EUREKA LITHIUM CORP.
(formerly Scout Minerals Corp.)

Condensed Interim Consolidated Financial Statements
For the three and nine months ended September 30, 2023 and 2022
(Expressed in Canadian dollars)

NOTE TO READER

Under National Instrument 51-102, if an auditor has not performed a review of the condensed interim consolidated financial statements, they must be accompanied by a note indicating that the condensed interim consolidated financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements have been prepared by and are the responsibility of management. The Corporation's independent auditor has not performed a review of these condensed interim consolidated financial statements.

Eureka Lithium Corp. (formerly Scout Minerals Corp.)
Condensed Interim Consolidated Statements of Financial Position
As at September 30, 2023 and December 31, 2022
(Expressed in Canadian dollars)
(Unaudited)

As at	**Note**		**September 30, 2023**		**December 31, 2022**
ASSETS					
Current assets					
Cash and cash equivalents	5	$	1,773,216	$	173,547
Other receivables	6		123,567		-
Prepaid expenses			846,175		-
Total current assets			**2,742,958**		**173,547**
Exploration and evaluation assets	7		6,195,965		62,500
TOTAL ASSETS		**$**	**8,938,923**	**$**	**236,047**
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities	8	$	259,724	$	68,226
Flow-through share premium liability	11		254,496		-
TOTAL LIABILITIES			**514,220**		**68,226**
SHAREHOLDERS' EQUITY					
Share capital	9(b)		11,706,407		354,206
Reserves	9(b,e,f)		861,179		8,241
Accumulated deficit			(4,142,883)		(194,626)
Total shareholders' equity			**8,424,703**		**167,821**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**$**	**8,938,923**	**$**	**236,047**

Nature of Operations (Note 1)
Subsequent Events (Note 16)

Approved and Authorized by the Board of Directors on November 27, 2023:

"Jeffrey Wilson" Director *"Trevor Nawalkowski"* Director

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

Eureka Lithium Corp. (formerly Scout Minerals Corp.)
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
For the three and nine months ended September 30, 2023 and 2022
(Expressed in Canadian dollars)
(Unaudited)

	Note		For the three months ended September 30, 2023		For the three months ended September 30, 2022		For the nine months ended September 30, 2023		For the nine months ended September 30, 2022
OPERATING EXPENSES									
Exploration and evaluation expenditures	7	$	1,116,464	$	51,359	$	1,434,564	$	51,359
Marketing fees			1,211,955		-		1,358,679		-
Share-based compensation	9(e,f), 10		117,106		2,166		635,311		4,806
Professional fees			91,467		-		266,780		3,675
Investor relations			134,173		-		224,061		-
Consulting fees	10		101,672		-		183,919		-
Management fees	10		19,500		-		45,800		2,500
Listing and filing fees			7,019		4,286		23,795		45,953
Administrative expense			3,263		245		19,045		412
Transfer agent fees			6,642		-		16,564		-
Amalgamation expense	1, 9(b)		-		-		-		4,000
Total operating expenses			(2,809,261)		(58,056)		(4,208,518)		(112,705)
OTHER ITEMS									
Flow-through share premium recovery	11		207,060		-		264,891		-
Interest income	5		6,578		-		7,245		-
Foreign exchange loss			(5,594)		-		(11,875)		-
Total other items			208,044		-		260,261		-
NET LOSS AND COMPREHENSIVE LOSS		**$**	**(2,601,217)**	**$**	**(58,056)**	**$**	**(3,948,257)**	**$**	**(112,705)**
Basic and diluted loss per common share		$	(0.06)	$	(0.00)	$	(0.15)	$	(0.01)
Weighted average number of common shares outstanding – basic and diluted			**40,711,773**		**14,982,997**		**26,171,406**		**13,472,616**

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

Eureka Lithium Corp. (formerly Scout Minerals Corp.)
Condensed Interim Consolidated Statement of Changes in Equity
For the nine months ended September 30, 2023 and 2022
(Expressed in Canadian dollars)
(Unaudited)

	Common shares	Share capital	Reserves	Accumulated deficit	Total shareholders' equity
		$	$	$	$
Balance at December 31, 2021	**12,479,997**	**197,100**	**-**	**(5,016)**	**192,084**
Shares issued for					
Redemption of special warrants (Note 9(b,d))	2,303,000	156,301	-	-	156,301
Amalgamation (Note 1, 9(b))	200,000	4,000	-	-	4,000
Share issuance costs (Note 9(b))	-	(1,050)	-	-	(1,050)
Share-based compensation (Note 9(e), 10)	-	-	4,806	-	4,806
Net loss for the period	-	-	-	(112,705)	(112,705)
Balance at September 30, 2022	**14,982,997**	**356,351**	**4,806**	**(117,721)**	**243,436**
Balance at December 31, 2022	**14,982,997**	**354,206**	**8,241**	**(194,626)**	**167,821**
Shares issued for					
Private placement (Note 9(b), 11)	12,505,590	6,772,182	-	-	6,772,182
Nunavik Purchase Agreement (Note 7, 9(b))	8,000,000	4,640,000	-	-	4,640,000
McKinney Option Agreement (Note 7, 9(b))	250,000	230,000	-	-	230,000
Exercise of warrants (Note 9(b,c))	8,657,324	897,680	-	-	897,680
Exercise of stock options (Note 9(b,e))	85,000	13,882	(5,382)	-	8,500
Share issuance costs (Note 9(b))	-	(682,156)	223,009	-	(459,147)
Share-based compensation (Note 9(e,f), 10)	-	-	635,311	-	635,311
Flow-through share premium liability (Note 11)	-	(519,387)	-	-	(519,387)
Net loss for the period	-	-	-	(3,948,257)	(3,948,257)
Balance at September 30, 2023	**44,480,911**	**11,706,407**	**861,179**	**(4,142,883)**	**8,424,703**

