POWR LITHIUM CORP.

Consolidated Financial Statements

For the years ended August 31, 2024 and 2023

(Expressed in Canadian dollars)

Independent Auditor's Report

To the Shareholders of POWR Lithium Corp.

Opinion

We have audited the consolidated financial statements of POWR Lithium Corp. (the "Company"), which comprise the consolidated statements of financial position as at August 31, 2024 and 2023, and the consolidated statements of loss and comprehensive loss, cash flows, and changes in shareholders' equity for the years then ended, and notes to the consolidated financial statements, including 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 August 31, 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 indicates that during the year ended August 31, 2024, the Company incurred a net loss of $5,377,690 and, as of that date, the Company had a working capital deficiency of $303,879. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters, that in our professional judgment, were of most significance in our audit of the 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 the Material Uncertainty Related to Going Concern section, we have determined that there are no other 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 Matthew Gosden.

DMCL.

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

December 6, 2024

POWR LITHIUM CORP.
Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

	Note	**August 31, 2024**	August 31, 2023
		$	$
ASSETS			
Current			
Cash		**4,298**	75,124
Prepaid expenses	5	**7,145**	13,935
GST receivable		**16,165**	84,206
		27,608	173,265
Reclamation bond	6	**22,956**	-
Exploration and evaluation assets	8	**1**	2,401,806
Total assets		**50,565**	2,575,071
LIABILITIES			
Current			
Accounts payable and accrued liabilities	10	**323,273**	642,345
Decommissioning liability	7	**8,214**	-
Obligation to issue shares	11(b)	**-**	20,000
Total liabilities		**331,487**	662,345
SHAREHOLDERS' EQUITY			
Share capital	11(b)	**7,429,622**	4,969,868
Obligation to issue shares	8(a)	**38,951**	38,951
Reserves		**2,263,427**	1,539,139
Deficit		**(10,012,922)**	(4,635,232)
Total shareholders' equity		**(280,922)**	1,912,726
Total liabilities and shareholders' equity		**50,565**	2,575,071

Nature of operations and going concern (Note 1)
Subsequent events (Note 17)

Approved and authorized for issue on behalf of the Board of Directors:

/s/ "Marco Montecinos"	*/s/ "Mark Mukhija"*
Director	Director

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

POWR LITHIUM CORP.
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars, except number of shares)

	Note	Years ended August 31, **2024**	2023
		$	$
Operating expenses			
Bank charges		**1,452**	1,674
Consulting and management fees	12	**293,834**	490,533
Exploration and evaluation expenditures	9,12	**452,835**	226,928
General and administrative		**197,504**	213,233
Legal and professional fees	12	**133,141**	204,533
Marketing		**763,925**	280,631
Share-based compensation	11,12	**1,067,786**	477,175
Transfer agent and regulatory fees		**36,531**	46,751
		2,947,008	1,941,458
Other income (expenses)			
Foreign exchange gain (loss)		**1,851**	(6,898)
Interest income		**1,465**	-
Loss on debt settlement	11	**(32,193)**	-
Impairment loss	8	**(2,401,805)**	-
Net loss and comprehensive loss		**(5,377,690)**	(1,948,356)
Net loss per share:			
Basic and diluted		**(0.11)**	(0.06)
Weighted average number of common shares:			
Basic and diluted		**49,907,156**	32,719,159

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

POWR LITHIUM CORP.
Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)

	Years ended August 31,	
	2024	2023
	$	$
Operating activities:		
Net loss for the year	**(5,377,690)**	(1,948,356)
Adjustment for:		
Decommission expense	**8,214**	-
Share-based compensation	**1,067,786**	477,175
Loss on debt settlement	**32,193**	-
Impairment loss	**2,401,805**	-
Changes in non-cash working capital:		
Prepaid expenses	**6,790**	173,568
GST receivable	**68,041**	(52,816)
Accounts payable and accrued liabilities	**(176,322)**	464,531
Cash used in operating activities	**(1,969,183)**	(885,898)
Investing activity:		
Payment for the acquiring of the Halo project	**-**	(264,400)
Payment for the reclamation bond	**(22,956)**	-
Cash used in investing activities	**(22,956)**	(264,400)
Financing activities:		
Proceeds from exercise of stock options	**-**	42,500
Proceeds from exercise of warrants	**35,283**	410,889
Repayment of the promissory note	**-**	(26,222)
Proceeds from obligation to issue shares	**-**	20,000
Proceeds from private placement of units	**1,980,000**	350,000
Unit issuance costs	**(93,970)**	(16,662)
Cash provided by financing activities	**1,921,313**	780,505
Change in cash	**(70,826)**	(369,793)
Cash, beginning of the year	**75,124**	444,917
Cash, end of the year	**4,298**	75,124
Supplemental cash flow information		
Units issued to settle accounts payable and accrued liabilities	**142,750**	-

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

POWR LITHIUM CORP.
Consolidated Statements of Changes in Shareholders' Equity
(Expressed in Canadian dollars, except number of shares)

