EUREKA LITHIUM CORP.

(formerly Scout Minerals Corp.)

Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2024 and 2023

(Expressed in Canadian dollars)

(Unaudited)

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 Company'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 June 30, 2024 and December 31, 2023
(Expressed in Canadian dollars)
(Unaudited)

As at	Note	June 30, 2024	December 31, 2023
ASSETS			
Current assets			
Cash and cash equivalents	5	$ 996,277	$ 2,599,427
Other receivables	6	60,506	378,026
Prepaid expenses		1,069,867	905,513
Total current assets		**2,126,650**	**3,882,966**
Exploration and evaluation assets	7	5,848,475	6,195,965
TOTAL ASSETS		**$ 7,975,125**	**$ 10,078,931**
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	8	$ 845,250	$ 509,283
Flow-through share premium liability	11	313,072	438,891
TOTAL LIABILITIES		**1,158,322**	**948,174**
SHAREHOLDERS' EQUITY			
Share capital	9(b)	14,546,860	14,546,860
Reserves	9(d,e)	905,647	839,019
Accumulated deficit		(8,635,704)	(6,255,122)
Total shareholders' equity		**6,816,803**	**9,130,757**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**$ 7,975,125**	**$ 10,078,931**

Nature of Operations (Note 1)

Approved and Authorized by the Board of Directors on August 20, 2024:

"DJ Bowen" 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 six months ended June 30, 2024 and 2023
(Expressed in Canadian dollars)
(Unaudited)

	Note	For the three months ended June 30, 2024	For the three months ended June 30, 2023	For the six months ended June 30, 2024	For the six months ended June 30, 2023
OPERATING EXPENSES					
Exploration and evaluation expenditures	7	$ 809,507	$ 318,100	$ 886,344	$ 318,100
Marketing fees		171,600	146,724	768,859	146,724
Professional fees		79,556	99,335	140,091	175,313
Consulting fees	10	61,000	72,666	118,000	82,247
Investor relations		15,223	81,156	112,136	89,888
Share-based compensation	9(d,e), 10	32,295	518,425	66,628	518,205
Management fees	10	15,680	19,500	35,360	26,300
Listing and filing fees		15,251	14,451	26,934	16,776
Transfer agent fees		12,973	7,072	16,027	9,922
Administrative expense		5,987	15,455	10,197	15,782
Total operating expenses		(1,219,072)	(1,292,884)	(2,180,576)	(1,399,257)
OTHER ITEMS					
Flow-through share premium recovery	11	114,775	57,831	125,819	57,831
Interest income	5	11,435	-	24,978	667
Foreign exchange loss		-	(5,945)	(3,303)	(6,281)
Impairment of exploration and evaluation assets	7	-	-	(347,500)	-
Total other items		126,210	51,886	(200,006)	52,217
NET LOSS AND COMPREHENSIVE LOSS		**$ (1,092,862)**	$ **(1,240,998)**	**$ (2,380,582)**	$ **(1,347,040)**
Basic and diluted loss per common share		$ (0.21)	$ (0.55)	$ (0.46)	$ (0.72)
Weighted average number of common shares outstanding – basic and diluted		**5,175,458**	**2,253,671**	**5,175,458**	**1,878,072**

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 Changes in Equity
For the six months ended June 30, 2024 and 2023
(Expressed in Canadian dollars)
(Unaudited)

	Common shares	Share capital	Reserves	Accumulated deficit	Total shareholders' equity
		$	$	$	$
Balance at December 31, 2022	**1,498,300**	**354,206**	**8,241**	**(194,626)**	**167,821**
Shares issued for					
Private placement (Note 9(b), 10)	1,250,559	6,772,182	-	-	6,772,182
Nunavik Purchase Agreement (Note 7, 9(b))	800,000	4,640,000	-	-	4,640,000
McKinney Option Agreement (Note 7, 9(b))	25,000	230,000	-	-	230,000
Exercise of warrants (Note 9(b,c))	283,331	293,575	-	-	293,575
Exercise of options (Note 9(b,e))	6,000	9,799	(3,799)	-	6,000
Share issuance costs (Note 9(b))	-	(671,434)	223,009	-	(448,425)
Share-based compensation (Note 9(d,e), 10)	-	-	518,205	-	518,205
Flow-through share premium liability (Note 11)	-	(519,387)	-	-	(519,387)
Net loss for the period	-	-	-	(1,347,040)	(1,347,040)
Balance at June 30, 2023	**3,863,190**	**11,108,941**	**745,656**	**(1,541,666)**	**10,312,931**
Balance at December 31, 2023	**5,175,458**	**14,546,860**	**839,019**	**(6,255,122)**	**9,130,757**
Share-based compensation (Note 9(d), 10)	-	-	66,628	-	66,628
Net loss for the period	-	-	-	(2,380,582)	(2,380,582)
Balance at June 30, 2024	**5,175,458**	**14,546,860**	**905,647**	**(8,635,704)**	**6,816,803**

