Vital Battery Metals Inc.

Financial Statements

For the Year Ended February 28, 2023 and Period Ended from Incorporation October 4, 2021 to February 28, 2022

Independent Auditor's Report

To the Shareholders of Vital Battery Metals Inc.

Opinion

We have audited the financial statements of Vital Battery Metals Inc. (the "Company"), which comprise the statement of financial position as at February 28, 2023, and the statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the year ended February 28, 2023, and notes to the financial statements, including a summary of significant accounting policies (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 February 28, 2023, and its financial performance and its cash flows for the year 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 the Company had an accumulated deficit of $1,629,725 as at February 28, 2023. 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 Matter

The financial statements of the Company for the period ended from incorporation October 4, 2021 to February 28, 2022, were audited by another auditor who expressed an unmodified opinion on those statements on March 25, 2022.

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

The engagement partner on the audit resulting in this independent auditor's report is Barry Hartley.

Dmcl.

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

June 13, 2023

Vital Battery Metals Inc.
Statements of Financial Position
(Expressed in Canadian Dollars)

		As at February 28, 2023		As at February 28, 2022
ASSETS				
Current assets				
Cash	$	2,376,697	$	878,070
Deferred financing costs		-		1,459
GST receivable		5,482		-
Prepaid expenses		148,054		-
Total current assets		2,530,233		879,529
Exploration and evaluation properties (Note 3)		1,533,048		50,000
TOTAL ASSETS	$	4,063,281	$	929,529
LIABILITIES				
Current				
Accounts payable (Note 5)	$	67,030	$	29,170
Accrued liabilities		30,766		-
Share subscriptions refundable		-		11,800
TOTAL LIABILITIES		97,796		40,970
SHAREHOLDERS' EQUITY				
Share capital (Note 4)		4,435,405		579,500
Subscriptions received in advance (Note 4)		600		339,845
Contributed surplus (Note 4)		1,159,205		-
Deficit		(1,629,725)		(30,786)
TOTAL SHAREHOLDERS' EQUITY		3,965,485		888,559
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$	4,063,281	$	929,529

Nature and Continuance of Operations (Note 1)
Subsequent Events (Note 10)

Approved on behalf of the Board on June 13, 2023:

"Adrian Lamoureux" — Adrian Lamoureux, Director

"Todd Hanas" — Todd Hanas, Director

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

Vital Battery Metals Inc.
Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

		February 28, 2023		From incorporation on October 4, 2021 to February 28, 2022
Expenses				
Bank charges	$	226	$	-
Consulting fees (Note 5)		79,997		-
Investor relations		123,993		-
Management fees (Note 5)		89,700		-
Office and miscellaneous		10,870		1,616
Professional fees (Note 5)		123,758		29,170
Regulatory fees		66,349		-
Share-based payments (Notes 4 and 5)		1,090,839		-
Transfer agent and filing fees		11,581		-
		1,597,313		30,786
Loss before other items		(1,597,313)		(30,786)
Other items				
Loss on foreign exchange		(1,626)		-
Net and comprehensive loss	**$**	**(1,598,939)**	**$**	**(30,786)**
Loss per common share – basic and diluted	**$**	**(0.05)**	**$**	**(0.00)**
Weighted average number of common shares outstanding		**29,274,696**		**7,914,627**

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

Vital Battery Metals Inc.
Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)

