

NOVA LITHIUM CORP.

Condensed Consolidated Interim Financial Statements
For the three and six months ended December 31, 2023

Unaudited - Expressed in Canadian Dollars

Notice of No Auditor Review of Interim Financial Statements

Under National Instrument 51-102, “Continuous Disclosure Obligations”, part 4 subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The Corporation’s external auditors have not performed a review of these financial statements.

NOVA LITHIUM CORP.

Condensed Consolidated Interim Statements of Financial Position

(Unaudited - Expressed in Canadian Dollars)

	December 31, 2023	June 30, 2023
Assets		
Current assets		
Cash	\$ 52,659	\$ 21,959
GST receivable	2,950	2,773
Prepaid expenses	9,150	4,150
	64,759	28,882
Exploration and evaluation assets (Note 5)	859,468	516,375
Total assets	\$ 924,227	\$ 545,257
Liabilities and shareholders' equity		
Current liabilities		
Accounts payable and accrued liabilities (Note 7)	\$ 425,874	\$ 43,099
Loan payable (Note 9)	101,000	-
	526,874	43,099
Shareholders' equity		
Share capital (Note 6)	1,039,851	1,024,851
Reserves (Note 6)	187,300	87,000
Deficit	(829,798)	(609,693)
Total Shareholders' equity	397,353	502,158
Total Liabilities and shareholders' equity	\$ 924,227	\$ 545,257

Nature and Continuance of Operations (Note 1)

Subsequent Events (Note 12)

Approved on behalf of the Board:

"Glenn Collick"

Glenn Collick, Director

"Saman Eskandari"

Saman Eskandari, Director

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

NOVA LITHIUM CORP.

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss

(Unaudited - Expressed in Canadian Dollars)

	For the three months ended December 31, 2023	For the three months ended December 31, 2022	For the six months ended December 31, 2023	For the six months ended December 31, 2022
Expenses				
Advertising and promotion	\$ -	\$ -	\$ -	\$ 9,000
Consulting fees (Note 8)	54,000	22,368	63,000	48,163
Filing fees	2,985	3,806	5,903	15,806
General and administrative	6,098	9,086	10,673	16,073
Interest on loans (Note 9)	5,169	-	6,000	-
Professional fees	28,229	30,069	28,229	82,177
Rent (Note 10)	6,000	-	6,000	-
Share-based compensation	-	-	100,300	42,500
Net and comprehensive loss	\$ (102,481)	\$ (65,329)	\$ (220,105)	\$ (213,719)
Basic and diluted loss per share	\$ (0.00)	\$ (0.00)	\$ (0.01)	\$ (0.01)
Weighted average shares outstanding	20,587,100	20,437,100	20,536,557	20,437,100

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

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Condensed Consolidated Interim Statement of Changes in Shareholders' Equity (Deficiency)

(Unaudited - Expressed in Canadian Dollars)

	Share Capital		Reserves	Deficit	Shareholders' Equity (Deficiency)
	Number	Amount			
Balance, June 30, 2022	20,437,100	\$ 1,024,851	\$ 44,500	\$ (366,875)	\$ 702,476
Share-based compensation (Note 6)	-	-	42,500	-	42,500
Net loss	-	-	-	(213,719)	(213,719)
Balance, December 31, 2022	20,437,100	\$ 1,024,851	\$ 87,000	\$ (580,594)	\$ 531,257
Net loss	-	-	-	(29,099)	(29,099)
Balance, June 30, 2023	20,437,100	\$ 1,024,851	\$ 87,000	\$ (609,693)	\$ 502,158
Share-based compensation (Note 6)	-	-	100,300	-	100,300
Exercise of options (Note 6)	150,000	15,000	-	-	15,000
Net loss	-	-	-	(220,105)	(220,105)
Balance, December 31, 2023	20,587,100	\$ 1,039,851	\$ 187,300	\$ (829,798)	\$ 397,353

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

NOVA LITHIUM CORP.Condensed Consolidated Interim Statements of Cash Flows
(Unaudited - Expressed in Canadian Dollars)