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

Eureka Lithium Corp. (formerly Scout Minerals Corp.)
Condensed Interim Consolidated Statements of Cash Flows
For the nine months ended September 30, 2023 and 2022
(Expressed in Canadian dollars)
(Unaudited)

Cash provided by (used in)		**For the nine months ended September 30, 2023**		**For the nine months ended September 30, 2022**
Cash flows used in operating activities				
Net loss for the period	$	(3,948,257)	$	(112,705)
Non-cash transactions:				
Share-based compensation		635,311		4,806
Flow-through share premium recovery		(264,891)		-
Amalgamation expense		-		4,000
Changes in operating assets and liabilities:				
Other receivables		(123,567)		(2,834)
Prepaid expenses		(846,175)		-
Accounts payable and accrued liabilities		180,777		(3,383)
Net cash used in operating activities		**(4,366,802)**		**(110,116)**
Cash flows used in investing activities				
Acquisition of Nunavik Lithium Projects		(1,200,000)		-
Acquisition of mining rights for Nunavik Lithium Projects		(8,465)		-
Option payments for McKinney property		(55,000)		(62,500)
Net cash used in investing activities		**(1,263,465)**		**(62,500)**
Cash flows provided by financing activities				
Proceeds from private placement		6,772,182		-
Share issuance costs		(448,426)		(1,050)
Proceeds from warrants exercised		897,680		-
Proceeds from stock options exercised		8,500		-
Issuance of special warrants		-		156,301
Net cash provided by financing activities		**7,229,936**		**155,251**
Net increase (decrease) in cash and cash equivalents		1,599,669		(17,365)
Cash and cash equivalents, beginning of period		173,547		197,091
Cash and cash equivalents, end of period	**$**	**1,773,216**	**$**	**179,726**

Supplemental Disclosure with Respect to Cash Flows (Note 12)

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

1. NATURE OF OPERATIONS

Eureka Lithium Corp. (formerly Scout Minerals Corp.) (the "Company") was incorporated in the Province of British Columbia ("BC"), Canada on October 26, 2021, under the Business Corporations Act (British Columbia). The Company is domiciled in Canada and has been focused since incorporation on the acquisition of mineral property interests for the purposes of exploration and development. The Company commenced trading on the Canadian Securities Exchange ("CSE") on July 14, 2022, under the stock symbol "SCTM", which was subsequently updated to "ERKA" when the Company changed its name from Scout Minerals Corp. to Eureka Lithium Corp. on June 1, 2023. The Company is also listed on the Frankfurt Stock Exchange under the stock symbol "S580" and the OTCQB Venture Market under the symbol "UREKF" (previously "SCMCF" in the OTC Pink).

The Company's head office along with registered and records office is located at Suite 2700, 1133 Melville Street, Vancouver, British Columbia, V6E 4E5.

<u>Amalgamation Transaction</u>

The Company entered into an amalgamation agreement dated January 10, 2022 (the "Amalgamation Agreement") with Chara Capital Corp. ("Chara"), and 1341715 B.C. Ltd. ("1341715"), a wholly owned subsidiary of the Company incorporated on January 7, 2022. Pursuant to the Amalgamation Agreement, Chara and 1341715 amalgamated (the "Amalgamation") to form 1342683 B.C. Ltd. ("Amalco").

The Company issued the following consideration with the following effect:

- One common share of the Company in exchange for each of the 187,500 Class B common shares of Chara issued and outstanding at the time of the Amalgamation; and
- One common share in exchange for each of the 12,500 Class A common shares of Chara issued and outstanding at the time of the Amalgamation.

The 200,000 common shares issued by the Company pursuant to the Amalgamation were valued at $4,000 (Note 9(b)). The acquisition and amalgamation did not constitute a business combination under IFRS 3, *Business Combinations*. Because 1342683 BC Ltd. had no significant assets or liabilities; the $4,000 was accounted for as a non-cash "amalgamation expense" on the consolidated statements of loss and comprehensive loss.

Pursuant to the Amalgamation, the one common share in the capital of 1341715 was cancelled and replaced by one common share in the capital of Amalco. The Amalgamation took effect January 13, 2022.

2. BASIS OF PRESENTATION

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of the condensed interim consolidated financial statements, including International Accounting Standards ("IAS") 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These condensed interim consolidated financial statements have been prepared on the historical cost basis, except for financial assets classified as at fair value through profit or loss which are measured at fair value. These condensed interim consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

These condensed interim consolidated financial statements are presented in Canadian dollars.

These condensed interim consolidated financial statements were approved and authorized for issue by the Board of Directors of the Company on November 27, 2023.