	Share Capital		Subscriptions	Contributed		
	Number	Amount	Received	Surplus	Deficit	Total
Balance, October 4, 2021 (Date of Incorporation)	2	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Shares issued for private placement (Note 4)	22,900,000	579,500	-	-	-	579,500
Subscriptions received for special warrants (Note 4)	-	-	339,845	-	-	339,845
Shares repurchased and cancelled (Note 4)	(2)	-	-	-	-	-
Net loss	-	-	-	-	(30,786)	(30,786)
Balance, February 28, 2022	**22,900,000**	**579,500**	**339,845**	**-**	**(30,786)**	**888,559**
Shares issued for warrants exercised (Note 4)	80,000	16,000	-	-	-	16,000
Shares issued for exploration and evaluation properties (Notes 3 and 4)	4,000,000	1,327,500	-	-	-	1,327,500
Shares issued for special warrants converted (Note 4)	3,397,450	339,745	(339,745)	-	-	-
Shares issued for private placement (Note 4)	9,200,000	2,300,000	-	-	-	2,300,000
Share-based compensation (Notes 4 and 5)	-	-	-	1,090,839	-	1,090,839
Share issuance costs (Note 4)	-	(127,340)	-	68,366	-	(58,974)
Subscriptions refunded for special warrants (Note 4)	-	-	(100)	-	-	(100)
Subscriptions received in advance	-	-	600	-	-	600
Net loss	-	-	-	-	(1,598,939)	(1,598,939)
Balance, February 28, 2023	**39,577,450**	**$ 4,435,405**	**$ 600**	**$ 1,159,205**	**$(1,629,725)**	**$ 3,965,485**

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

Vital Battery Metals Inc.
Statements of Cash Flows
(Expressed in Canadian Dollars)

	For the year ended February 28, 2023	For the period from incorporation on October 4, 2021 to February 28, 2022
Operating activities		
Net loss for the period	$ (1,598,939)	$ (30,786)
Non-cash item:		
Share-based payments	1,090,839	-
Changes in working capital related to operating activities:		
GST receivable	(5,482)	-
Prepaid expenses	(148,054)	-
Accounts payable and accrued liabilities	27,576	29,170
Cash used in operating activities	**(634,060)**	**(1,616)**
Investing activities		
Exploration and evaluation expenditures	(114,498)	(50,000)
Cash used in investing activities	**(114,498)**	**(50,000)**
Financing activities		
Net proceeds from issuance of common shares	2,241,026	579,500
Proceeds received from warrants exercised	16,000	-
Subscriptions received for special warrants	-	339,845
Subscriptions received (refunded)	(11,300)	11,800
Deferred financing costs	1,459	(1,459)
Cash from financing activities	**2,247,185**	**929,686**
Increase in cash	1,498,627	878,070
Change in cash, being cash beginning of period	878,070	-
Change in cash, being cash end of period	**$ 2,376,697**	**$ 878,070**
Supplemental cash flows information:		
Shares issued for exploration and evaluation properties	$ 1,327,500	$ -
Conversion of special warrants	$ 339,745	$ -
Fair value of finders' warrants	$ 68,366	$ -
Exploration and evaluation assets included in accounts payable	$ 41,050	$ -

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

1. Nature and Continuance of Operations

Vital Battery Metals Inc. (the "Company") was incorporated in the Province of British Columbia on October 4, 2021. The Company changed its name from 1326985 B.C. Ltd. to Infinity West Capital Corp. on November 3, 2021 and further changed its name to Vital Battery Metals Inc. on January 7, 2022. The Company's shares are listed for trading on the Canadian Securities Exchange ("CSE") under the symbol "VBAM", the Frankfurt Stock Exchange under the symbol CO0 and in the US on the OTC market, under the symbol VBAMF. The Company's principal business activities include the acquisition and exploration of mineral property assets in Canada. The Company's registered and records office moved during the year and is now located at Suite 700, 838 West Hastings Street, Vancouver, BC.

As at February 28, 2023, the Company had a deficit of $1,629,725 (2022 - $30,786), which has been funded by the issuance of equity. These financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. The Company's continuation as a going concern is dependent on its ability to generate future cash flows and/or obtain additional financing. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Management intends to finance operating costs over the next twelve months with, loans from directors and companies controlled by directors and/or private placements of common share. There is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

2. Significant Accounting Policies

(a) Statement of Compliance to International Financial Reporting Standards

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

These financial statements were authorized for issue in accordance with a resolution from the Board of Directors on June 13, 2023.