	For the six months ended December 31, 2023	For the six months ended December 31, 2022
Cash used in operating activities		
Net loss	\$ (220,105)	\$ (213,719)
Items not involving cash:		
Interest on loan	1,000	-
Share-based compensation	100,300	42,500
Changes in non-cash working capital balances:		
GST receivable	(177)	(6,290)
Prepaid expenses	(5,000)	-
Accounts payable and accrued liabilities	382,775	(48,931)
	258,793	(226,440)
Cash used in investing activities		
Exploration and evaluation expenditures	(343,093)	(65,406)
	(343,093)	(65,406)
Cash provided from financing activities		
Exercise of options	15,000	-
Proceeds from loan	100,000	-
	115,000	-
Increase (Decrease) in cash	30,700	(291,846)
Cash, beginning of the period	21,959	364,294
Cash, ending of the period	\$52,659	\$ 72,448

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

NOVA LITHIUM CORP.

Notes to Condensed Consolidated Interim Financial Statements

For the six months ended December 31, 2023

(Unaudited - Expressed in Canadian Dollars)

1. Nature and Continuance of Operations

Nova Lithium Corp. (the “Company”) was incorporated under the British Columbia Business Corporations Act on March 7, 2017 under the name Halcyon Ventures Ltd. On June 11, 2021, the Company changed its name to Nova Lithium Corp. The Company is engaged in the exploration and evaluation of resource properties. The head office of the Company is located at Suite 306 – 1110 Hamilton Street, Vancouver, BC, V6B 2S2 and the registered and records office of the Company is located at 3148 Highland Boulevard, North Vancouver, BC, V7K 2X6.

These condensed consolidated interim financial statements have been prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to meet its commitments, continue operations, and realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company has incurred losses since inception, has no recurring source of revenue, has an accumulated deficit of \$784,798 and a working capital deficiency of \$417,115 at December 31, 2023. These material uncertainties cast significant doubt upon the Company’s ability to continue as a going concern.

The Company will need to raise additional funds as the Company’s current assets are not sufficient to finance its operations and administrative expenses. The Company is evaluating financing options including, but not limited to, the issuance of additional equity and debt. The Company has no assurance that such financing will be available or be available on favourable terms. Factors that could affect the availability of financing include the Company’s performance (as measured by numerous factors including the progress and results of its projects), the state of international debt and equity markets, investor perceptions and expectations and the global financial and metals markets.

These condensed consolidated interim financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary were the going concern assumption inappropriate, and these adjustments could be material.

2. Basis of Preparation

(a) Statement of Compliance

These unaudited condensed consolidated interim financial statements have been prepared based on the principles of International Financial Reporting Standards (“IFRS”) and International Accounting Standard 34, “Interim Financial Reporting” as issued by the International Accounting Standards Board (“IASB”) and the Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”) and follow the same accounting policies and methods of application as the Company’s most recent audited annual financial statements. The unaudited condensed consolidated interim financial statements should be read in conjunction with the Company’s audited consolidated financial statements for the year ended June 30, 2023 and accompanying notes.

These condensed consolidated interim financial statements were approved and authorized for issue by the Board of Directors on February 23, 2024.

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(b) Basis of Measurement

These condensed consolidated interim financial statements have been prepared on a historical costs basis except as detailed in the Company's accounting policies in Note 3 to the audited financial statements for the year ended June 30, 2023.

(c) Functional and Presentation Currency

These condensed consolidated interim financial statements are presented in Canadian dollars, which is the Company's functional currency.

(d) Consolidation

These condensed consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary.

Name of subsidiary	Jurisdiction of Incorporation	Interest December 31, 2023	Interest June 30, 2023
Nova Lithium USA Corp.	Nevada, USA	100%	100%

Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated on consolidation.

3. Critical Accounting Estimates and Judgments

The preparation of condensed consolidated interim financial statements requires management to use judgment in applying its accounting policies and estimates and assumptions about the future. Estimates and other judgments are continuously evaluated and are based on management's experience and other factors, including expectations about future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in future periods if the revision affects both current and future periods. The following discusses the most significant accounting judgments and estimates that the Company has made in these condensed consolidated interim financial statements.

Going concern

Management assesses the Company's ability to continue as a going concern in relation to its ability to raise funds.