Certain prior year amounts have been reclassified for consistency with current period presentation. These reclassifications had no effect on the reported results of operations or cash flow.

2. BASIS OF PRESENTATION (CONTINUED)

Basis of Consolidation

These condensed interim consolidated financial statements include the financial statements of the parent company, Eureka Lithium Corp., and, pursuant to having completed the Amalgamation, its one subsidiary, 1342683 B.C. Ltd.

A subsidiary is an entity over which the Company has control, directly or indirectly, where control is defined as the power to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. A subsidiary is consolidated from the date upon which control is acquired by the Company. All intercompany transactions have been eliminated upon consolidation.

Going Concern

These condensed interim consolidated financial statements have been prepared on a going concern basis that contemplates the realization of assets and discharge of liabilities at their carrying values in the normal course of business for the foreseeable future. These condensed interim consolidated financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

As at September 30, 2023, the Company had an accumulated deficit of $4,142,883 (December 31, 2022 - $194,626) and working capital of $2,228,738 (December 31, 2022 - $105,321). The Company has not generated any revenues or cash flows from operations since inception and does not expect to do so for the foreseeable future.

The Company's continuation as a going concern depends on its ability to successfully raise capital. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms acceptable to the Company; therefore giving rise to a material uncertainty which may cast significant doubt as to whether the Company's cash resources and working capital will be sufficient to enable the Company to continue as a going concern for the 12-month period after the date of these condensed interim consolidated financial statements. Consequently, management is pursuing various financing alternatives to fund operations and advance its business plan. To facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The Company may determine to reduce the level of activity and expenditures to preserve working capital and alleviate any going concern risk.

The assumption that the Company will be able to continue as a going concern is subject to critical judgements by management with respect to assumptions surrounding the short and long-term operating budget, expected profitability, investing and financing activities and management's strategic planning. Should those judgements prove to be inaccurate, management's continued use of the going concern assumption could be inappropriate.

(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies followed by the Company are set out in Note 3 to the audited consolidated financial statements for the year ended December 31, 2022, and have been consistently followed in the preparation of these condensed interim consolidated financial statements, except for the following accounting policies adopted as of January 1, 2023:

Flow-through shares

Canadian income tax legislation permits companies to issue flow-through instruments whereby the income tax deductions generated by eligible expenditures of the Company, defined in the income tax act (Canada) as qualified Canadian exploration expenses, are claimed by the investors rather than by the Company. Shares issued on a flow-through basis are typically sold at a premium above the market share price which relates to the tax benefits that will flow through to the investors. The Company often issues flow-through shares as part of its equity financing transactions in order to fund its exploration activities. The Company estimates the portion of the proceeds attributable to the premium as being the excess of the flow-through share price over the market share price of the common shares without the flow-through feature at the time of subscription. The premium is recorded as a liability which represents the Company's obligation to spend the flow-through funds on eligible expenditures and is amortized through the consolidated statement of loss and comprehensive loss as the eligible expenditures are incurred.

Accounting standards issued but not yet effective

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company has not early adopted any new standards and determined that there are no standards that are relevant to the Company.

4. ESTIMATES AND JUDGEMENTS

When preparing the condensed interim consolidated financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

The judgements, estimates and assumptions applied in the condensed interim consolidated financial statements, including the key sources of estimation uncertainty, were the same as those applied in the Company's audited consolidated financial statements for the year ended December 31, 2022.

5. CASH AND CASH EQUIVALENTS

	As at September 30, 2023		As at December 31, 2022	
Cash held in bank	$	773,216	$	173,547
Guaranteed investment certificates ("GIC")		1,000,000		-
	$	**1,773,216**	**$**	**173,547**

On August 16, 2023, the Company entered into a guaranteed investment certificate ("GIC") of $1,000,000 with a one-year term cashable after 90 days. The GIC earns interest at 5.35% per annum and during the three and nine months ended September 30, 2023, the Company accrued interest income of $6,578 and $6,578, respectively, in relation to the GIC. During the nine months ended September 30, 2023, the Company redeemed a GIC of $100,000 in which the Company recorded interest income of $Nil and $667 during the three and nine months ended September 30, 2023, respectively.

6. OTHER RECEIVABLES

	As at September 30, 2023		As at December 31, 2022	
Goods and services tax ("GST") receivable	$	116,989	$	-
GIC interest receivable		6,578		-
	$	**123,567**	**$**	**-**

(Expressed in Canadian dollars)

7. EXPLORATION AND EVALUATION ASSETS

Details of the Company's acquisition costs related to its mineral property projects are as follows:

Acquisition costs		McKinney		Nunavik		Total
Balance, December 31, 2021	$	-	$	-	$	-
Cash payments		17,500		-		17,500
Go Public Transaction milestone payment		45,000		-		45,000
Balance, December 31, 2022		62,500		-		62,500
Cash payments		55,000		1,208,465		1,263,465
Issuance of common shares (Note 9(b))		230,000		4,640,000		4,870,000
Balance, September 30, 2023	$	347,500	$	5,848,465	$	6,195,965

McKinney Property

On January 27, 2022, the Company entered into a mineral property option agreement (the "Option Agreement") with 1218802 B.C. Ltd. (the "Optionor"), providing the Company the ability to acquire a 75% interest in certain mining claims making up the McKinney exploration property located in the Greenwood Mining Division, British Columbia, Canada ("McKinney").