(b) Basis of Preparation

The financial statements have been prepared on an accrual basis except for cash flow information and are based on historical costs modified where applicable. The financial statements are presented in Canadian dollars unless otherwise noted. The policies set out below were consistently applied to all years presented unless otherwise noted.

(c) Significant Judgments

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments applying to the Company's financial statements include:

- The assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty.

2. Significant Accounting Policies (continued)

(d) Accounting standards issued but not yet effective

Accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

(e) Cash equivalents

Cash equivalents in the statements of financial position is comprised of short-term deposits with an original maturity of three months or less, which are readily convertible into a known amount of cash.

(f) Exploration and evaluation assets

All costs related to the acquisition, exploration and development of mineral properties are capitalized. Upon commencement of commercial production, the related accumulated costs are amortized against projected income using the units-of-production method over estimated recoverable reserves.

Management annually assesses carrying values of non-producing properties and properties for which events and circumstances may indicate possible impairment. Impairment of a property is generally considered to have occurred if the property has been abandoned, there are unfavourable changes in the property economics, there are restrictions on development, or when there has been an undue delay in development, which exceeds three years. In the event that estimated discounted cash flows expected from its use or eventual disposition are determined by management to be insufficient to recover the carrying value of the property, the carrying value is written down to the estimated recoverable amount.

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

When options are granted on mineral properties or properties are sold, proceeds are credited to the cost of the property. If no future capital expenditure is required and proceeds exceed costs, the excess proceeds are reported as a gain.

(g) Share-based payments

Share-based payments to employees and others providing similar services are measured at the estimated fair value of the instruments issued on the grant date and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued if it is determined the fair value of the goods or services cannot be reliably measured and are recorded at the date the goods or services are received. The amount recognized as an expense is adjusted to reflect the number of awards expected to vest. The offset to the recorded cost is to contributed surplus.

2. Significant Accounting Policies (continued)

Consideration received on the exercise of stock options is recorded as share capital and contributed surplus is transferred to share capital. Charges for options that are forfeited before vesting are reversed from contributed surplus.

The fair value of warrants issued to agents in connection with private placements ("Agent Warrants") is recognized on the date of issue as a share issue cost. The Company uses the Black Scholes Option Pricing Model to estimate the fair value of Agent Warrants issued.

(h) Flow-through shares

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

To the extent that the Company has deferred tax assets in the form of tax loss carry-forwards and other unused tax credits as at the reporting date, the Company may use them to reduce its deferred tax liability relating to tax benefits transferred through flow-through shares.

(i) Decommissioning, restoration and similar liabilities

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

Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the units-of-production or the straight-line method.

The corresponding liability is progressively increased as the effect of discounting unwinds creating an expense recognized in profit or loss.

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

The operations of the Company have been, and may in the future be, affected from time to time in varying degrees by changes in environmental regulations, including those for site restoration costs.

2. Significant Accounting Policies (continued)

Both the likelihood of new regulations and their overall effect upon the Company is not predictable.

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

(j) Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

(k) Share issuance costs

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

(l) Share capital

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

The proceeds from the issuance of units are allocated between common shares and warrants based on the residual value method. Under this method, the proceeds are allocated first to the capital stock based on the fair value of the common shares at the time the units are priced and any residual value is allocated to the warrants reserve. Consideration received for the exercise of warrants is recorded in capital stock and the related residual value is transferred from warrant reserve to capital stock.

(m) Income taxes

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

Deferred income taxes are recorded using the liability method whereby deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the statement of financial position date. Deferred tax is not recognized for temporary differences which arise on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

2. Significant Accounting Policies (continued)

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

(n) Financial instruments

Financial assets

i. Classification

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

The following table shows the classification of financial instruments under IFRS 9:

Financial assets/liabilities	**Classification**
Cash	FVTPL
Accounts payable	Amortized cost

ii. Measurement

Financial assets and liabilities at amortized cost

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

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of net (loss) income. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of net (loss) income in the period in which they arise.