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Carrying value of exploration and evaluation assets

The Company has capitalized the cost of acquiring mineral property interests and has classified these interests as exploration and evaluation assets in its condensed consolidated interim statements of financial position. Mineral interests are expensed in the period in which the Company determines that the mineral property interests have no future economic value. Mineral interests may also be written down if future cash flow, including potential sales proceeds and option payments, related to the property are estimated to be less than the carrying value of the property. The Company reviews the carrying value of its mineral interests periodically, and whenever events or changes in circumstances indicate that the carrying value may not be recoverable, reductions in the carrying value of each property would be recorded to the extent that the carrying value of the investment exceeds the property's estimated fair value. Such events or changes in circumstances involve changes in political risk, economic risk, commodity prices, exchange rates, and interest rates among others.

The Company has determined that there is no impairment in the carrying value of the Deer Musk West Project.

Impairment

An evaluation of whether or not an asset is impaired involves consideration of whether indicators of impairment exist. Factors which could indicate impairment exist include: significant underperformance of an asset relative to historical or projected operating results, significant changes in the manner in which an asset is used or in the Company's overall business strategy, the carrying amount of the net assets of the Company being more than its market capitalization or significant negative industry or economic trends. In some cases, these events are clear. However, in many cases, a clearly identifiable event indicating possible impairment does not occur. Instead, a series of individually insignificant events occur over a period of time leading to an indication that an asset may be impaired. Events can occur in these situations that may not be known until a date subsequent to their occurrence. When there is an indicator of impairment, the recoverable amount of the asset is estimated to determine the amount of impairment, if any. If indicators conclude that the asset is no longer impaired, the Company will reverse impairment losses on assets only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. Similar to determining if an impairment exists, judgment is required in assessing if a reversal of an impairment loss is required.

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4. Exploration and Evaluation Assets

	Deer Musk West Project	Edwards Creek Project	Total
Balance at June 30, 2021	\$ 327,923	\$ -	\$ 327,923
Exploration expenditures:			
Geophysical	86,766		86,766
Balance at June 30, 2022	\$ 414,689	\$ -	\$ 414,689
Exploration expenditures:			
Assays, staking and mapping	44,130		44,130
Consulting fees	5,342		5,342
Geological and geophysical	3,270		3,270
Reports and administration	8,377		8,377
Travel and accommodation	4,287		4,287
	65,406		65,406
Balance at December 31, 2022	\$ 480,095	\$ -	\$ 480,095
Exploration expenditures:			
Consulting fees	36,221		36,221
Geological and geophysical	59		3,329
	36,280		36,280
Balance at June 30, 2023	\$ 516,375	\$ -	\$ 516,375
Exploration expenditures:			
Assays, staking and mapping	46,764	296,329	335,675
	46,764	296,329	335,675
Balance at December 31, 2023	\$ 563,139	\$ 296,329	\$ 859,468

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance historical characteristic of many resource properties. The Company has investigated title to all of its resource properties and, to the best of its knowledge, title to all of its properties are in good standing.

Deer Musk West Project, USA

On March 12, 2021, the Company entered into an asset purchase agreement (the "APA") with a private company in Nevada, USA (the "Vendor"), whereby the Company acquired 190 mineral claims comprising the Deer Musk West Project (the "Property") in Esmeralda County, Nevada by issuing 2,000,000 common shares at a deemed price of \$0.02 per share for an aggregate purchase price of \$40,000 (see Note 5). Pursuant to the APA, the parties acknowledged that the transfer of title to the Property would occur at closing; however, until title had formally been transferred, the Vendor agreed to hold the same for the Company for the sole and exclusive use, benefit and advantage of the Company.

On May 12, 2022, the Company established a wholly owned U.S. subsidiary, Nova Lithium USA Corp. ("Nova USA"), a Nevada corporation, and title to the Property was subsequently transferred from the Vendor to Nova USA.

Edwards Creek Valley Project, USA

On January 31, 2023, the Company entered into a mineral property option agreement (the "Option Agreement") with Ameriwest Lithium Inc. ("Ameriwest"), a company with common directors. Pursuant to the Option Agreement, the Company's wholly owned subsidiary, Nova USA, acquired the exclusive

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right and option (the "Option") to purchase a 51% undivided interest in and to the Edwards Creek Valley Project (the "Property2") presently owned by Ameriwest's wholly owned Nevada subsidiary.