	Common shares	Share capital	Obligation to issue shares	Reserves	Deficit	Total shareholders' equity
	#	$	$	$	$	$
Balance, August 31, 2022	28,476,739	3,769,004	38,951	1,173,415	(2,686,876)	2,294,494
Warrants exercised	4,108,889	454,409	-	(43,520)	-	410,889
Stock options exercised	290,000	57,431	-	(14,931)	-	42,500
Conversion of fully vested RSUs	100,000	53,000	-	(53,000)	-	-
Share issued in a private placement	3,500,000	350,000	-	-	-	350,000
Share issuance costs	-	(16,662)	-	-	-	(16,662)
Share issued for the purchase of Halo Project	1,250,000	268,750	-	-	-	268,750
Share issued for finders' fees	157,840	33,936	-	-	-	33,936
Share-based compensation	-	-	-	477,175	-	477,175
Net loss and comprehensive loss	-	-	-	-	(1,948,356)	(1,948,356)
Balance, August 31, 2023	37,883,468	4,969,868	38,951	1,539,139	(4,635,232)	1,912,726
Warrants exercised	352,834	37,082	-	(1,799)	-	35,283
Conversion of restricted share units	3,275,000	753,250	-	(753,250)	-	-
Units issued in a private placement	10,000,000	1,659,231	-	340,769	-	2,000,000
Unit issuance costs	-	(132,559)	-	38,589	-	(93,970)
Units issued for debt settlement	713,750	142,750	-	32,193	-	174,943
Share-based compensation	-	-	-	1,067,786	-	1,067,786
Net loss and comprehensive loss	-	-	-	-	(5,377,690)	(5,377,690)
Balance, August 31, 2024	**52,225,052**	**7,429,622**	**38,951**	**2,263,427**	**(10,012,922)**	**(280,922)**

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

1. NATURE OF OPERATIONS AND GOING CONCERN

POWR Lithium Corp. (formerly Clear Sky Lithium Corp.) (the "Company") is in the business of the exploration and evaluation of mineral properties. The Company was incorporated under the Business Corporations Act of British Columbia on June 25, 2018 and changed its name from Clear Sky Lithium Corp. to POWR Lithium Corp. on January 30, 2023. The address of the Company's registered and records office is 1021 West Hastings Street, 9th floor, Vancouver, BC, V6E 0C3.

The Company's common shares trade on the Canadian Securities Exchange (the "CSE") under the symbol "POWR", on the OTC Markets Exchange under the symbol "CSKYF", and on the Frankfurt Stock Exchange under the symbol "6JX".

These consolidated financial statements for the years ended August 31, 2024 and 2023 (the "financial statements") have been prepared on a going concern basis, which assumes the Company will continue in operations for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. During the year ended August 31, 2024, the Company incurred a net loss and comprehensive loss of $5,377,690. As at August 31, 2024, the Company had a working capital deficiency of $303,879, and accumulated deficit of $10,012,922. The Company has no source of operating cash flows, and there is no assurance that sufficient funding (including adequate financing) will be available to conduct the required exploration and development of exploration and evaluation assets. These factors present a material uncertainty that may cast significant doubt over the Company's ability to continue as a going concern.

The application of the going concern assumption is dependent on the Company's ability to generate future profitable operations and receive continued financial support from its creditors and shareholders. These financial statements do not give effect to any adjustments that might be required should the Company be unable to continue as a going concern. These adjustments could be material.

2. BASIS OF PRESENTATION

a) Statement of compliance

These financial statements were approved by the Board of Directors and authorized for issue on December 6, 2024.

These financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS Accounting Standards") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee.

b) Basis of presentation

These financial statements have been prepared on an historical cost basis. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

c) Functional and presentation currency

These financial statements are presented in Canadian dollars, which is the functional currency of the Company and its subsidiaries. The functional currency is the currency of the primary economic environment in which an entity operates. References to "US$" are United States dollars.

d) Basis of consolidation

These financial statements include the accounts of the Company and its subsidiaries. All intercompany transactions and balances are eliminated on consolidation. Control exists where the parent entity has power over the investee and is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries are included in the financial statements from the date control commences until the date control ceases.

2. BASIS OF PRESENTATION (continued)

A summary of the Company's subsidiaries included in these financial statements as at August 31, 2024 is as follows:

Name of subsidiary	Country of incorporation	Percentage ownership	Principal activity
1291455 B.C. LTD	Canada	100%	Holding company and mineral exploration
Clear Sky Lithium Nevada Inc	US	100%	Mineral exploration

3. MATERIAL ACCOUNTING POLICY INFORMATION

a) Exploration and evaluation assets and expenditures

Acquisition costs for exploration and evaluation assets, net of recoveries, are capitalized on a property-by-property basis. Acquisition costs include cash consideration and the value of common shares, based on fair value at issuance, issued for mineral properties pursuant to the terms of the underlying agreement. Exploration expenditures, net of recoveries, are not capitalized but recorded in profit or loss as incurred.

After an exploration and evaluation asset is determined by management to be commercially viable and technically feasible, exploration and evaluation expenditures on the property will first be assessed for impairment before being capitalized as property and equipment. To date, the Company has no exploration and evaluation assets that have been determined by management to be commercially viable and technically feasible.

Capitalized acquisition costs are assessed for impairment if facts and circumstances suggest that the carrying amount exceeds the recoverable amount. When there is little prospect of further work being carried out by the Company on a property, when a property is abandoned, or when the capitalized costs are no longer considered recoverable, the related property costs are written down to management's estimate of their net recoverable amount.

b) Restoration, rehabilitation and environmental obligations

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration, development or ongoing production 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, as soon as the obligation to incur such costs arises. Discount rates using a pre-tax rate that reflect 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 unit-of-production or the straight-line method. The related liability is adjusted each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. Costs for restoration of subsequent site damage, which is created on an ongoing basis during production, are provided for at their net present values and charged against profits as extraction progresses.

c) Foreign exchange

Transactions in currencies other than the functional currency are translated to the functional currency at exchange rates prevailing on the dates of the transactions. Monetary assets and liabilities that are denominated in currencies other than the functional currency are translated to the functional currency using the exchange rate prevailing on the date of the statement of financial position, while non-monetary assets and liabilities are translated at historical rates.