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 six months ended June 30, 2024 and 2023
(Expressed in Canadian dollars)
(Unaudited)

Cash provided by (used in)		**For the six months ended June 30, 2024**		**For the six months ended June 30, 2023**
Cash flows used in operating activities				
Net loss for the period	$	(2,380,582)	$	(1,374,040)
Non-cash transactions:				
Share-based compensation		66,628		518,205
Flow-through share premium recovery		(125,819)		(57,831)
Impairment of exploration and evaluation assets		347,500		-
Changes in operating assets and liabilities:				
Other receivables		317,520		(47,788)
Prepaid expenses		(164,354)		(1,889,040)
Accounts payable and accrued liabilities		335,957		723,671
Net cash used in operating activities		**(1,603,150)**		**(2,099,823)**
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)
Net cash used in investing activities		**-**		**(1,263,465)**
Cash flows provided by financing activities				
Proceeds from private placement		-		6,772,182
Share issuance costs		-		(260,375)
Proceeds from warrants exercised		-		293,575
Proceeds from stock options exercised		-		6,000
Net cash provided by financing activities		**-**		**6,811,382**
Net decrease in cash and cash equivalents		(1,603,150)		3,448,094
Cash and cash equivalents, beginning of period		2,599,427		173,547
Cash and cash equivalents, end of period	**$**	**996,277**	**$**	**3,621,641**

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).

On June 19, 2024, the Company completed a 10-for-1 reverse split of its common shares ("Share Consolidation") with each fractional shares of less than 0.5 being cancelled and each fractional share of 0.5 or greater being rounded to one whole common share. Except where otherwise indicated, all historical share numbers and per share amounts have been adjusted on a retroactive basis to reflect this Share Consolidation.

The Company's head office along with registered and records office is located at Suite 2300, Bentall 5, 550 Burrard Street, Vancouver, British Columbia, V6C 2B5.

2. BASIS OF PRESENTATION

Statement of Compliance

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 August 20, 2024.

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 an 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.

(Expressed in Canadian dollars)

2. BASIS OF PRESENTATION (CONTINUED)

As at June 30, 2024, the Company had an accumulated deficit of $8,635,704 (December 31, 2023 - $6,255,122) and working capital of $968,328 (December 31, 2023 - $2,934,792). 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 judgments 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 judgments prove to be inaccurate, management's continued use of the going concern assumption could be inappropriate.

3. MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies followed by the Company are set out in Note 3 of the audited consolidated financial statements for the year ended December 31, 2023, and have been consistently followed in the preparation of these condensed interim consolidated financial statements.

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 JUDGMENTS

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, 2023.

5. CASH AND CASH EQUIVALENTS

		As at June 30, 2024		**As at December 31, 2023**
Cash held in bank	$	396,277	$	1,599,427
Guaranteed investment certificates ("GIC")		600,000		1,000,000
	$	**996,277**	**$**	**2,599,427**

(Expressed in Canadian dollars)

5. CASH AND CASH EQUIVALENTS (CONTINUED)

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. On May 7, 2024, the Company redeemed $400,000 of the GIC, with the remaining $600,000 held at June 30, 2024. During the three and six months ended June 30, 2024, the Company accrued interest income of $10,144 and $23,446, respectively, in relation to the GIC (June 30, 2023 - $Nil and $Nil respectively). During the year ended December 31, 2023, the Company redeemed a GIC of $100,000. The Company recorded interest income of $Nil and $667 during the three and six months ended June 30, 2023, respectively, in relation to this GIC.

