in Canadian Dollars)

7) SHARE CAPITAL AND RESERVES (CONTINUED)

Issued share capital (continued)

During the year ended June 30, 2024 (continued)

In connection with the private placement, the Company incurred the following transaction costs which were recorded as share issuance costs:

- Paid cash of $7,000 as finders' fees;
- Issued 14,000 finders warrants with fair value of $3,398; and
- Paid cash of $8,057 for other expenses.

The Company estimated the fair value of finders' warrants using the Black-Scholes options pricing model, assuming a risk-free interest rate of 4.08%, an expected life of 2 years, an expected volatility of 75% and an expected dividend yield of 0%. The finders' warrants entitle its holder to purchase one additional common share at an exercise price of $0.50 at any time prior to March 5, 2026.

- On May 23, 2024, the Company issued 300,000 shares with fair value of $82,500 pursuant to the WRA Agreement (Note 5).

- 75,000 options were exercised for proceeds of $7,500. In addition, the Company reclassified the grant date fair value of the exercised stock options of $3,706 from stock options reserve to share capital.

During the year ended June 30, 2023

- On July 29, 2022, the Company issued 150,000 common shares with a fair value of $7,500 to Eagle Plains as a share payment pursuant to the SLP Agreement (Note 5).

- On January 23, 2023, the Company issued 100,000 common shares with a fair value of $7,000 to Eagle Plains as a share payment pursuant to the PL Agreement (Note 5).

Subsequent to June 30, 2024

- On October 11, 2024, the Company issued 300,000 common shares with a fair value of $39,000 to RMI to complete the acquisition of the Railroad Valley Lithium-Boron Project (Note 5).

Escrow Shares

As discussed in Note 3, pursuant to the AVC Amalgamation Agreement, 7,220,000 of the Consideration Shares are subject to a lock-up period and will be released as follows:

	# of shares
May 21, 2024	722,000 (released)
August 21, 2024	2,166,000 (released subsequent to June 30, 2024)
November 21, 2024	2,166,000
February 21, 2025	2,166,000
	7,220,000

(Expressed in Canadian Dollars)

7) SHARE CAPITAL AND RESERVES (CONTINUED)

Escrow Shares (continued)

In addition, pursuant to the AVC Amalgamation Agreement, the 12,270,000 common shares issued on September 27, 2023, are subject to a lock-up period and will be released as follows:

	# of shares
March 27, 2024	1,227,000 (released)
June 27, 2024	3,681,000 (released)
September 27, 2024	3,681,000 (released subsequent to June 30, 2024)
December 27, 2024	3,681,000
	12,270,000

Warrants

The changes in warrants during the years ended June 30, 2024 and 2023 are as follows:

	June 30, 2024		June 30, 2023	
	Number outstanding	Weighted average exercise price ($)	Number outstanding	Weighted average exercise price ($)
Balance, opening	-	-	-	-
Issued	3,657,620	0.69	-	-
Balance, closing	**3,657,620**	**0.69**	**-**	**-**

Except for the warrants issued in connection with the non-brokered private placements discussed above, no other warrants were issued, exercised, or expired during the year ended June 30, 2024.

Additionally, no warrants were issued, exercised, or expired during the year ended June 30, 2023.

The following summarizes information about warrants outstanding at June 30, 2024:

Expiry date	Exercise price ($)	Warrants outstanding	Estimated grant date fair value ($)	Weighted average remaining contractual life (in years)
December 21, 2025	0.50	192,920	94,686	1.48
December 21, 2025 (1)	0.70	3,200,700	-	1.48
March 5, 2026	0.50	14,000	3,397	1.68
March 5, 2026 (1)	0.70	250,000	-	1.68
		3,657,620	**98,083**	**1.49**
Weighted average exercise price ($)		**0.69**		

(1) These are subject to acceleration in the event that the closing price of the common shares of the Company is greater to $0.95 for five consecutive trading days.

(Expressed in Canadian Dollars)

7) SHARE CAPITAL AND RESERVES (CONTINUED)

Stock options

The Company has adopted an incentive stock option plan, which provides that the Board of Directors of the Company may from time-to-time, in its discretion, and in accordance with the CSE requirements, grant to directors, officers, employees and consultants to the Company, nontransferable stock options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed a rolling 10% of the Company's issued and outstanding common shares at the time the options are granted, and that the options granted will have an exercise price of not less than market price and an expiry date of not more than ten years from the date of grant.

The changes in stock options during the years ended June 30, 2024 and 2023 are as follows:

	June 30, 2024		June 30, 2023	
	Number outstanding	Weighted average exercise price ($)	Number outstanding	Weighted average exercise price ($)
Balance, opening	-	-	-	-
Granted	655,000	0.10	-	-
Exercised	(75,000)	0.10	-	-
Balance, closing	**580,000**	**0.10**	**-**	**-**

During the year ended June 30, 2024

- On September 8, 2023, the Company granted 580,000 options with an exercise price of $0.10 to its directors, officers, and consultants. The options are exercisable for a period of five years. All of the options granted vested immediately at the date of grant.