Exchange gains and losses arising from the translation of foreign currency-denominated transactions or balances are recorded in profit or loss in the period in which they occur.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

d) Financial instruments

IFRS 9 *Financial Instruments* addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 requires financial assets to be classified into three measurement categories: those measured at fair value through profit and loss (“FVTPL”), at fair value through other comprehensive income (“FVTOCI”), and at amortized cost. The determination is made at initial recognition. The classification depends on the entity’s business model for managing its financial instruments and the contractual cash flow characteristics of the instrument.

The Company’s financial instruments are classified as follows:

Financial instruments	**Classification**
Financial assets**:**	
Cash	Amortized cost
Reclamation bond	Amortized cost
Financial liabilities:	
Accounts payable and accrued liabilities	Amortized cost
Obligation to issue shares (presented under current liabilities)	Amortized cost

Financial assets

Fair value through profit or loss - Financial assets are classified as FVTPL if they do not meet the criteria of amortized cost or FVTOCI. Changes in fair value are recognized in the Consolidated Statements of Loss and Comprehensive Loss.

Amortized cost - Financial assets are classified as measured at amortized cost if both of the following criteria are met and the financial assets are not designated as FVTPL: 1) The objective of the Company’s business model for these financial assets is to hold and collect their contractual cash flows; and 2) the assets contractual cash flow represents solely payments of principal and interest.

Financial liabilities

All financial liabilities are initially recorded at fair value and classified as FVTPL or amortized cost.

Financial liabilities classified as amortized cost are initially recognized at fair value less directly attributable transaction costs and are subsequently measured at amortized cost using the effective interest rate method. The effective interest rate method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Derecognition of financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expired. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and/or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are generally recognized in profit or loss.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Impairment of financial assets at amortized cost

The Company assesses all information available, including on a forward-looking basis, the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as the reporting date, with the risk of default as at the date of initial recognition, based on all information available, and reasonable and supportive forward-looking information. If it has been determined that there is a significant increase in risk, then the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses. If at the reporting date, the credit risk of the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company recognizes in profit or loss the amount of expected credit losses (or reversal), as an impairment gain or loss, that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

e) Income taxes

Provision for income taxes consists of current and deferred tax expense. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized either in other comprehensive income (loss) or directly in equity, in which case it is recognized in other comprehensive income (loss) or in equity, respectively.

Current tax expense is tax payable on the taxable income for the year, using tax rates and the expected tax laws enacted or substantively enacted at the reporting date, adjusted for amendments to tax payable or recoverable with regards to previous years.

Deferred tax expense 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 expense is not recognized for temporary differences associated with the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable income or loss and temporary differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future. Deferred tax expense is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference 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.

Deferred income tax assets and deferred income tax liabilities are offset only when there is a legally enforceable right to set off current tax assets against current income tax liabilities and when they relate to income taxes levied by the same taxation authority on the same taxable entity.

f) Loss per share

Basic loss per share is calculated using the weighted average number of common shares outstanding during the year. Diluted loss per share is calculated by adjusting the loss attributable to equity shareholders and the weighted average number of common shares outstanding for the effects of all potentially dilutive instruments. The calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the year. In years where a loss is reported, diluted loss per share is the same as basic loss per share because the effects of potentially dilutive common shares would be anti-dilutive.

g) Share-based compensation and share-based payments

The Company grants common share purchase options (“stock options”) and restricted share units (“RSU”) to directors, officers, employees and consultants. The fair value of options and RSUs, determined at the date of the grant, is charged to profit or loss, with an offsetting credit to reserves, over the vesting period. If and when the options or RSU’s are exercised, the applicable original amounts of reserves are transferred to share capital.

In situations where equity instruments are issued to non-employees, the transaction is measured with reference to fair value of the goods or services received, unless the fair value of the goods and services cannot be reliably measured, in which case the transaction is measured at fair value of the equity issued.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

h) Share capital

The Company records proceeds from share issuances net of issue costs and any tax effects. When equity offerings consist of common shares issued with attached warrants, if both instruments are classified as equity, the net proceeds are allocated based on the relative fair value of each component of equity. In determining the fair value of warrants, the Company uses the Black-Scholes option pricing model.

i) Recent accounting pronouncements

Certain new standards, interpretations, amendments and improvements to existing standards were issued by IASB or IFRIC that are mandatory for future accounting periods which are not expected to have a material effect on the Company's consolidated financial statements.

During the year ended August 31, 2024, the Company adopted the following amendments to accounting standards, which are effective for annual periods beginning on or after January 1, 2023:

<u>Disclosure of accounting policies - amendments to IAS 1 and IFRS Practice Statement 2</u>

The amendments to IAS 1 *Presentation of financial statements* and IFRS Practice Statement 2 *Making materiality judgements* provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policy information and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments have had no impact on the Company's disclosures of accounting policies as well as on the measurement, recognition or presentation of any items in the Company's financial statements.