6. OTHER RECEIVABLES

		As at June 30, 2024		As at December 31, 2023
GIC interest receivable	$	43,472	$	20,026
Goods and services tax ("GST") receivable		12,020		163,268
Quebec sales tax ("QST") receivable		5,014		194,732
	$	**60,506**	**$**	**378,026**

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, 2022	$	62,500	$	-	$	62,500
Cash payments		55,000		1,208,465		1,263,465
Issuance of common shares		230,000		4,640,000		4,870,000
Balance, December 31, 2023	$	347,500	$	5,848,465	$	6,195,965
Cash payments		-		10		10
Impairment of exploration and evaluation assets		(347,500)		-		(347,500)
Balance, June 30, 2024	**$**	**-**	**$**	**5,848,475**	**$**	**5,848,475**

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 25,000 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. During the year ended December 31, 2023, the cash payments and issuance of common shares were made prior to the deadlines to maintain the Company's ability to acquire a 75% interest in the McKinney property.

(Expressed in Canadian dollars)

7. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

McKinney Property (continued)

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*	50,000	25,000	100,000
On or before the 24-month anniversary of the listing date	75,000	35,000	-
On or before the 36-month anniversary of the listing date	100,000	50,000	400,000
Total	**292,500**	**110,000**	**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.

On April 23, 2024, the Company terminated the Option Agreement for the McKinney Property. The Company no longer has the rights or interests in the McKinney claims and notes that it owes no obligations or liabilities to the Optionor. An impairment of evaluation and exploration assets of $347,500 was recognized in the condensed interim consolidated statement of loss and comprehensive loss during the six months ended June 30, 2024.

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.

The Company purchased these claims from Shawn Ryan and Syndicate in exchange for $1,200,000 in cash, 800,000 common shares 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”). The first release date was November 30, 2023.

During the year ended December 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.

On May 15, 2024, the Company entered into an agreement (the “EL2 Purchase Agreement”) to acquire 396 mineral claims located adjacent to the Company’s existing mineral claims in Northern Quebec’s Nunavik region from Shawn Ryan and Wildwood Exploration Inc. (“the sellers”) in exchange for $10 and grant of a 1% NSR royalty. The Company also agreed to give the sellers the first option to complete any contracts for completing a property compilation and exploration proposal report.

(Expressed in Canadian dollars)

7. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

Nunavik Lithium Projects (continued)

On June 24, 2024, the Company entered into an agreement (the "Leaf River West Purchase Agreement") to acquire 261 mineral claims located adjacent to the Company's existing mineral claims in Northern Quebec's Nunavik region from Shawn Ryan and Wildwood Exploration Inc. ("the sellers") in exchange for $10 and grant of a 1% NSR royalty. The Company also agreed to give the sellers the first option to complete any contracts for completing a property compilation and exploration proposal report. The closing date for this agreement was 14 days after the execution date. As such, this acquisition cost was not capitalized as at June 30, 2024.

Lac la Motte Project

In December 2023, the Company entered into a letter of intent ("LOI") with respect to an option to acquire a 100% undivided interest in and to the mineral claims comprising the Lac la Motte project in the mining area of Abitibi, Quebec, subject to a 1% NSR royalty in favor of the underlying owner. Under the LOI, the Company had an exclusive period of 30 days to conduct due diligence (the "Exclusivity Period") with a view to negotiating and entering into a definitive agreement. On January 12, 2024, the Company entered into an amending agreement to update the Exclusivity Period for the Lac La Motte project to end on February 15, 2024. During the six months ended June 30, 2024, the Company decided not to pursue a definitive agreement on the Lac La Motte project.

A breakdown of the exploration and evaluation expenditures incurred during the three and six months ended June 30, 2024 and 2023 is as follows:

	For the three months ended June 30, 2024	For the three months ended June 30, 2023	For the six months ended June 30, 2024	For the six months ended June 30, 2023
Nunavik Lithium Projects				
Travel, meals and accommodation	$ 418,794	$ 115,812	$ 418,794	$ 115,812
Prospecting and mapping	163,615	54,525	163,615	54,525
Sampling	51,478	-	51,478	-
Drilling	47,250	-	94,500	-
Field equipment and supplies	26,386	3,366	27,823	3,366
Consulting fees	14,750	10,000	32,550	10,000
Equipment transportation	9,443	-	9,443	-
Land lease – short term	10,350	-	20,700	-
Administration fees	64,428	29,016	64,428	29,016
Fuel transportation	3,013	87,381	3,013	87,381
Planning and permitting	-	14,500	-	14,500
Other expenses	-	3,500	-	3,500
Total	**$ 809,507**	**$ 318,100**	**$ 886,344**	**$ 318,100**

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	As at June 30, 2024	As at December 31, 2023
Accounts payable	$ 37,123	$ 465,458
Accrued liabilities	808,127	43,825
	$ 845,250	**$ 509,283**

9. SHARE CAPITAL

a) Authorized

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

b) Issued

For the six months ended June 30, 2024:

There was no share capital activity during the six months ended June 30, 2024.