The Property2 consists of 1,243 contiguous placer mineral claims covering approximately 22,200 acres in Churchill County, Nevada. In order to exercise the Option, Nova USA is required to incur qualifying exploration expenditures of at least \$500,000 on the Property over a period of 24 months, including not less than \$200,000 during the first 12 months. Neither the Company nor Nova USA is required to complete any cash payments or issue any securities in connection with the granting or exercise of the Option.

Nova USA is currently in default of its obligations under the Option Agreement; however, the Company and Ameriwest are working towards a resolution. Upon the exercise of the Option, a joint venture will automatically be formed between Nova USA and Ameriwest's wholly owned Nevada subsidiary in accordance with the terms of the Option Agreement.

5. Share Capital

(a) Authorized

The Company has authorized an unlimited number of common shares with no par value.

(b) Issued and outstanding

For the six months ended December 31, 2023 the Company issued 150,000 shares upon the exercise of options for total proceeds of \$15,000.

For the year ended June 30, 2023 and 2022 no shares were issued.

(c) Stock options

The Company has an incentive stock option plan. Options to purchase common shares can be granted to directors, officers, employees and consultants of the Company at exercise prices determined by their market value on the date of the grant. The options vest immediately on the date of the grant or as otherwise determined at the discretion of the Board.

During the six months ended December 31, 2023, 150,000 options were exercised resulting in the issuance of 150,000 common shares of the Company for total cash proceeds of \$15,000.

On August 15, 2023, the Company granted options to purchase an aggregate of 590,000 common shares of the Company to various directors and officers of the Company. Each option vests immediately and is exercisable into one common share at a price of \$0.23 per share for a period of five years.

On July 21, 2022, the Company granted options to purchase an aggregate of 850,000 common shares to various directors, officers, and consultants of the Company. Each option vests immediately and is exercisable into one common share at a price of \$0.10 per share for a period of three years (See Note 8).

On November 16, 2021, the Company granted options to purchase an aggregate of 600,000 common shares to various directors and officers of the Company. Each option vests immediately

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and is exercisable into one common share at a price of \$0.10 per share for a period of five years (See Note 8).

The following is a summary of option transactions under the Company's stock option plan for the periods ended December 31, 2023 and 2022:

	Number of Options	Weighted average exercise price
Balance at June 30, 2022	600,000	\$ 0.10
Issued	850,000	\$ 0.10
Balance at December 31, 2022 and June 30, 2023	1,450,000	\$ 0.10
Exercised	(150,000)	\$ 0.10
Issued	590,000	\$ 0.23
Balance at December 31, 2023	1,890,000	\$ 0.14

Number of options outstanding	Exercise price	Expiry date	Weighted average remaining life (Years)
800,000	\$0.10	July 21, 2025	0.66
500,000	\$0.10	November 16, 2026	0.76
590,000	\$0.23	August 15, 2028	1.45
1,890,000			2.87

The Company applies the fair value method in accounting for its stock options using the Black-Scholes pricing model. During the period ended December 31, 2023, the Company granted a total of 590,000 (2022 – 850,000) incentive stock options to directors, officers and a consultant of the Company. During the period ended December 31, 2023, the options granted and vested resulted in share-based payments of \$100,300 (2022 – \$42,500) using the following assumptions:

	December 31, 2023	June 30, 2022
Expected Life	5 years	3 years
Risk-free interest rate	1.56%	1.56%
Annualized volatility	100.00%	100.00%
Dividend rate	N/A	N/A
Fair value of shares at grant date	\$0.230	\$0.085

(d) Warrants

On May 16, 2023, the Company amended the expiry date of an aggregate of 7,410,000 share purchase warrants that were scheduled to expire on May 31, 2023 for a further two years. The new expiry date of the warrants is May 31, 2025.

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Warrant transactions during the six months ended December 31, 2023 and the year ended June 30, 2022 and the number of warrants outstanding and exercisable at December 31, 2023 are summarized as follows:

	Number of Warrants	Weighted average exercise price
Balance at June 30, 2023 & 2022	17,410,000	\$ 0.27
Issued	-	\$ -
Balance December 31, 2023	17,410,000	\$ 0.27

Number of warrants outstanding	Exercise price	Expiry date	Weighted average remaining life (Years)
7,410,000	\$0.50	May 31, 2025	0.11
10,000,000	\$0.10	March 9, 2024	0.60
17,410,000			0.71

6. Loss Per Share

The basic loss per share for the six months ended December 31, 2023 was based on the loss attributable to common shareholders of \$174,105 (2022 – \$213,719) and the weighted average common shares outstanding of 20,536,557 (2022 – 20,437,100). Diluted loss per share has not been calculated as it is anti-dilutive.