<u>Definition of accounting estimates - amendments to IAS 8</u>

The amendments to IAS 8 *Accounting policies, changes in accounting estimates and errors* clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. They clarify how entities use measurement techniques and inputs to develop accounting estimates. The amendments had no impact on the Company's financial statements.

<u>Deferred tax related to assets and liabilities arising from a single transaction - amendments to IAS 12</u>

The amendments to IAS 12 *Income Taxes* narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities. The amendments had no impact on the Company's financial statements.

<u>Presentation and Disclosure in Financial Statements - IFRS 18</u>

On April 9, 2024, the IASB issued IFRS 18 *Presentation and Disclosure in Financial Statements*. IFRS 18 will apply for reporting periods beginning on or after January 1, 2027 and applies to comparative information. IFRS 18 will replace IAS 1; many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it may change what an entity reports as its 'operating profit or loss'. Key new concepts introduced in IFRS 18 relate to: (i) the structure of the statement of profit or loss; (ii) required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and (iii) enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

The Company has not early adopted any other new accounting standard, interpretation or amendment that has been issued but is not yet effective.

4. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The preparation of these financial statements requires management to exercise significant judgments in applying the Company's accounting policies and make estimates 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. Estimates and assumptions are reviewed on an ongoing basis and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual future outcomes could differ from present estimates and assumptions, which may require material adjustments to the Company's financial statements. Revisions to accounting estimates are accounted for prospectively.

Significant judgments exercised by management in applying the Company's accounting policies that have the most significant effect on the amounts recognized in the financial statements are as follows:

Valuation of share-based compensation

The Company determines the fair value of share-based compensation granted using the Black-Scholes option pricing model. This option pricing model requires the development of market-based subjective inputs, including the risk-free interest rate, expected price volatility and expected life of the option. Changes in these inputs and underlying assumption used to develop them can materially affect the fair value estimate.

Functional currency

Determination of an entity's functional currency involves judgment taking into account the transactions, events, and conditions relevant to the entity. Determination of functional currency involves evaluating evidence about the primary economic environment in which the entity operations and is re-evaluated when facts and circumstances indicate that conditions have changed.

Going concern

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. Management assesses the Company's ability to continue as a going concern at each reporting date using all quantitative and qualitative information available. This assessment, by its nature, relies on estimates and assumptions of future cash flows and other events (Note 1), whose subsequent changes could materially impact the validity of the assessment.

Impairment of exploration and evaluation assets

The Company is required to make significant judgments on the ongoing feasibility of mineral exploration, and whether there are indicators that the development of a specific area is unlikely, and exploration and evaluation assets should be impaired.

Deferred tax assets and liabilities

The measurement of a deferred tax provision is subject to uncertainty associated with the timing of future events and changes in legislation, tax rates and interpretations by tax authorities. The estimation of 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 tax provisions or recoveries could be affected.

(Expressed in Canadian dollars, except where noted)

5. PREPAID EXPENSES

A summary of the Company's prepaid expenses is as follows:

	August 31, 2024	August 31, 2023
	$	$
Legal and professional fees	**2,477**	10,000
Marketing	**1,275**	-
Transfer agent and regulatory fees	**3,393**	3,935
	7,145	13,935

6. RECLAMATION BOND

During the year ended August 31, 2024, the Company paid for a reclamation bond for a drilling permit at the Halo Project. As at August 31, 2024, the value of the reclamation bond was $22,956 (US$ 16,605).

7. DECOMMISSIONING LIABILITY

The Company has an obligation to undertake restoration and environmental work when environmental disturbance is caused by exploration activities.

A provision for decommissioning liabilities is estimated based on current regulatory requirements and is recognized at the present value of such costs. The expected timing of cash flows in respect of the provision is based on the estimated life of the Company's exploration activities.

As at August 31, 2024, the decommissioning provision is estimated to be $8,214 (August 31, 2023 - $nil).

8. EXPLORATION AND EVALUATION ASSETS

A summary of the Company's exploration and evaluation assets activity is as follows:

	ELi Property	**Halo Project**	**Total**
	$	$	$
Balance, August 31, 2022	127,500	1,707,220	1,834,720
Acquisition costs	-	533,150	533,150
Finder's fee shares	-	33,936	33,936
Balance, August 31, 2023	127,500	2,274,306	2,401,806
Impairment loss	(127,499)	(2,274,306)	(2,401,805)
Balance, August 31, 2024	**1**	**-**	**1**

a) ELi Property

On December 23, 2021, the Company acquired a 100% interest in 26 unpatented mining claims situated in Eureka County and Nye County, Nevada, (the "ELi Property") with a fair value of $127,500 as a result of acquiring its subsidiary 1291455BC. The fair value on acquisition was determined based on the price that was paid by 1291455BC on November 16, 2021, in an arm's length transaction prior to it being acquired by the Company.

On November 16, 2021, 1291455BC purchased a 100% interest in the ELi Property for purchase consideration comprising US$50,000 cash and 100,000 common shares of 1291455BC with a contractual value of US$50,000 (the "share contractual value") or US$0.50 per share. On June 13, 2022, the Company completed the initial public offering process and was listed on CSE with the share price of $0.25, which was lower than the share contractual value of US$0.50. Pursuant to the agreement, an obligation to issue shares of $38,951 was recognized in connection with this requirement. In addition, the Company agreed to provide the seller with a gross returns mineral production royalty of 2% from the production of minerals from the ELi Property and any unpatented mining claims that the Company locates in an identified area of interest.