The Option Agreement was amended in an extension letter dated January 26, 2023, to extend the date of the 12-month anniversary of the listing date to June 30, 2023, thus extending the deadline of the payment of $50,000 and the issuance of 250,000 common shares to June 30, 2023. As consideration for the foregoing amendments, the Company agreed to pay the Optionor $5,000 within 30 days of acceptance of the extension letter.

To acquire the 75% interest, the Company must make cash payments, issue common shares, and incur exploration expenditures as follows:

	Cash $	Common shares \#	Exploration expenditures $
Within five days of the effective date of January 27, 2022 – *paid*	17,500	-	-
On June 28, 2022, the listing date – *paid*	45,000	-	-
Within thirty days of acceptance of extension letter dated January 26, 2023 – *paid*	5,000	-	-
On or before the 12-month anniversary of the listing date – *paid, issued and incurred (Note 9(b))*	50,000	250,000	100,000
On or before the 24-month anniversary of the listing date	75,000	350,000	-
On or before the 36-month anniversary of the listing date	100,000	500,000	400,000
Total	**292,500**	**1,100,000**	**500,000**

Cash payments in lieu of a shortfall in exploration expenditures for a given period may be made by the Company to the Optionor.

Upon satisfaction of the Option Agreement, the Optionor will retain a 2% net smelter return ("NSR") royalty interest on the property, of which the Company will have the right at any time to repurchase half the NSR (or 1%) for $1,000,000.

Nunavik Lithium Projects

On April 6, 2023, the Company entered into an agreement (the "Nunavik Purchase Agreement") to acquire 100% of a large-scale land package prospective for spodumene-bearing lithium pegmatites in Northern Quebec's Nunavik region. The Nunavik Purchase Agreement comprises 3,819 active claims and 21 pending claims covering approximately 172,681 hectares.

(Expressed in Canadian dollars)

7. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

The Company purchased these claims from Shawn Ryan and Syndicate in exchange for $1,200,000 in cash, 8,000,000 common shares (Note 9(b)) of the Company with a fair value of $4,640,000 (the “Consideration Shares”), and the grant of a 1% NSR royalty. The Consideration Shares are subject to an escrow arrangement whereby one-third of the Consideration Shares will be released from escrow every six months after the closing of the agreement (“Closing”), with the first such release date to occur on the date that is six months from Closing. Closing occurred on May 31, 2023.

The Company also paid $8,465 to the Government of Quebec as a registration fee to transfer mining rights. This has been capitalized in the acquisition cost of the property as a necessary cost to acquire the rights to explore.

A breakdown of the exploration and evaluation expenditures incurred during the three and nine months ended September 30, 2023 and 2022 is as follows:

	For the three months ended September 30, 2023 $	For the three months ended September 30, 2022 $	For the nine months ended September 30, 2023 $	For the nine months ended September 30, 2022 $
Nunavik Lithium Projects				
Fuel transportation	425,393	-	512,774	-
Travel, meals and accommodation	364,052	-	479,864	-
Prospecting and mapping	218,120	-	272,645	-
Administration fees	41,624	-	70,640	-
Field equipment and supplies	53,060	-	56,426	-
Equipment transportation	22,521	-	22,521	-
Consulting fees	10,000	-	20,000	-
Planning and permitting	-	-	14,500	-
Other expenses	4,170	-	7,670	-
	1,138,940	-	1,457,040	-
McKinney Property				
Geological services	-	24,625	-	24,625
Administration fees	-	14,228	-	14,228
Geophysics and geochemistry	-	12,506	-	12,506
BC mining exploration tax credit	(22,476)	-	(22,476)	-
	(22,476)	51,359	(22,476)	51,359
Total	**1,116,464**	**51,359**	**1,434,564**	**51,359**

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	As at September 30, 2023	As at December 31, 2022
Accounts payable	$ 32,794	$ 56,362
Accrued liabilities	226,930	11,864
	$ 259,724	**$ 68,226**

9. SHARE CAPITAL

a) *Authorized*

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

9. SHARE CAPITAL (CONTINUED)

b) Issued

For the nine months ended September 30, 2023, the Company:

On May 31, 2023, issued 8,000,000 common shares (Note 7) with a fair value of $4,640,000 to Shawn Ryan and Syndicate as part of the Nunavik Purchase Agreement for the acquisition of the Nunavik Lithium Projects. These Consideration Shares are subject to an escrow arrangement whereby one-third of the Consideration Shares will be released from escrow every six months after the closing of the agreement, with the first such release date to occur on the date that is six months from closing. The closing date was May 31, 2023.