- On September 27, 2023, the Company granted 75,000 options with an exercise price of $0.10 to a consultant. The options are exercisable for a period of five years. All of the options granted vested immediately at the date of grant.

- On January 11, 2024, 75,000 options were exercised for proceeds of $7,500. In addition, the Company reclassified the grant date fair value of the exercised stock options of $3,706 from stock options reserve to share capital. The weighted average share price on the date of exercise was $0.70.

No options were issued, exercised or expired during the year ended June 30, 2023.

The estimated grant date fair value of the options granted during the year ended June 30, 2024 was calculated using the Black-Scholes Option Pricing Model with the following weighted average assumptions:

Number of options granted	655,000
Risk-free interest rate	4.07%
Expected annual volatility	98%
Expected life (in years)	5
Expected dividend yield	-
Grant date fair value per option ($)	0.05
Share price at grant date ($)	0.07

During the year ended June 30, 2024, the Company recognized share-based payments expense arising from stock options of $32,383 (June 30, 2023 – $nil).

(Expressed in Canadian Dollars)

7) SHARE CAPITAL AND RESERVES (CONTINUED)

The following summarizes information about stock options outstanding and exercisable at June 30, 2024:

Expiry date	Exercise price ($)	Options outstanding	Options exercisable	Estimated grant date fair value ($)	Weighted average remaining contractual life (in years)
September 8, 2028	0.10	505,000	505,000	24,955	4.19
September 27, 2028	0.10	75,000	75,000	3,722	4.25
		580,000	**580,000**	**28,677**	**4.20**
Weighted average exercise price ($)		**0.10**	**0.10**		

8) RELATED PARTY TRANSACTIONS AND BALANCES

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

The following table discloses the total compensation incurred to the Company's key management personnel during the years ended June 30, 2024 and 2023:

	For the years ended	
	June 30, 2024 $	June 30, 2023 $
Joness Lang, CEO and Director (1)		
Consulting fees	140,000	-
Alnesh Mohan, CFO (2)		
Professional fees	108,680	-
Eric Saderholm, Director and Technical Advisor		
Consulting fees	7,158	-
Share-based payments	3,706	-
	10,864	**-**
Ken Cunningham, Director and Technical Advisor		
Consulting fees	10,000	-
Warwick Smith, Director and Strategic Advisor		
Consulting fees	15,000	-
Maximillian Whiffin, Director		
Share-based payments	3,706	-
Brian Goss, Director		
Share-based payments	3,706	-

(Expressed in Canadian Dollars)

8) RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

	For the years ended	
	June 30, 2024	**June 30, 2023**
	$	**$**
Hani Zabaneh, former CEO and Director		
Consulting fees	13,000	18,000
Share-based payments	7,413	-
	20,413	**18,000**
Sarah Hundal, former CFO		
Consulting fees	15,000	18,000
Share-based payments	3,706	-
	18,706	**18,000**
TOTAL	**331,075**	**36,000**

(1) Paid to EBC Consulting Group Ltd. which is controlled by Mr. Lang.
(2) Paid to Quantum Advisory Partners LLP, an accounting firm in which Mr. Mohan is an incorporated partner. Fees were paid for provision of CFO, financial reporting, accounting support and transaction support services.

As of June 30, 2024, the balances due to the Company's directors and officer included in accounts payables were $27,655 (June 30, 2023 – $6,225) (Note 6). These amounts are unsecured, non-interest bearing and payable on demand.

9) SEGMENTED INFORMATION

The Company operates in one reportable segment being the exploration and evaluation of mineral properties. The Company's non-current assets are located are as follows:

	June 30, 2024	**Canada**	**United States**
	$	**$**	**$**
Non-current assets			
Deposit	23,328	23,328	-
Reclamation deposits	18,133	-	18,133
Exploration and evaluation assets	16,097,322	-	16,097,322

	June 30, 2023	**-**	**-**
	$	**$**	**$**
Non-current assets			
Deposit	23,328	23,328	-
Exploration and evaluation assets	14,123	14,123	-

(Expressed in Canadian Dollars)

10) CAPITAL MANAGEMENT

The Company defines its components of shareholders' equity as 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 business opportunities and to maintain a flexible capital structure that optimizes the costs of capital at an acceptable risk.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust capital structure, the Company may consider issuing new shares, and/or issue debt, acquire or dispose of assets, or adjust the amount of cash on hand.

The Company's investment policy is to keep its cash on deposit in an interest-bearing Canadian chartered bank account. There have been no changes to the Company's approach to capital management at any time during the years ended June 30, 2024 and 2023. The Company is not subject to externally imposed capital requirements.

11) FINANCIAL INSTRUMENTS

Fair value
Financial instruments are classified into one of the following categories: FVTPL, amortized cost and FVTOCI.