(Expressed in Canadian dollars, except where noted)

8. EXPLORATION AND EVALUATION ASSETS (continued)

At present, substantive exploration work is neither budgeted nor planned. As a result, on August 31, 2024, the Company impaired the property and recognized impairment loss on this asset of $127,499 (August 31, 2023 - $nil).

b) Halo Project

On August 4, 2022, the Company entered into an option agreement with Halo Lithium LLC (the "Optionor") to acquire a 100% interest in 98 mineral claims located in Esmeralda and Nye Counties, Nevada, (the "Halo Project"). The option agreement required a series of cash payments, reimbursement of expenses and share consideration as follows:

- $319,914 (US$250,000) cash, $97,917 (US$76,518) reimbursement of expenses, and 1,865,269 common shares of the Company payable on or before August 9, 2022 (fully paid and issued). The fair value of this first tranche of shares was measured as $1,212,425 based on a $0.65 per share market price on the date of issuance.
- US$200,000 cash and 1,250,000 common shares of the Company payable on or before the August 4, 2023 (fully paid and issued). The fair value of this second tranche of shares was measured as $268,750 based on a $0.22 per share market price on the date of issuance.
- US$200,000 cash and 500,000 common shares of the Company payable on or before the August 4, 2024.

The claims were subject to a 1% net smelter royalty ("NSR") to the Optionor, subject to a buyback right whereby the Company was entitled to purchase one half of the NSR from the Optionor for a cash payment of US$1,000,000 any time prior to the commencement of commercial production.

Pursuant to the Halo Project option agreement, the Company incurred finder's fees requiring the issuance of common shares ("Finder's fee shares") in separate tranches as follows:

- 118,406 common shares due within five days of August 4, 2022 (issued).
- 75,000 common shares and common shares equal to US$12,000 due on August 4, 2023 (issued).
- 30,000 common shares and common shares equal to US$12,000 due on August 4, 2024.

The fair value of the first tranche of the Finder's fee shares was measured as $76,964 based on the $0.65 per share market price on August 9, 2022, the date of issuance. The fair value of the second tranche of the Finder's fee shares was measured at $33,936 based on the $0.22 per share market price on August 4, 2023, the date of issuance.

The Company did not pay the option payments scheduled for August 4, 2024. As a result, the option agreement has been terminated and the Company recognized impairment loss on this asset of $2,274,306 (August 31, 2023 - $nil).

9. EXPLORATION AND EVALUATION EXPENDITURES

A summary of the Company's exploration and evaluation expenditures for the year ended August 31, 2024 is as follows:

	ELi Property	Halo Project	Total
	$	$	$
Decommissioning provision	-	8,214	8,214
Drilling	-	390,950	390,950
Geological consulting	9,179	10,594	19,773
Geophysics, sampling and assays	-	33,555	33,555
Mining claims and maintenance	115	228	343
	9,294	**443,541**	**452,835**

A summary of the Company's exploration and evaluation expenditures for the year ended August 31, 2023 is as follows:

	ELi Property	Halo Project	Total
	$	$	$
Drilling	-	30,723	30,723
Geological consulting	59,235	7,247	66,482
Geophysics, sampling and assays	5,443	87,414	92,857
Mining claims and maintenance	7,650	29,216	36,866
	72,328	**154,600**	**226,928**

(Expressed in Canadian dollars, except where noted)

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

A summary of the Company's accounts payable and accrued liabilities is as follows:

	August 31, 2024	August 31, 2023
	$	$
Accounts payable	**314,273**	638,145
Accrued liabilities	**9,000**	4,200
	323,273	642,345

11. SHARE CAPITAL

a) Authorized share capital

The Company is authorized to issue an unlimited number of common shares without par value.

b) Issued share capital

As at August 31, 2024, there were 52,225,052 issued and fully paid common shares outstanding (August 31, 2023 - 37,883,468).

During the year ended August 31, 2024, the Company had the following share capital transactions:

- On September 29, 2023, the Company issued 10,000,000 units at $0.20 per unit for gross proceeds of $2,000,000. Of the $2,000,000 gross proceeds, $20,000 was received during the year ended August 31, 2023, and is included under obligation to issue shares within current liabilities as at August 31, 2023. Each unit comprises one common share and one-half of one share purchase warrant. Each whole share purchase warrant entitles the holder to purchase one common share of the Company at an exercise price of $0.40 until September 27, 2025. The warrants were valued using a Black-Scholes option pricing model with the following inputs: a share price of $0.20, an exercise price of $0.40, a risk-free interest rate of 4.87%, an expected life of two years, an expected volatility of 114%, and an expected annual dividend yield of 0%. Applying the relative fair value approach, the gross proceeds were allocated as follows: $1,659,231 to common shares and $340,769 to reserves. The Company paid legal fees of $20,967, cash finders' fees of $73,003 and issued 427,777 finder's warrants in connection with this transaction. The fair value of the finder's warrants was estimated to be $38,589 using the Black-Scholes option pricing model with the following inputs: a share price of $0.20, an exercise price of $0.40, a risk-free interest rate of 4.87%, an expected life of two years, an expected volatility of 114%, and an expected annual dividend yield of 0%. Therefore, $132,559 of share issuance costs were recorded as a reduction to share capital in connection with this unit issuance.
- Concurrent with the September 29, 2023 private placement, the Company settled outstanding payables totaling $142,750 for consideration of 713,750 units. Each unit comprises one common share and one-half of one share purchase warrant. Each whole share purchase warrant entitles the holder to purchase one common share of the Company at an exercise price of $0.40 until September 27, 2025. The shares were valued at $0.20 per share based on the market price of the Company's shares on the date the debt settlement agreements were entered into.The warrants were valued using a Black-Scholes option pricing model with the following inputs: a share price of $0.20, an exercise price of $0.40, a risk-free interest rate of 4.87%, an expected life of two years, an expected volatility of 114%, and an expected annual dividend yield of 0%. The Company recognized $142,750 to common shares, $32,193 to reserves, and loss on debt settlement of $32,193 in connection with this unit issuance. 196,875 of these units were issued to the CEO of the Company to settle $39,375 in accounts payables which was outstanding at August 31, 2023 (Note 12).
- The Company issued 352,834 common shares pursuant to the exercise of outstanding warrants for gross proceeds of $35,283. In connection with the exercised warrants, $1,799 was transferred from reserves to share capital.
- On January 30, 2024, the Company issued 3,275,000 common shares pursuant to the conversion of 3,275,000 restricted share units. In connection with the conversion of restricted share units, $753,250 was transferred from reserves to share capital.