During June 2023, upon closing of two tranches of a brokered private placement:

(i) Issued 1,037,693 Quebec super flow-through ("SFT") units at a price of $0.65 per SFT unit for gross proceeds of $674,500. Each SFT unit is comprised of one common share in the capital of the Company that qualifies as a "flow-through share" as defined in the Income Tax Act (Canada) and one-half of one flow-through common share purchase warrant that qualifies as a "flow-through share" as defined in the Income Tax Act (Canada) (each whole flow-through common share purchase warrant, a "Super FT Warrant"), with each Super FT Warrant entitling the holder to purchase one common share in the capital of the Company (a "Super FT Warrant Share") at a price of $0.85 per Super FT Warrant Share for a period of two years after the date of issuance. Upon issuance of these SFT units, the Company recognized a flow-through share premium liability of $155,654 (Note 11);

(ii) Issued 3,637,333 flow-through ("FT") units at a price of $0.60 per FT unit for gross proceeds of $2,182,400. Each FT unit is comprised of one common share in the capital of the Company that qualifies as a "flow-through share" as defined in the Income Tax Act (Canada) and one-half of one flow-through common share purchase warrant that qualifies as a "flow-through share" as defined in the Income Tax Act (Canada) (each whole flow-through common share purchase warrant, a "FT Warrant"), with each FT Warrant entitling the holder to purchase one common share in the capital of the Company (a "FT Warrant Share") at a price of $0.85 per FT Warrant Share for a period of two years after the date of issuance. Upon issuance of these FT units, the Company recognized a flow-through premium liability of $363,733 (Note 11);

(iii) Issued 7,830,564 non-flow-through ("Non-FT") units at a price of $0.50 per Non-FT unit for gross proceeds of $3,915,282. Each Non-FT unit is comprised of one common share in the capital of the Company and one-half of one common share purchase warrant (each whole common share purchase warrant, a "Non-FT Warrant"), with each Non-FT Warrant entitling the holder to purchase one common share (a "Non-FT Warrant Share") at a price of $0.75 per Non-FT Warrant Share for a period of two years after the date of issuance.

In connection with the two tranches of a brokered private placement, the Company incurred share issuance costs of $459,147 consisting of $325,432 of finder's fees and $133,715 of legal fees. The Company also issued the following broker warrants in connection with the two tranches of the private placement:

(i) 456,839 broker warrants in connection with Non-FT units with a fair value of $168,101. Each broker warrant entitles the holder to purchase one common share at a price of $0.75 per share for a period of two years from the date of issuance;

(ii) 156,825 broker warrants in connection with FT and SFT units with a fair value of $54,908. Each broker warrant entitles the holder to purchase one common share at a price of $0.85 per share for a period of two years from the date of issuance.

(Expressed in Canadian dollars)

9. SHARE CAPITAL (CONTINUED)

b) Issued (continued)

Fair values of the broker warrants were estimated using the Black-Scholes pricing model with the following assumptions:

	Nine months ended September 30, 2023	**Year ended December 31, 2022**
Weighted average fair value	$0.36	N/A
Risk-free interest rate	4.29% - 4.66%	N/A
Share price on grant date	$0.58 - $0.87	N/A
Exercise price	$0.75 - $0.85	N/A
Expected volatility	112%	N/A
Expected life (years)	2.00	N/A
Expected dividend yield	N/A	N/A

On June 27, 2023, issued 250,000 common shares with a fair value of $230,000 to the Optionor in relation to the Option Agreement for the McKinney property (Note 7) to maintain the Option Agreement in good standing.

During the nine months ended September 30, 2023, 8,018,379 warrants were exercised at $0.10 per share for gross proceeds of $801,838, 638,945 warrants were exercised at $0.15 per share for gross proceeds of $95,842 and 85,000 stock options were exercised at $0.10 per share for gross proceeds of $8,500. As a result of the stock option exercise, $5,382 was transferred from reserves to share capital.

As at September 30, 2023, the Company holds 8,109,649 common shares in escrow pursuant to the rules of the CSE.

For the nine months ended September 30, 2022, the Company:

On January 13, 2022, pursuant to the Amalgamation (Note 1), the Company issued 200,000 common shares with a fair value of $4,000, which was determined with reference to the price of the common shares issued on December 1, 2021.

On January 20, 2022, the Company issued 1,479,979 special warrants at $0.05 per special warrant for gross proceeds of $73,999. Each of the special warrants entitles the holder to acquire one common share in the capital of the Company and one common share purchase warrant (“Warrant”) for no additional consideration. Each warrant will be exercisable into a common share for a period of two years at an exercise price of $0.10.

On February 15, 2022, the Company issued 823,021 special warrants at $0.10 per special warrant for gross proceeds of $82,302. Each of the special warrants entitles the holder to acquire one common share in the capital of the Company and one common share purchase warrant for no additional consideration. Each warrant will be exercisable into a common share for a period of two years at an exercise price of $0.15.

The special warrants issued on January 20, 2022, and February 15, 2022, shall be deemed to have been exercised, for no additional consideration, upon the earlier of:

- The date that is 18 months after issuance; or
- The fifth business day after the date on which the Company obtains a receipt from the applicable securities commission(s) in Canada for a final prospectus qualifying the distribution of the common shares and warrants upon the exercise or deemed exercise of the special warrants.

On June 28, 2022, pursuant to the receipt by the British Columbia Securities Commission of the Company’s long form prospectus qualifying the distribution of 2,303,000 units resultant from the conversion of the previously issued special warrants (Note 9(d)), the Company issued 2,303,000 common shares and warrants for no additional consideration. A total of $1,050 in share issuance costs was recorded to share capital in connection with the issuance arising from the conversion of the special warrants and qualification of the common shares.