7. Related Party Transactions

Key management personnel are those persons that have authority and responsibility for planning, directing and controlling the activities of the Company, directly and indirectly, and by definition include the directors of the Company.

As at December 31, 2023, accounts payable and accrued liabilities included \$79,650 (2022 – \$3,750) due to related parties. These amounts are unsecured and non-interest bearing.

During the six months ended December 31, 2023, the Company:

- paid or accrued \$45,000 (2022 – \$Nil) to a director of the Company for consulting services;
- paid or accrued \$18,000 (2022 – \$18,000) to a company controlled by a director of the Company for consulting services;
- paid or accrued \$10,500 (2022 – \$15,000) to a company controlled by the Corporate Secretary of the Company for professional services;
- paid or accrued \$Nil (2022 – \$15,000) to a company controlled by a former director of the Company for consulting services; and
- incurred share-based compensation expense of \$100,300 (2022 – \$42,500) from the grant of 590,000 incentive stock options to related parties (see Note 5(c)).

The above transactions occurred in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the parties.

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(Unaudited - Expressed in Canadian Dollars)

During the six months ended December 31, 2023, the Company entered into the following agreement with a company controlled by an officer of the Company:

Advisory and Consulting Agreement

On August 15, 2023, the Company entered into an advisory and consulting services agreement (the "CA2") with a consultant, whereby the consultant will provide the services generally required of a Chief Executive Officer of a publicly-traded corporation to the Company as well as such other services as may be requested by the Company from time to time. Pursuant to the CA2, the consultant will receive a monthly fee of \$10,000 as consideration for providing these services for a period of 12 months. The CA2 may be renewed by mutual agreement for a further 12 months. The Company and the consultant each have the right to terminate the CA2 for any reason and at any time by giving the other party 30 days written notice.

During the year ended June 30, 2023, the Company entered into the following agreement with a company controlled by an officer of the Company:

Independent Contractor Agreement

On July 20, 2022, the Company entered into an independent contractor agreement (the "ICA") with a private company, whereby the contractor will provide the services generally required of a Corporate Secretary of a publicly-traded corporation to the Company as well as such other services as may be requested by the Company from time to time. Pursuant to the ICA, the contractor will receive a monthly fee of \$3,000 as consideration for providing these services. The Company and the contractor each have the right to terminate the ICA for any reason, without further compensation to the contractor, and at any time by giving the other party 60 days written notice.

This transaction occurred in the normal course of operations and is measured at the exchange amount, which is the amount of consideration established and agreed to by the parties.

During the year ended June 30, 2022, the Company entered into the following agreement with a company controlled by a director of the Company:

Consulting Agreement

On October 15, 2021, the Company entered into a consulting agreement (the "CA") with a private company, whereby the consultant will provide the services generally required of a Chief Financial Officer of a publicly-traded corporation to the Company as well as such other services as may be requested by the Company from time to time. Pursuant to the CA, the consultant will receive a monthly fee of \$3,000 as consideration for providing these services. As further consideration for providing these services, the consultant was granted options to purchase 100,000 common shares of the Company at a price of \$0.10 per share for a period of five years. These options vested on the date of grant (see Note 6(c)). The Company and the consultant each have the right to terminate the CA for any reason, without further compensation to the consultant, and at any time by giving the other party 30 days written notice.

This transaction occurred in the normal course of operations and is measured at the exchange amount, which is the amount of consideration established and agreed to by the parties.

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8. Financial Instruments and Risk Management

Fair value

IFRS 7 establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The carrying value of cash and accounts payable and accrued liabilities approximate their fair value because of the short-term nature of these instruments.

Risk Management

The Company is exposed to a variety of financial risks by virtue of its activities, including credit risk, interest rate risk and liquidity risk. The overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on financial performance. Risk management is carried out by management under the direction and guidance of the Board of Directors. Management is responsible for establishing controls and procedures to ensure that financial risks are mitigated to acceptable levels.