(Expressed in Canadian dollars, except where noted)

11. SHARE CAPITAL (continued)

During the year ended August 31, 2023, the Company had the following share capital transactions:

- The Company issued 4,108,889 common shares pursuant to the exercise of outstanding warrants for cash proceeds of $410,889. In connection with the exercised warrants, $43,520 was transferred from reserves to share capital.
- The Company issued 290,000 common shares pursuant to the exercise of outstanding stock options for cash proceeds of $42,500. In connection with the exercised stock options, $14,931 was transferred from reserves to share capital.
- The Company issued 100,000 common shares pursuant to the conversion of 100,000 restricted share units. In connection with the conversion of restricted share units, $53,000 was transferred from reserves to share capital.
- On August 4, 2023, the Company issued 1,250,000 and 157,840 common shares as consideration for the Halo project mineral property option and related finder's fee respectively (Note 8(b)).
- On July 21, 2023, the Company issued 3,500,000 common shares pursuant to a private placement for gross proceeds of $350,000. The Company paid cash for finders' fees of $16,662, which was recorded as a reduction in share capital.

c) Warrants

A summary of the Company's warrants activity is as follows:

	Number of warrants	Weighted average exercise price
	#	$
Balance, August 31, 2022	15,518,017	0.21
Exercised	(4,108,889)	0.14
Balance, August 31, 2023	11,409,128	0.25
Granted	5,784,653	0.40
Exercised	(352,834)	0.10
Balance, August 31, 2024	**16,840,947**	**0.25**

A summary of the Company's outstanding and exercisable warrants as at August 31, 2024 is as follows:

Expiry date	Number of warrants	Weighted average exercise price	Weighted average contractual remaining life
	#	$	Years
September 28, 2024	2,578,858	0.10	0.08
December 23, 2024	2,744,236	0.10	0.31
January 17, 2025	5,733,200	0.25	0.38
September 27, 2025	5,784,653	0.40	1.08
	16,840,947	**0.25**	**0.56**

On October 5, 2023, the Company modified the terms of the 5,733,200 outstanding warrants issued on January 17, 2022 in a private placement of units. The exercise price was reduced from $0.40 to $0.25 per common share, while the expiry date of January 17, 2025 remains unchanged.

d) Stock options

The Company established a stock option plan (the "Option Plan") for the benefit of full-time and part-time employees, officers, directors, and consultants of the Company and its affiliates. The maximum number of shares available under the Option Plan is limited to 10% of the issued common shares of the Company and are exercisable within a maximum of ten years. The Board of Directors has the exclusive power over the granting of stock options, the exercise price, the term, and their vesting and cancellation provisions.

(Expressed in Canadian dollars, except where noted)

11. SHARE CAPITAL (continued)

A summary of the Company's stock options activity is as follows:

	Number of stock options	Weighted average exercise price
	#	$
Balance, August 31, 2022	2,090,000	0.24
Granted	1,350,000	0.33
Exercised	(290,000)	0.33
Expired	(25,000)	0.33
Balance, August 31, 2023	3,125,000	0.33
Granted	1,350,000	0.23
Expired	(1,585,000)	0.46
Balance, August 31, 2024	**2,890,000**	**0.31**

During the year ended August 31, 2024, the Company recorded share-based compensation expense of $254,853 (2023 - $322,437) related to the vesting of stock options.

During the year ended August 31, 2024, the Company had the following stock options transaction:

- On September 29, 2023, the Company granted 1,350,000 stock options to consultants of the Company. Each stock option entitles the holder to purchase one common share at an exercise price of $0.23. The stock options vested and were exercisable upon issuance and expire on September 29, 2028. The fair value of the options was estimated to be $254,853 using the Black-Scholes option pricing model with the following inputs: a share price of $0.23, an exercise price of $0.23, a risk-free interest rate of 4.83%, an expected life of five years, an expected volatility of 114%, and an expected annual dividend yield of 0%.