Debt investments at FVTOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

2. Significant Accounting Policies (continued)

(n) Financial instruments (continued)

Equity investments at FVTOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

iii. Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of net (loss) income, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

iv. Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. 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 recognized in profit or loss.

(o) Foreign currency transactions

The functional currency of the Company is the Canadian dollar. The financial statements are presented in Canadian dollars which is the Company's presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transaction or valuation where items are re measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss.

(Expressed in Canadian Dollars)

3. Exploration and evaluation property

	Vent Copper	Sting Copper	Total
	$	$	$
Acquisition costs			
Balance, October 4, 2021	-	-	-
Additions	50,000	-	50,000
Balance, February 28, 2022	50,000	-	50,000
Additions	112,500	1,330,000	1,442,500
Balance, February 28, 2023	162,500	1,330,000	1,492,500
Exploration and evaluation costs			
Balance, October 4, 2021 and February 28, 2022	-	-	-
Additions	-	40,548	40,548
Balance, February 28, 2023	-	40,548	40,548
Balance, February 28, 2023	**162,500**	**1,370,548**	**1,533,048**

Vent Copper Property

On December 14, 2021, the Company entered into a property option agreement (“Option Agreement”) to acquire the right to earn up to 100% interest in two contiguous mineral claims located on Vancouver Island, B.C. known as the Vent Copper Property (the “Property”). Pursuant to the Option Agreement, the Company must satisfy the following:

(a) Paying an aggregate of $165,000 in cash as follows:

   a. $50,000 on or before the date that is ten calendar days after December 14, 2021 (“Effective Date”) (paid);
   b. $35,000 on or before the date that is eight months after the Effective Date, or before the date that is ten calendar days after the date that the Company is publicly listed on an exchange (the “Listing Date”), whichever is earlier (paid);
   c. $30,000 on or before the date that is one calendar year after the Listing Date; and
   d. $50,000 on or before the date that is two calendar years after the Listing Date;

(b) Issuing an aggregate of 800,000 common shares of the Company as follows:

   a. 250,000 common shares on or before the date that is ten calendar days after the Listing Date (issued with a fair value of $77,500) (Note 4);
   b. 250,000 common shares on or before the date that is one calendar year after the Listing Date; and
   c. 300,000 common shares on or before the date that is two calendar years after the Listing Date.

(c) Incurring an aggregate expenditure of $360,000 as follows:

   a. $110,000 on or before the date that is one calendar year after the Listing Date (Note 10); and
   b. $250,000 on or before the date that is two calendar years after the Listing Date.

The Property is subject to 3% Net Smelter Returns royalty. The Company retains the rights to purchase one-third of the 3% Net Smelter Returns royalty in consideration of the payment of $1,000,000 thereby leaving the Optionor with a 2% Net Smelter Returns Royalty.

3. Exploration and evaluation property (continued)

Sting Copper Property

On August 22, 2022, the Company entered into a property option agreement ("Option Agreement") to acquire the right to earn up to 100% interest in Sting Copper Property located south of the town of Trout River in Newfoundland. Pursuant to the Option Agreement, the Company must satisfy the following:

(d) Paying an aggregate of $90,000 in cash as follows:

a. $40,000 upon signing of the agreement (paid); and
b. $50,000 on or before the one-year anniversary of the signing of the agreement.

(e) Issuing an aggregate of 5,000,000 common shares of the Company as follows:

a. 2,500,000 common shares upon signing of the agreement (issued with a fair value of $750,000) (Note 4); and
b. 2,500,000 common shares on or before the one-year anniversary of the signing of the agreement.

(f) Incurring an aggregate expenditure of $625,000 as follows:

a. $250,000 on or before the one-year anniversary of the signing of the agreement; and
b. Additional expenditures of $375,000 on or before the two-year anniversary of the signing of the agreement.