As at June 30, 2024, the Company holds 280,287 (December 31, 2023 – 551,496) common shares in escrow pursuant to the rules of the CSE.

For the six months ended June 30, 2023, the Company:

On May 31, 2023, issued 800,000 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 103,769 Quebec super flow-through ("SFT") units at a price of $6.50 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 $8.50 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 363,733 flow-through ("FT") units at a price of $6.00 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 $8.50 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 783,056 non flow-through ("Non-FT") units at a price of $5.00 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 $7.50 per Non-FT Warrant Share for a period of two years after the date of issuance.

(Expressed in Canadian dollars)

9. SHARE CAPITAL (CONTINUED)

b) Issued (continued)

In connection with the two tranches of a brokered private placement, the Company incurred share issuance costs of $448,425 consisting of $325,432 of finder's fees and $122,993 of legal fees. The Company also issued the following broker warrants in connection with the two tranches of the private placement:

(i) 45,684 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 $7.50 per share for a period of two years from the date of issuance;
(ii) 15,683 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 $8.50 per share for a period of two years from the date of issuance;

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

	Six months ended June 30, 2024	Six months ended June 30, 2023
Weighted average fair value	N/A	$3.60
Risk-free interest rate	N/A	4.29% - 4.66%
Share price on grant date	N/A	$5.80 - $8.70
Exercise price	N/A	$7.50 - $8.50
Expected volatility	N/A	112%
Expected life (years)	N/A	2.00
Expected dividend yield	N/A	N/A

On June 27, 2023, issued 25,000 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 six months ended June 30, 2023, 262,845 warrants were exercised at $1.00 per share for gross proceeds of $262,845, 20,487 warrants were exercised at $1.50 per share for gross proceeds of $30,730 and 6,000 stock options were exercised at $1.00 per share for gross proceeds of $6,000. As a result of the stock option exercise, $3,799 was transferred from reserves to share capital.

As at June 30, 2023, the Company held 813,705 common shares in escrow pursuant to the rules of the CSE.

c) Warrants

The movement in warrants during the six months ended June 30, 2024 and the year ended December 31, 2023 are summarized as follows:

	Number of warrants	Weighted-average exercise price
Balance, December 31, 2022	1,128,304	$ 1.04
Issued	986,036	7.63
Exercised	(1,024,403)	1.04
Expired	(88,947)	1.00
Balance, December 31, 2023	**1,000,990**	$ 7.54
Expired	(14,954)	1.18
Balance, June 30, 2024	**986,036**	**$ 7.63**

The weighted average share price on the date the warrants were exercised during the year ended December 31, 2023, was $8.09 per share.

(Expressed in Canadian dollars)

9. SHARE CAPITAL (CONTINUED)

c) Warrants (continued)

As of June 30, 2024, the following warrants were outstanding:

Number of Warrants	Exercise Price	Expiry Date
316,262	$ 7.50	May 31, 2025
207,630	$ 8.50	May 31, 2025
120,950	$ 7.50	June 23, 2025
41,805	$ 8.50	June 23, 2025
118,254	$ 6.50	October 25, 2025
181,135	$ 7.50	November 29, 2025
986,036		

As of June 30, 2024, the weighted-average remaining life of the outstanding warrants was 1.07 years (December 31, 2023 - 1.55 years).

d) 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 six months ended June 30, 2024:

During the three and six months ended June 30, 2024, the Company recognized share-based compensation expense of $32,295 and $66,628, respectively, relating to the vesting of stock options granted on June 21, 2023.

For the six months ended June 30, 2023:

Pursuant to the resignation of an officer of the Company on February 23, 2023, 2,000 stock options were forfeited. During the three and six months ended June 30, 2023. During the three and six months ended June 30, 2023, there was a reversal of share-based compensation of $Nil and $598, respectively, in relation to the forfeiture of 2,000 stock options on February 23, 2023.

On June 21, 2023, the Company granted an aggregate of 75,000 stock options with a fair value of $497,109 to a Company controlled by a former officer of the Company and consultants of the Company. Of these stock options, 375,000 vested immediately, with one third of the remaining 37,500 vesting every six months thereafter. Each stock option entitles the holder to purchase one common share of the Company at a price of $7.80 per share for a period of five years.

During the three and six months ended June 30, 2023, the Company recognized share-based compensation of $256,025 and $256,403, respectively, in relation to stock options vesting during the period.