Set out below are the Company's financial assets and liabilities by category:

	June 30, 2024 $	FVTPL $	Amortized costs $	FVTOCI $
FINANCIAL ASSETS				
ASSETS				
Cash and cash equivalents	1,961,245	1,961,245	-	-
Amounts receivable	13,156	-	13,156	-
Deposit	23,328	-	23,328	-
Reclamation deposits	18,133	-	18,133	-
FINANCIAL LIABILITIES				
LIABILITIES				
Accounts payable	(77,591)	-	(77,591)	-

	June 30, 2023 $	FVTPL $	Amortized costs $	FVTOCI $
FINANCIAL ASSETS				
ASSETS				
Cash and cash equivalents	4,279	4,279	-	-
Amounts receivable	18,613	-	18,613	-
Deposit	23,328	-	23,328	-
FINANCIAL LIABILITIES				
LIABILITIES				
Accounts payable	(13,286)	-	(13,286)	-

11) FINANCIAL INSTRUMENTS (CONTINUED)

Fair value (continued)
The carrying values of cash and cash equivalents, amounts receivable, deposits, and accounts payable approximate their fair values due to the relatively short period to maturity of those financial instruments. Reclamation deposits approximately their fair value due to their liquidity.

IFRS 13 establishes a fair value hierarchy that reflects the significance of inputs used in making fair value measurements as follows:

Level 1: Unadjusted quoted prices 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 that are not based on observable market data.

The Company has determined the estimated fair values of its financial instruments based upon appropriate valuation methodologies.

As of June 30, 2024 and 2023, the financial instrument recorded at fair value on the statements of financial position is cash which is measured using Level 1 of the fair value hierarchy. As of June 30, 2024 and 2023, there were no financial assets or liabilities measured and recognized in the statement of financial position at fair value that would be categorized as Level 2 and 3 in the fair value hierarchy above.

Financial risk management

Credit risk
Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's exposure to credit risk includes cash and amounts receivable.

The Company's cash and cash equivalents are held at a large Canadian financial institution in interest bearing accounts.

The Company's maximum exposure to credit risk is the carrying value of its financial assets.

Management believes that the credit risk concentration with respect to these financial instruments is remote. Cash and cash equivalents based in Canada are accessible. The Company's amounts receivable balance does not represent significant credit exposure as it is principally due from the Government of Canada.

Liquidity risk
Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. The Company manages liquidity by maintaining adequate cash balances to meet liabilities as they become due.

As of June 30, 2024, the Company maintained sufficient cash and cash equivalents totaling $1,961,245 to meet short-term business requirements. As of June 30, 2024, the Company had accounts payable and accrued liabilities amounting to $156,638, all of which are current. The Company's liquidity is assessed as high.

11) FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management (continued)

Market risk

The significant market risks to which the Company is exposed are interest rate risk, foreign currency risk, and price risk.

Interest Rate Risk

The Company's interest rate risk principally arises from the interest rate impact of interest earned on cash. The Company is not exposed to significant interest rate risk relating to its cash.

Foreign Currency risk

The Company is exposed to currency risk to the extent that monetary assets and liabilities denominated by the Company are not denominated in Canadian dollars ("$" or "CA$"). The Company has not entered into any foreign currency contracts to mitigate this risk.

The Company's cash and cash equivalents, amounts receivable, and accounts payable and accrued liabilities are denominated in CA$ and United States dollars ("US$"); therefore, US$ accounts are subject to fluctuation against the CA$.

The Company's financial instruments were denominated as follows as at June 30, 2024:

	CA$	US$
Cash and cash equivalents	1,957,378	2,827
Deposit	23,328	-
Reclamation deposits	-	13,258
Accounts payable and accrued liabilities	(134,552)	(16,148)
	1,846,154	**(63)**
Rate to convert to $1.00 CA$	1.00	1.37
Equivalent to CA$	**1,846,154**	**(86)**

Based on the net exposures as of June 30, 2024, and assuming all other variables remain constant, a 10% change in the CAD against the USD would not have a significant impact on profit or loss.

Commodity 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 may be subject to risks associated with fluctuations in the market price of commodities. The Company is not exposed to significant other price risk.

(Expressed in Canadian Dollars)

12) INCOME TAXES

A reconciliation of the expected income tax recovery to the actual income tax recovery for the years ended June 30, 2023 and 2022 is as follows:

	June 30, 2024 $	June 30 2023 $
Net loss	(2,216,550)	(323,970)
Statutory income tax rate	27%	27%
Expected income tax recovery	(598,469)	(87,472)
Permanent and other differences	(99,828)	7,964
Effect of share issue cost	(39,865)	-
Local and foreign rate differences	(1,671)	
Change in valuation allowance	739,833	79,508
Income tax recovery	-	-

The significant components of deferred income tax assets and liabilities are as follows:

	June 30, 2024 $	June 30 2023 $
Non-capital loss	556,855	93,763
Share issuance cost	38,694	887
Exploration and evaluation asset	296,076	57,142
Valuation allowance	(891,625)	(151,792)
Income tax assets	-	-

As of June 30, 2024, the Company has non-capital tax losses totaling $2,069,320, with $2,038,296 attributed to Canada and $31,024 from the USA. These losses begin to expire in the year 2043.