The optionee retains the right at any time to purchase one-half (1/2) of the 2% Net Smelter Returns royalty, in consideration of the payment of $1,500,000, thereby leaving the optioner with a one percent (1%) Net Smelter Return royalty.

On February 7, 2023, the Company entered into an option agreement ("Option Agreement") to acquire a 100% interest in three additional mineral claims at the Sting Copper Property located south of the town of Trout River in the Province of Newfoundland (the "New Claims"). Pursuant to the New Tenure Option Agreement, the Company must satisfy the following:

(g) Cash payment of $40,000 within five days of signing of the agreement (accrued at year end and paid subsequent to the year end (Note 10)).

(h) Issuing an aggregate of 2,500,000 common shares of the Company as follows:

a. 1,250,000 common shares within five days of signing of the agreement (issued with a fair value of $500,000) (Note 4); and
b. 1,250,000 common shares on or before the one-year anniversary of the signing of the agreement.

(i) Incurring a minimum of $100,000 in Exploration Expenditures on the Property on or before the first anniversary of the signing of this Agreement.

Upon the Company earning in under the Agreement, the Optionors will retain a 2% net smelter returns royalty on the New Claims, of which the Company may purchase at any time one-half, being 1%, for a price of $1,500,000.

4. Share Capital

(a) Authorized:

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

(b) Escrow Shares:

The Company entered into an escrow agreement, whereby 4,070,000 common shares are to be held in escrow. During the year ended February 28, 2023, 1,567,500 shares were released in accordance with the terms of the escrow agreement. As at February 28, 2023, the Company has 2,502,500 shares held in escrow (Note 10).

(c) Issued and Outstanding as at February 28, 2023 – 39,577,450 (2022 – 22,900,000) common shares

For the year ended February 28, 2023, the Company had the following share capital transactions:

i. On July 21, 2022, 3,397,450 special warrants of the Company were converted into one unit of the Company, without additional payment, pursuant to the Company's shares trading on the CSE. Each unit consist of one common share of the Company and one share purchase warrant exercisable at an exercise price of $0.20 for two years.

ii. On July 28, 2022, the Company issued 250,000 common shares valued at $77,500 pursuant to the Vent Copper Property (Note 3).

iii. On August 25, 2022, the Company issued 3,000 common shares pursuant to the exercise of 3,000 share purchase warrants at an exercise price of $0.20 per share for proceeds of $600.

iv. On August 30, 2022, the Company issued 2,500,000 common shares valued at $750,000 pursuant to the Sting Property (Note 3).

v. On September 27, 2022, the Company issued 3,000 common shares pursuant to the exercise of 3,000 share purchase warrants at an exercise price of $0.20 per share for proceeds of $600.

vi. On October 12, 2022, the Company issued 10,000 common shares pursuant to the exercise of 10,000 share purchase warrants at an exercise price of $0.20 per share for proceeds of $2,000.

vii. On October 14, 2022, the Company issued 3,000 common shares pursuant to the exercise of 3,000 share purchase warrants at an exercise price of $0.20 per share for proceeds of $600.

viii. On November 9, 2022, the Company issued 9,200,000 units at $0.25 per share for total proceeds of $2,300,000. Each unit consists of one common share and one share purchase warrant. Each share purchase warrant is exercisable into one common share at a price of $0.35 per share for a period of 24 months following the issuance date.

(Expressed in Canadian Dollars)

4. Share Capital (continued)

Pursuant to the private placement, the Company paid share issuance costs of $58,974 and issued 235,900 broker warrants. The fair value of the broker warrants was $68,366 and was estimated using the Black-Scholes Option Pricing Model with the following assumptions:

Share price	$0.38
Risk free interest rate	4.15%
Expected life	2 years
Expected volatility	160%
Expected forfeiture rate	Nil
Expected dividends	Nil

ix. On November 15, 2022, the Company issued 3,000 common shares pursuant to the exercise of 3,000 share purchase warrants at an exercise price of $0.20 per share for proceeds of $600.