As at September 30, 2022, the Company held 164,475 common shares in escrow pursuant to the rules of the CSE.

(Expressed in Canadian dollars)

9. SHARE CAPITAL (CONTINUED)

c) *Warrants*

The movement in warrants during the nine months ended September 30, 2023 and year ended December 31, 2022 are summarized as follows:

	Number of warrants	Weighted-average exercise price
Balance, December 31, 2021	8,979,999	$ 0.10
Issued on conversion of special warrants (Note 9(d))[1]	2,303,000	0.12
Balance, December 31, 2022	11,282,999	$ 0.10
Issued	6,866,460	0.79
Exercised	(8,657,324)	0.10
Balance, September 30, 2023	**9,492,135**	**$ 0.60**

(1) Issued on June 28, 2022, pursuant to conversion of special warrants (see Note 9(d)); each warrant is exercisable into a common share for a period of two years from the date of issue at an exercise price of $0.10 or $0.15.

The weighted average share price on the date the warrants were exercised during the nine months ended September 30, 2023 was $0.86 per share.

As of September 30, 2023, the following warrants were outstanding:

Number of Warrants	Exercise Price	Expiry Date
2,294,933	$ 0.10	December 1, 2023
146,666	$ 0.10	June 28, 2024
184,076	$ 0.15	June 28, 2024
3,162,618	$ 0.75	May 31, 2025
2,076,289	$ 0.85	May 31, 2025
1,209,503	$ 0.75	June 23, 2025
418,050	$ 0.85	June 23, 2025
9,492,135		

As at September 30, 2023, the Company holds 72,000 warrants in escrow pursuant to the rules of the CSE.

As of September 30, 2023, the weighted-average remaining life of the outstanding warrants was 1.28 years (December 31, 2022: 1.04 years).

d) *Special warrants*

The movement in special warrants during the nine months ended September 30, 2023 and year ended December 31, 2022 are summarized as follows:

	Number of special warrants	Weighted average exercise price	Weighted average life remaining
Balance, December 31, 2021	-	$ -	-
Issued	2,303,000	$ 0.12	-
Exercised	(2,303,000)	$ 0.12	-
Balance, December 31, 2022 and September 30, 2023	-	$ -	-

9. SHARE CAPITAL (CONTINUED)

e) Stock options

On March 27, 2023, the Company issued a new Equity Incentive Plan (the "Plan"), to replace the previous Stock Option Plan dated February 15, 2022. Under the Plan, directors, employees and consultants are eligible to receive stock option grants, Deferred Share Units ("DSUs") and Restricted Share Rights ("RSRs").

Under the Plan, the exercise price of each stock option is determined by the Board at the time of grant and cannot be less than the price permitted by whichever stock exchange on which the common shares are listed for trading. The CSE requires that the exercise price of stock options must be equal to or greater than the discounted market price (as defined in the policies of the CSE). The Board has the discretion to determine the term (to a maximum of 5 years), and vesting provisions of any stock options granted under the Plan at the time of grant, subject to the policies of the CSE. The maximum number of stock options, DSUs and RSRs under the Plan is limited to 10% of the number of issued and outstanding common shares.

For the nine months ended September 30, 2023, the Company:

Pursuant to the resignation of an officer of the Company on February 23, 2023, 20,000 stock options were forfeited. During the three and nine months ended September 30, 2023, there was a reversal of share-based compensation of $Nil and $598 (September 30, 2022 - $Nil and $Nil), respectively, in relation to the forfeiture of 20,000 stock options on February 23, 2023.

On June 21, 2023, the Company granted an aggregate of 750,000 stock options with a fair value of $497,109 to a Company controlled by an officer of the Company and to consultants of the Company. Of these stock options, 375,000 vested immediately, with one third of the remaining 375,000 vesting every six months thereafter. Each stock option entitles the holder to purchase one common share of the Company at an exercise price of $0.78 per share for a period of five years.

On August 3, 2023, the Company granted 50,000 stock options with a fair value of $40,744 to a consultant of the Company. All of these stock options vested immediately. Each stock option entitles the holder to purchase one common share of the Company at an exercise price of $1.01 for a period of five years.

During the three and nine months ended September 30, 2023, the Company recognized share-based compensation of $117,106 and $372,911, respectively, in relation to stock options vesting during the period.

For the nine months ended September 30, 2022, the Company:

On February 15, 2022, granted an aggregate of 50,000 stock options with a fair value of $2,640 to certain directors of the Company (Note 10). Each stock option has a 2-year term from the date of the award, vested upon issuance, and is exercisable at a price of $0.10 per common share. However, pursuant to the resignation of one of the recipients, 25,000 stock options were forfeited on August 9, 2022. Share-based compensation of $Nil and $2,640 was recognized during the three and nine months ended September 30, 2022, respectively, in relation to the 50,000 stock options granted.

On August 24, 2022, granted an aggregate of 105,000 stock options with a fair value of $6,648 to certain officers and directors of the Company (Note 10). Each stock option has a 3-year term from the date of the award and is exercisable at a price of $0.10 per common share. Of the 105,000 stock options granted, 45,000 vested immediately, the remaining 60,000 stock options vesting in thirds over the course of the nine months following the date of the award. Share-based compensation of $2,166 and $2,166 was recognized during the three and nine months ended September 30, 2022, respectively, in relation to the 105,000 stock options granted during the period.