During the year ended August 31, 2023, the Company had the following stock options transactions:

- On January 10, 2023, the Company granted 1,300,000 stock options to certain directors, officers, and consultants of the Company. Each stock option entitles the holder to purchase one common share at an exercise price of $0.44. The stock options vested and were exercisable upon issuance. The stock options expire on January 10, 2025. The fair value of the options was estimated to be $306,022 using the Black-Scholes option pricing model with the following inputs: a share price of $0.41, an exercise price of $0.44, a risk-free interest rate of 3.95%, an expected life of two years, an expected volatility of 114%, and an expected annual dividend yield of 0%.
- On October 25, 2022, the Company granted 50,000 fully vested stock options to a director of the Company. Each stock option entitles the holder to purchase one common share at an exercise price of $0.55. The stock options vested and were exercisable upon issuance. The stock options expire on October 25, 2024. The fair value of the options was estimated to be $16,415 using the Black-Scholes option pricing model with the following inputs: a share price of $0.55, an exercise price of $0.55, a risk-free interest rate of 4.14%, an expected life of two years, an expected volatility of 114%, and an expected annual dividend yield of 0%.

During the year ended August 31, 2023, the weighted average share price on the date of exercise of the share purchase options was $0.57 per share.

The expected life in years represents the period of time the options granted are expected to be outstanding. The volatility rate is based on comparable companies with a historical volatility. The risk-free rate is based on Canada government bonds with a remaining term equal to the expected life of the options.

(Expressed in Canadian dollars, except where noted)

11. SHARE CAPITAL (continued)

A summary of the Company's outstanding and exercisable stock options as at August 31, 2024, is as follows:

Expiry date	**Outstanding and exercisable**	**Weighted average exercise price**	**Weighted average remaining life**
	#	$	Years
September 28, 2024	250,000	0.10	0.08
October 25, 2024	50,000	0.55	0.15
January 10, 2025	1,240,000	0.44	0.36
September 29, 2028	1,350,000	0.23	4.08
	2,890,000	**0.31**	**2.07**

e) Restricted share units

The Company established a restricted share unit ("RSU") program under which certain consultants and Company officers are awarded common shares of the Company. Each RSU comprises one common share of the Company and is subject to vesting periods as approved by the Board of Directors.

During the year ended August 31, 2024, the Company had the following RSU transactions:

- On September 29, 2023, the Company granted 3,275,000 RSUs to certain consultants and an officer of the Company. These RSUs vested on January 30, 2024. The fair value of the RSUs issued is the market price of a common share at the date of grant of $0.23.
- On September 29, 2023, the Company granted 250,000 RSUs to a consultant of the Company. 50,000 of the RSUs vest on March 29, 2024, 100,000 of the RSUs vest on September 29, 2024, and the remaining 100,000 RSUs vest on March 29, 2025. The fair value of RSUs issued is the market price of a common share at the date of grant of $0.23.

During the year ended August 31, 2023, the Company had the following RSU transaction:

- On September 23, 2022, the Company granted 200,000 RSUs to a consultant of the Company. These RSUs vest in five equal instalments of 40,000 RSUs on September 23, 2022, and at the end of each six-month period thereafter. The fair value of RSUs issued is the market price of a common share at the date of grant of $0.49.

During the year ended August 31, 2024, the Company recorded share-based compensation expense of $833,234 (2023 - $154,738) related to the vesting of these RSUs and recognized a recovery of share-based compensation expense of $20,301 (2023 - $nil) related to the expiry of 100,000 unvested RSUs.

A summary of the Company's RSUs activity is as follows:

	Number of RSUs	**Weighted average fair value**
	#	$
Balance, August 31, 2022	200,000	0.53
Granted	200,000	0.49
Converted	(100,000)	0.53
Balance, August 31, 2023	300,000	0.50
Granted	3,525,000	0.23
Converted	(3,275,000)	0.23
Expired	(100,000)	0.53
Balance, August 31, 2024	**450,000**	**0.34**

(Expressed in Canadian dollars, except where noted)

12. RELATED PARTY TRANSACTIONS

Key management personnel include those persons having 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.

A summary of the Company's amounts paid to key management personnel and/or entities over which they have control for the year ended August 31, 2024 and 2023 is as follows:

	2024	2023
	$	$
Consulting and management fees provided by a company owned by an officer	**73,895**	150,000
Exploration and evaluation expenditures provided by a company owned by a director	**111,364**	14,494
Legal and professional fees provided by a company owned by an officer	**81,116**	95,120
Share-based compensation	**56,982**	127,473
	323,357	387,087

A summary of the Company's balances due to related parties is as follows:

	August 31, 2024	August 31, 2023
	$	$
Accounts payable and accrued liabilities	**7,730**	76,388

Accounts payable and accrued liabilities due to related parties are non-interest bearing and due on demand.

On September 29, 2023, 196,875 units were issued to the CEO of the Company to settle $39,375 in accounts payables which were outstanding at August 31, 2023 (Note 11(b)).

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments consist of cash, accounts payables and accrued liabilities, and obligation to issue shares, which are classified as and measured at amortized cost. The carrying values of these financial instruments approximate their respective fair values due to the short-term nature of these instruments.

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

a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty fails to meet an obligation under contract. The Company's is exposed to credit risk through its cash. The Company reduces its credit risk by placing cash with financial institutions of high credit worthiness.

b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities. As the Company's operations do not generate cash, financial liabilities are discharged using funding through the issuance of common shares or debt as required. The Company is exposed to liquidity risk through its accounts payable and accrued liabilities. As at August 31, 2024, the Company has a working capital deficiency of $303,879. Management mitigates this risk by monitoring its cash position. As the Company does not have sufficient cash to pay its current obligations, it will need to raise additional proceeds in the form of debt or equity financing. There is no assurance that the Company will be able to obtain financing on terms that are acceptable to the Company or at all. Liquidity risk is therefore assessed as high.