x. On December 12, 2022, the Company issued 25,000 common shares pursuant to the exercise of 25,000 share purchase warrants at an exercise price of $0.20 per share for proceeds of $5,000.

xi. On December 15, 2022, the Company issued 25,000 common shares pursuant to the exercise of 25,000 share purchase warrants at an exercise price of $0.20 per share for proceeds of $5,000.

xii. On January 12, 2023 the Company issued 3,000 common shares pursuant to the exercise of 3,000 share purchase warrants at an exercise price of $0.20 per share for proceeds of $600.

xiii. On February 7, 2023, the Company issued 1,250,000 common shares valued at $500,000 pursuant to the New Tenure Option Agreement (Note 3).

xiv. On February 23, 2023, the Company issued 5,000 common shares pursuant to the exercise of 5,000 share purchase warrants at an exercise price of $0.20 per share for proceeds of $1,000.

For the period from incorporation on October 4, 2021 to February 28, 2022, the Company had the following share capital transactions:

i. On October 4, 2021, the Company issued 2 common shares to the incorporators which shares were subsequently repurchased by the Company for cancellation.

ii. On November 23, 2021, the Company issued 4,500,000 common shares at $0.005 per share for total proceeds of $22,500.

iii. On December 13, 2021, the Company issued 12,100,000 common shares at $0.02 per share for total proceeds of $242,000.

iv. On January 7, 2022, the Company issued 6,300,000 units at $0.05 per share for total proceeds of $315,000. Each unit consists of one common share and one share purchase warrant. Each share purchase warrant is exercisable into one common share at a price of $0.10 per share for a period of three years following the issuance date.

(Expressed in Canadian Dollars)

4. Share Capital (continued)

(d) Stock options

The Company has a Stock Option Plan (the "Plan") for directors, officers, employees and consultants of the Company. Options are exercisable for periods of up to ten years, as determined by the Board of Directors of the Company, to purchase common shares of the Company at a price not less than the discounted market price on the date of the grant. The maximum number of shares which may be issuable under the Plan cannot exceed 10% of the total number of issued and outstanding common shares on a non-diluted basis.

A summary of the Company's stock options at February 28, 2023 is presented below:

	February 28, 2023	
	Options Outstanding	Weighted Average Exercise Price
Opening balance	-	-
Granted	3,185,000	$0.42
Ending balance	3,185,000	$0.42

The Company had the following stock option transactions during the year ended February 28, 2023:

The weighted average fair value at grant date of 3,185,000 options granted during the year ended February 28, 2023 was $0.34 per option. The fair value of the stock options was estimated using the Black-Scholes Option Pricing Model with the following assumptions:

Share price	$0.41
Risk free interest rate	3.49%
Expected life	3 years
Expected volatility	158%
Expected forfeiture rate	Nil
Expected dividends	Nil

Details of stock options outstanding and exercisable as at February 28, 2023 are as follows:

Expiry Date	**Exercise Price**	**Outstanding**	**Exercisable**
January 31, 2026	$0.42	3,185,000	3,185,000
		3,185,000	3,185,000

The weighted average remaining contractual life of stock options outstanding at February 28, 2023 was 2.92 years.

During the year ended February 28 2023, the Company recognized $1,090,839 in share-based compensation expense related to these stock options.

(Expressed in Canadian Dollars)

4. Share Capital (continued)

Share Purchase Warrants

	February 28, 2023		February 28, 2022	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
Outstanding, beginning of year	6,300,000	$ 0.10	-	$ -
Issued	12,833,350	0.31	6,300,000	0.10
Exercised	(80,000)	0.20	-	-
Cancelled	(6,300,000)	0.10	-	-
Outstanding, end of the year	12,753,350	$ 0.31	6,300,000	$ 0.10

On June 27, 2022, 6,300,000 warrants with an exercise price of $0.10 per share expiring on January 7, 2025 were transferred to the Company for nominal consideration and subsequently cancelled.