(Expressed in Canadian dollars)

9. SHARE CAPITAL (CONTINUED)

e) *Stock options (continued)*

The movement in stock options during the nine months ended September 30, 2023 and year ended December 31, 2022 are summarized as follows:

	Number of stock options	Weighted-average exercise price
Balance, December 31, 2021	-	$ -
Granted	155,000	0.10
Forfeited	(25,000)	0.10
Balance, December 31, 2022	130,000	$ 0.10
Granted	800,000	0.79
Exercised	(85,000)	0.10
Forfeited	(20,000)	0.10
Balance, September 30, 2023	**825,000**	**$ 0.77**

The weighted average share price on the date the stock options were exercised during the nine months ended September 30, 2023 was $0.75 per share.

The following table summarizes information about the stock options outstanding as at September 30, 2023:

Number of stock options outstanding	Number of stock options exercisable	Weighted average exercise price	Weighted average remaining life (years)
25,000	25,000	$0.10	0.38
750,000	375,000	$0.78	4.73
50,000	50,000	$1.01	4.85
800,000	425,000	$0.77	4.60

Fair values of the stock options granted were estimated using the Black-Scholes pricing model with the following assumptions:

	Nine months ended September 30, 2023	Year ended December 31, 2022
Weighted average fair value	$0.66 - $0.81	$0.06
Risk-free interest rate	3.74% - 4.04%	1.55% - 3.44%
Share price on grant date	$0.82 - $1.01	$0.10
Exercise price	$0.78 - $1.01	$0.10
Expected volatility	111%	100%
Expected life (years)	5.00	2.00 - 3.00
Expected dividend yield	N/A	N/A

f) *Restricted share rights*

In accordance with the Plan (Note 9(e)), the Company has the right to grant to its directors, employees and consultants, the right to receive any number of fully paid and non-assessable RSRs as discretionary payment in consideration for past services to the Company or as an incentive for future services, as determined appropriate by the Board.

On June 21, 2023, the Company granted an aggregate of 320,000 RSRs to a company controlled by an officer and a consultant of the Company. All RSRs vest immediately. During the three and nine months ended September 30, 2023, share-based compensation of $Nil and $262,400 (September 30, 2022 - $Nil and $Nil), respectively, was recognized in relation to these RSRs based on the fair value of the Company's common shares at the grant date.

(Expressed in Canadian dollars)

9. SHARE CAPITAL (CONTINUED)

f) *Restricted share rights* *(continued)*

RSR transactions are summarized as follows:

	Outstanding
Balance, December 31, 2021 and 2022	-
Granted	320,000
Balance, September 30, 2023 (1)	**320,000**

(1) As at September 30, 2023 all outstanding RSRs are fully vested.

10. RELATED PARTY TRANSACTIONS

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and Board of Director members.

All related party transactions are 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 related parties. All amounts either due from or due to related parties other than specifically disclosed are non-interest bearing, unsecured, and have no fixed terms of repayments.

Related party transactions with management personnel and former management personnel and companies controlled by management personnel include the following:

	For the three months ended September 30, 2023 $	For the three months ended September 30, 2022 $	For the nine months ended September 30, 2023 $	For the nine months ended September 30, 2022 $
Management fees (1)	19,500	-	45,800	2,500
Share-based compensation (2)	61,090	319	297,127	319
Total	80,590	319	342,927	2,819

(1) Management fees were paid to a Company controlled by the Chief Executive Officer ("CEO"), the Chief Financial Officer ("CFO") and the former CFO.
(2) Share-based compensation was issued to a Company controlled by the CEO and the former CFO.

Related party transactions with directors and former directors include the following:

	For the three months ended September 30, 2023 $	For the three months ended September 30, 2022 $	For the nine months ended September 30, 2023 $	For the nine months ended September 30, 2022 $
Consulting fees (1)	9,000	-	21,581	-
Share-based compensation (2)	-	1,847	-	4,487
Total	9,000	1,847	21,581	4,487

(1) Consulting fees were paid to a director of the Company.
(2) Share-based compensation was issued to a director and a former director of the Company.

Other related party transactions and balances owing to related parties include the following:

On June 28, 2022, directors and officers of the Company purchased an aggregate of 60,000 special warrants of the Company for gross proceeds of $3,000, which were converted to 60,000 common shares and 60,000 warrants during the nine months ended September 30, 2022 (Note 9(d)).

As at September 30, 2023, $Nil (December 31, 2022 - $Nil) was due to related parties and included in accounts payable and accrued liabilities.