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

Credit risk

Credit risk is the risk of potential loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is limited to the carrying amount on the consolidated statements of financial position and arises from the Company's cash. The Company's cash is held in an account with a Canadian chartered bank. The Company has assessed credit risk as low.

Liquidity risk

Liquidity risk is the risk that the Company will not meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2023, the Company had a cash balance of \$52,659 to settle current liabilities of \$480,874. All of the Company's accounts payable and accrued liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and foreign exchange rates. As at December 31, 2023, the Company is not exposed to market risk.

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Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at December 31, 2023, the Company is not exposed to interest rate risk.

Foreign currency rate risk

The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian and U.S. dollars. The Company funds certain exploration expenditures in the United States by converting funds from its Canadian dollar bank accounts and wiring U.S. funds to the foreign counterparty. Management does not currently hedge its foreign exchange risk. As at December 31, 2023, the Company had no foreign currency balances.

Sensitivity Analysis

The Company works toward its capital management objectives to the extent possible while facing the challenges of market conditions and the public's assessment of the Company's risk profile. Its capital management objectives have not changed over the period presented.

The carrying value of cash and accounts payable and accrued liabilities approximate their fair values due to the relatively short periods to maturities of these financial instruments.

Based on management's knowledge of and experience in the financial markets, management does not believe that the Company's current financial instruments will be materially affected by credit risk, liquidity risk or market risk.

The Company is not subject to any financial covenants. The Company monitors its financing requirements and financing decisions are based on the timing and extent of expected operating and capital cash outlays. Factors considered when determining whether to issue equity include the amount of cash sought, the availability of these sources and their terms.

As at December 31, 2023, the Company had a working capital deficit of \$417,115 (June 30, 2023 – working capital deficit of \$14,217). The Company manages its cash and common shares as capital. The Company's objectives in managing its capital are to:

- maintain sufficient cash and cash equivalents to last a minimum of one year;
- have the flexibility to achieve its on-going business objectives, including but not limited to funding work programs on its exploration and evaluation assets and pursuing new business opportunities as they arise, and
- minimize dilution to existing shareholders.

The directors of the Company have not specified a quantitative return on capital criteria for management, but rather rely on the expertise of management to sustain future development of the business.

The Company's exploration and evaluation assets are in the development stage and the Company does not generate positive cash flows. As a consequence, the Company relies on accessing the capital markets to obtain the funds needed to carry on its business. It is the Company's intention to utilize its existing working capital and to raise additional funds as needed. The additional funds will be raised primarily through the issuance of its securities in private placements.

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9. Loans

On August 23, 2023, the Company entered into a loan agreement (the “LA”) with an arm’s length lender (the “Lender”) whereby the Company borrowed \$53,203 (the “Loan”) from the Lender for the purpose of paying certain claim fees associated with the Property. The Loan bears interest at the rate of 15% per annum, has minimum term of 60 days and a maximum term of 12 months. Pursuant to the LA, the Company is obligated to repay the Loan, plus the greater of any outstanding interest on the Loan or \$5,000, to the Lender upon the completion of the term. On December 4, 2023, the Company repaid the Loan plus interest of \$5,000 to the Lender.

On November 30, 2023, the Company entered into a loan agreement (the “LA2”) with an arm’s length lender (the “Lender2”) whereby the Company borrowed \$100,000 (the “Loan2”) from the Lender2 for the purpose of refinancing the Loan. The Loan2 bears interest at the rate of 1% per month, has minimum term of 60 days and a maximum term of 12 months. Pursuant to the LA2, the Company is obligated to repay the Loan2, plus any outstanding interest on the Loan, to the Lender upon the completion of the term, plus a loan fee of \$7,500.

10. Rent

On November 1, 2023, the Company entered into a shared space agreement (the “SSA”) for office premises in Vancouver, British Columbia. The initial term of the SSA is for a period of 12 months commencing November 1, 2023, with the Company paying a monthly member fee of \$3,000. Following the initial term, the SSA will automatically renew on a month-to-month basis until terminated. After the initial term, either party can terminate the SSA upon 30 days’ written notice.

11. Subsequent Events

On January 25, 2024, the Company amended the expiry date of an aggregate of 10,000,000 share purchase warrants that were scheduled to expire on March 9, 2024 for a further two years. The new expiry date of the warrants is March 9, 2026.