Details of warrants outstanding and exercisable at February 28, 2023 are as follows:

Date of expiry	Exercise price	Number of warrants	Weighted average remaining contractual life, years
July 21, 2024	$0.20	3,317,450	1.39
November 8, 2024	$0.35	235,900	1.70
November 8, 2024	$0.35	9,200,000	1.70
		12,753,350	1.62

Special Warrants

On February 23, 2022, the Company received a total of $339,845 related to 3,398,450 special warrants of the Company priced at $0.10 per special warrant (the "Offering"). On March 24, 2022, the Company repurchased 1,000 special warrants by paying $100 back to a certain investor. Each special warrant will be converted into one unit of the Company on the date that is the earlier of (i) the third business day after the date on which a receipt for a final prospectus, and (ii) the date that is one year following closing of the Offering. Each unit will consist of one common share of the Company and one share purchase warrant exercisable at an exercise price of $0.20 for two years from the date the Company's shares commence trading on an exchange. On July 21, 2022, 3,397,450 special warrants were converted into one unit of the Company.

Contributed surplus

The contributed surplus records items recognized as stock-based compensation expense and other share-based payments.

5. Related Party Transactions

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

5. Related Party Transactions (continued)

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

During the year ended February 28, 2023, the Company paid or accrued management fees of $70,000 and incurred share-based compensation of $171,246 to a company controlled by a director and CEO of the Company.

During the year end February 28, 2023, the Company paid or accrued professional fees of $8,000 and incurred share-based compensation of $102,748 to a company controlled by the CFO of the Company.

During the year ended February 28, 2023, the Company paid or accrued consulting fees of $12,000 and incurred share-based compensation of $171,246 to a company controlled by a director and Vice President ("VP") of Corporate Development of the Company. As at February 28, 2023, an amount of $12,600 included in accounts payable was due to a company controlled by the director and VP of Corporate Development. The amounts due are unsecured, bear no interest and are due on demand.

During the year ended February 28, 2023, the Company paid or accrued professional fees of $4,000 and incurred share-based compensation of $102,748 to a company controlled by a director of the Company.

During the year ended February 28, 2023, the Company incurred share-based compensation of $102,748 to a company controlled by a director of the Company.

During the year ended February 28, 2023, the Company paid or accrued consulting fees of $21,677 and incurred share-based compensation of $102,748 to a company controlled by the corporate secretary of the Company. As at February 28, 2023, an amount of $3,150 included in accounts payable was due to a company controlled by the corporate secretary of the Company. The amounts due are unsecured, bear no interest and are due on demand.

During the year ended February 28, 2023, the Company paid or accrued management fees of $15,700, professional fees of $15,700 and incurred share-based compensation of $34,249 to the former CFO of the Company.

During the period from incorporation on October 4, 2021 to February 28, 2022, there were no transactions with related parties.

6. Financial Instruments

(a) Categories of Financial Instruments and Fair Value Measurements

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

6. Financial Instruments (continued)

The fair value of the Company's financial instruments, approximates their carrying amount due to their short-term maturities.

The fair value of the Company's financial instruments has been classified within the fair value hierarchy as at February 28, 2023 and February 28, 2022 as follows:

February 28, 2023	Level 1	Level 2	Level 3	Total
Financial Instrument				
Cash	$ 2,376,697	-	-	$ 2,376,697

February 28, 2022	Level 1	Level 2	Level 3	Total
Financial Instrument				
Cash	$ 878,070	-	-	$ 878,070

(b) Management of Financial Risks

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company had no exposure to credit risk as the Company maintains all of its cash in a major bank. Accordingly, the Company has assessed credit risk as low.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's liquidity and operating results may be adversely affected if its access to the capital markets is hindered. The Company has no source of revenue and has obligations to meets its administrative overheads and to settle amounts payable to its creditors. At February 28, 2023, the Company had $2,376,697 (February 28, 2022 - $878,070) in cash to settle current liabilities of $97,796 (February 28, 2022 - $40,970) and, as such, assessed liquidity risk as low.