(Expressed in Canadian dollars)

11. FLOW-THROUGH SHARE PREMIUM LIABILITY

Balance, December 31, 2021 and 2022	**$**	**-**
Flow-through share premium liability at issuance		519,387
Flow-through share premium recovery		(264,891)
Balance, September 30, 2023	**$**	**254,496**

During June 2023, the Company closed two tranches of a brokered private placement, issuing 1,037,693 SFT units at a price of $0.65 per unit for gross proceeds of $674,500 and 3,637,333 FT units at a price of $0.60 per unit for gross proceeds of $2,182,400 (Note 9(b)). The SFT units were issued at a premium of $0.15 per SFT unit and the FT units were issued at a premium of $0.10 per FT unit. The premium was determined based on the difference between the price of the SFT and FT units and the price of the Non-FT units which were issued at the same time at $0.50 per Non-FT unit. Upon closing of the private placement, the Company recognized an aggregate flow-through share premium liability of $519,387, representing the Company's obligation to spend the $2,856,900 on eligible expenditures.

During the three and nine months ended September 30, 2023, the Company incurred $1,138,940 and $1,457,040, respectively, of eligible expenditures resulting in recognition of flow-through share premium recovery in the condensed interim consolidated statement of loss and comprehensive loss of $207,060 and $264,891 (September 30, 2022 – $Nil and $Nil), respectively. As at September 30, 2023, the Company has a flow-through share premium liability of $254,496 (December 31, 2022 – $Nil). As at September 30, 2023, the Company has a remaining obligation to spend $1,399,860 in eligible expenditures to fulfill the flow-through requirements.

12. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOWS

		For the nine months ended September 30, 2023		**For the nine months ended September 30, 2022**
Shares issued for McKinney Option Agreement	$	230,000	$	-
Shares issued for acquisition of Nunavik Lithium Projects	$	4,640,000	$	-
Broker warrants issued	$	223,009	$	-
Share issuance costs in accounts payable and accrued liabilities	$	10,721	$	-
Fair value of exercised stock options transferred to share capital	$	5,382	$	-

13. SEGMENT INFORMATION

Reportable segments are those operations whose operating results are reviewed by the chief operating decision maker, being the individual at the Company making decisions about resources to be allocated to a particular segment, and assessing performance provided those operations pass certain quantitative thresholds.

The Company undertakes administrative activities in Canada and is engaged in the acquisition and potential exploration and evaluation of mineral property interests. The Company's operations are in one geographic and only one commercial segments.

The net loss for the three and nine months ended September 30, 2023, and the total assets attributable to the geographical locations, as at September 30, 2023, relate only to operations in Canada.

14. FINANCIAL RISK MANAGEMENT

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Company's financial instruments consist of cash and cash equivalents and accounts payable and accrued liabilities. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from its financial instruments. The fair values of these financial instruments approximate their carrying values unless otherwise noted.

14. FINANCIAL RISK MANAGEMENT (CONTINUED)

The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

The financial instrument which potentially subjects the Company to concentration of credit risk is cash and cash equivalents. As at September 30, 2023, the balance of cash and cash equivalents was $1,773,216, comprised of $773,216 held on deposit and $1,000,000 held in a GIC. The Company has not experienced any losses in such amounts and believes it is not exposed to any significant risks on its cash and cash equivalents.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company manages its capital in order to meet short term business requirements, after taking into account cash flows from operations, expected capital expenditures and the Company's holdings of cash and cash equivalents. In the long term, the Company may have to issue additional shares to ensure there is sufficient capital to meet long term objectives.

The Company's financial liabilities of accounts payable and accrued liabilities are payable without repayment terms and are to be funded from cash provided by private placement financings.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

a) *Interest rate risk*

Interest rate risk is the risk that future cash flows will fluctuate because of changes in market interest rates. The Company does not hold any variable rate debt or investments in publicly traded securities as at September 30, 2023. The interest earned on cash and cash equivalents is insignificant and the Company does not rely on interest to fund its operations. As a result, the Company is not exposed to significant interest rate risk.

b) *Foreign currency risk*

Foreign currency risk is the risk that changes in foreign exchange rates may have an effect on future cash flows associated with financial instruments. As at September 30, 2023, the Company is not exposed to significant foreign currency risk.

c) *Price risk*

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities. The Company closely monitors those prices to determine the appropriate course of action.

15. MANAGEMENT OF CAPITAL RISK

The Company relies upon management to manage capital in order to accomplish the objective of safeguarding the Company's ability to continue as a going concern and actively commence operations on the Nunavik Lithium Projects and McKinney property, continue to satisfy the terms of the Option Agreement, and maintain a capital structure which optimizes the costs of capital at an acceptable risk. The Company's current capital consists of equity funding through private issuances of common shares. As the Company is currently in the exploration phase none of its financial instruments are exposed to commodity price risk; however, the Company's ability to obtain long-term financing and its economic viability may be affected by commodity price volatility. There have been no changes to the Company's policies around the management of its capital requirements from the year ended December 31, 2022.

16. SUBSEQUENT EVENTS

Subsequent to September 30, 2023, 974,000 warrants were exercised at an exercise price of $0.10 per share for gross proceeds of $97,400 and 129,208 warrants were exercised at an exercise price of $0.15 per share for gross proceeds of $19,381.

On October 25, 2023, the Company closed a private placement of 2,152,000 units at a price of $0.50 per unit for total proceeds of $1,076,000. Each unit is comprised of one common share and one-half of one share purchase warrant with each share purchase warrant entitling the holder to purchase one common share of the Company for $0.65 for a period of two years. The Company paid finder's fees of $53,270 and issued 106,540 broker warrants in relation to the private placement.