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The Company is not significantly exposed to market risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company is not exposed to interest rate risk as the Company has no financial instruments that are subject to variable interest rates.

Foreign currency risk

Foreign currency risk is the risk that the future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is exposed to foreign currency risk to the extent that it has monetary assets and liabilities denominated in foreign currencies (US$).

A summary of the Company's financial liabilities that are denominated in US$ is as follows:

	August 31, 2024	August 31, 2023
	$	$
Accounts payable and accrued liabilities	**1,084**	29,147

14. CAPITAL MANAGEMENT

The Company's capital structure consists of all components of shareholders' equity. The Company's objective when managing capital is to maintain its ability to continue as a going concern.

The Company manages its capital structure and adjusts it based on the funding required to continue the Company's mineral property acquisition and exploration programs. The Board of Directors does not establish quantitative return on capital criteria for management but rather relies on the expertise of the Company's management and consultants to sustain future development of the business.

The Company's properties are in the exploration stage and as such the Company is dependent upon external financings to fund activities. In order to carry out planned exploration and pay for administrative costs, the Company will spend its existing cash and be required to raise additional funds in the form of debt or equity.

Management reviews its capital management approach on an ongoing basis and believes that this approach is reasonable given the relative size of the Company. There were no changes to the Company's approach to capital management during the year ended August 31, 2024.

(Expressed in Canadian dollars, except where noted)

15. INCOME TAXES

A summary of the Company's reconciliation of income taxes at statutory rates for the years ended August 31, 2024 and 2023, is as follows:

	2024	2023
	$	$
Net loss for the year	**(5,377,690)**	(1,948,356)
Expected income tax recovery based on statutory rates	**(1,451,976)**	(526,056)
Non-deductible expenditures and non-taxable revenues	**288,302**	128,837
Other	**152,699**	9,575
Change in deferred tax asset not recognized	**1,010,975**	387,644
Income tax expense	**-**	-

A summary of the Company's significant components of unrecognized deferred tax assets is as follows:

	August 31, 2024	August 31, 2023
	$	$
Share issuance costs	**29,518**	13,402
Allowable capital losses	**4,547**	201
Non-capital loss carries forwards	**1,164,652**	683,260
Mineral resource properties	**544,233**	53,734
Investment in subsidiaries	**-**	-
Other	**(11)**	(54)
Deferred tax assets not recognized	**(1,742,939)**	(750,543)
	-	-

A summary of the Company's significant components of unrecognized deductible temporary difference and unused non-capital losses for which no deferred tax asset is recognized is as follows:

	August 31, 2024	**Expiry date range**	August 31, 2023	Expiry date range
	$	**Year**	$	Year
Temporary differences				
Share issuance costs	**109,328**	**2044 to 2048**	49,639	2043 to 2047
Allowable capital losses	**16,842**	**No expiry date**	745	No expiry date
Non-capital losses	**4,420,435**	**See below**	2,532,827	See below
Mineral resource properties	**2,591,586**	**No expiry date**	255,874	No expiry date
Other	**-**	**No expiry date**	(203)	No expiry date

As at August 31, 2024, the Company has $3,939,154 (August 31, 2023 - $2,522,777) of Canadian non-capital income tax losses (unrecognized) which will expire over 2039 to 2044 (August 31, 2023 - expire over 2039 to 2043) and $481,281 (August 31, 2023 - $10,050) of the United States of America non-capital income tax losses (unrecognized) which will carry forward indefinitely.

The Company has not recognized any deferred income tax assets. The Company recognizes deferred income tax assets based on the extent to which it is probable that sufficient taxable income will be realized during the carry forward years to utilize all deferred tax assets.

16. SEGMENTED INFORMATION

During the years ended August 31, 2024 and 2023, the Company operated in one business segment being the exploration and development of resource properties located in Nevada, the United States of America.

17. SUBSEQUENT EVENTS

a) Laroque Lake Project

On October 10, 2024, the Company entered into a property option agreement to acquire a 100% interest in mineral claims located in Laroque Lake, Saskatchewan, Canada (the “Laroque Lake Project”). The option agreement requires a series of cash payments, expenditures, and share consideration as follows:

- $10,000 cash and 50,000 common shares of the Company payable on or before October 17, 2024 (fully paid and issued).
- $17,500 cash, expenditures of $50,000, and 75,000 common shares of the Company payable on or before October 10, 2025.
- $25,000 cash and expenditures of $50,000 payable on or before October 10, 2026.
- $57,500 cash and expenditures of $100,000 payable on or before October 10, 2027.

The claims are subject to a 1% net smelter royalty (“NSR”) to the Optionor, subject to a buyback right whereby the Company is entitled to purchase the NSR from the Optionor for a cash payment of $1,000,000 any time prior to the commencement of commercial production.

b) Stock options issued

On October 11, 2024, the Company granted 710,000 stock options to certain directors, officers, and consultants of the Company. Each stock option entitles the holder to purchase one common share at an exercise price of $0.06. All the stock options vested immediately and were exercisable upon issuance and expire on October 11, 2026.

c) Stock options and warrants expiry

On September 28, 2024, 250,000 stock options with exercise price of $0.10 and 2,578,858 warrants with exercise price of $0.10 expired.

On October 25, 2024, 50,000 stock options with exercise price of $0.55 expired.