Foreign Exchange Risk

Foreign exchange risk is the risk that the Company's financial instruments will fluctuate in value as a result of movements in foreign exchange rates. The main currency to which the Company has exposure is the US dollar. The Company is exposed to currency risk to the extent of its accounts payable and accrued liabilities that are denominated in US dollars. The Company does not hedge its exposure to fluctuations in the related foreign exchange rates. The Company's exposure to currency risk is currently considered insignificant.

(Expressed in Canadian Dollars)

6. Financial Instruments (continued)

Interest rate risk

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

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, investment fluctuations, and commodity and equity prices. Market conditions will cause fluctuations in the fair values of financial assets classified as held-for-trading, available-for-sale and cause fluctuations in the fair value of future cash flows for assets or liabilities classified as held-to-maturity, loans or receivables and other financial liabilities. The Company is not exposed to significant interest rate risk as the Company has no variable interest-bearing debt. The Company's ability to raise capital to fund exploration or development activities is subject to risks associated with fluctuations in battery metal prices. Management closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

7. Income Taxes

A reconciliation of the expected income tax recovery to the actual income tax recovery is as follows:

		2023		2022
Net loss for the period	$	(1,598,939)	$	(30,786)
Statutory income tax rate		27%		27%
Expected income tax recovery at the statutory tax rate		(431,714)		(8,312)
Non-deductible items		294,526		-
Share issuance costs		(15,923)		-
Change in valuation allowance		153,111		8,312
Income tax recovery	$	-	$	-

The Company has the following tax effected deduction temporary differences for which no deferred tax asset has been recognized:

		2023		2022
Non-capital loss carry forward	$	148,684	$	8,312
Shares issuance cost		12,739		-
Unrecognized deferred tax assets		(161,423)		(8,312)
Net deferred tax assets	$	-	$	-

(Expressed in Canadian Dollars)

7. Income Taxes (continued)

The Company has non-capital losses carried forward of approximately $550,600 (2022 - $30,800) available to reduce income taxes in future years which expire between 2042 and 2043. These losses expire as follows:

2042	$	30,786
2043		519,895
	$	550,681

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 periods to utilize all deferred tax assets.

8. Commitment

The Company is committed to certain cash payments, common share issuances and exploration expenditures as described in Note 3.

9. Capital Management

The Company defines its capital as working capital and shareholders' equity. The Company manages its capital structure and makes adjustments to it based on the funds available to the Company in order to support future business opportunities. 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 to sustain future development of the business.

The Company is dependent upon external financing. In order to carry future activities and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to externally imposed capital requirements. The Company did not institute any changes to its capital management strategy since inception.

10. Subsequent Events

On March 7, 2023, the Company acquired, for the cost of staking, the Schofield Lithium Project ("Schofield" or the "Project"). The Project consists of 416 mining claims located south of Hearst, Ontario.

On March 13, 2023, the Company acquired, for the cost of staking, the Dickson Lake Lithium Project ("Dickson" or the "Project"). The Project consists of 464 mining claims near Imagine Lithium and Georgia Lake Lithium Deposits

On March 21, 2023, pursuant to the New Claims Option Agreement, the Company paid the $40,000 cash payment, satisfying the initial terms of this agreement (Note 3).

On March 31, 2023, the Company issued 3,000 common shares pursuant to the exercise of 3,000 share purchase warrants at an exercise price of $0.20 per share for proceeds of $600.

10. Subsequent Events (continued)

On April 22, 2023, the Company released an additional 275,000 shares in accordance with the terms of the escrow agreement. As at April 22, 2023, the Company has 2,227,500 shares held in escrow (Note 4).

On May 15, 2023, the Company entered into an amending option agreement with respect to the Vent Copper Property to reduce the expenditures required to incur by or before the one year anniversary of the listing date from $110,000 to $90,000 (Note 3).