(Expressed in Canadian dollars)

9. SHARE CAPITAL (CONTINUED)

d) *Stock options (continued)*

The movement in stock options during the six months ended June 30, 2024, and the year ended December 31, 2023, are summarized as follows:

	Number of stock options	Weighted-average exercise price
Balance, December 31, 2022	13,000	$ 1.00
Granted	80,000	7.94
Exercised	(8,500)	1.00
Forfeited	(2,000)	1.00
Balance, December 31, 2023	82,500	$ 7.73
Expired	(2,500)	1.00
Balance, June 30, 2024	**80,000**	**$ 7.94**

The following table summarizes information about the stock options outstanding as at June 30, 2024:

Number of stock options outstanding	Number of stock options exercisable	Weighted average Exercise price	Weighted average Remaining life (years)
75,000	62,500	$7.80	3.98
5,000	5,000	$10.10	4.10
80,000	67,500	$7.94	3.99

Fair values of the stock options granted were estimated using the Black-Scholes Option Pricing Model with the following assumptions:

	Six months ended June 30, 2024	Year ended December 31, 2023
Weighted average fair value	-	$6.70
Risk-free interest rate	-	3.74% - 4.04%
Share price on grant date	-	$8.20 - $10.10
Exercise price	-	$7.80 - $10.10
Expected volatility	-	111%
Expected life (years)	-	5.00
Expected dividend yield	-	N/A

e) *Restricted share rights*

In accordance with the Plan (Note 9(d)), 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.

During the six months ended June 30, 2024:

No RSRs were granted or vested during the six months ended June 30, 2024.

During the six months ended June 30, 2023:

On June 21, 2023, the Company granted an aggregate of 32,000 RSRs to a company controlled by a former officer and a consultant of the Company. All RSRs vest immediately. During the three and six months ended June 30, 2023, share-based compensation of $262,400 and $262,400, 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)

e) *Restricted share rights*

RSR transactions for the six months ended June 30, 2024, and the year ended December 31, 2023, are summarized as follows:

	Outstanding
Balance, December 31, 2022	-
Granted	32,000
Converted to common shares	(20,000)
Balance, December 31, 2023 and June 30, 2024 (1)	**12,000**

(1) As at June 30, 2024, 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.

On April 30, 2024, the CEO resigned, and a director of the Company was appointed CEO on the same date.

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

	For the three months ended June 30, 2024	For the three months ended June 30, 2023	For the six months ended June 30, 2024	For the six months ended June 30, 2023
Management fees (1)	$ 15,680	$ 19,500	$ 35,360	$ 26,300
Share-based compensation (2)	9,055	236,257	36,521	$ 236,037
Total	$ 24,735	$ 255,757	$ 71,881	262,337

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

Related party transactions with directors include the following:

	For the three months ended June 30, 2024	For the three months ended June 30, 2023	For the six months ended June 30, 2024	For the six months ended June 30, 2023
Consulting fees (1)	$ 3,000	$ 9,000	$ 12,000	$ 12,581
Total	$ 9,000	$ 9,000	$ 12,000	$ 12,581

(1) Consulting fees were paid to a director of the Company. This director was appointed CEO effective April 30, 2024.

As at June 30, 2024, $Nil in consulting fees (December 31, 2023 - $3,150) was due to a director and included in accounts payable and accrued liabilities.

(Expressed in Canadian dollars)

11. FLOW-THROUGH SHARE PREMIUM LIABILITY

Balance, December 31, 2022	**$**	**-**
Flow-through share premium liability at issuance		669,462
Flow-through share premium recovery		(230,571)
Balance, December 31, 2023	$	438,891
Flow-through share premium recovery		(125,819)
Balance, June 30, 2024	**$**	**313,072**

During June 2023, the Company closed two tranches of a brokered private placement, issuing 103,769 SFT units at a price of $6.50 per unit for gross proceeds of $674,500 and 363,733 FT units at a price of $6.00 per unit for gross proceeds of $2,182,400 (Note 9(b)). The SFT units were issued at a premium of $1.50 per SFT unit and the FT units were issued at a premium of $1.00 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 $5.00 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 November 2023, the Company closed a brokered private placement, issuing 333,500 FT units at a price of $5.40 per unit for gross proceeds of $1,800,900. The FT units were issued at a premium of $0.45 per FT unit. The premium was determined based on the difference between the price of the FT units and the adjusted closing market value of the Company's common shares on the date of issuance, which was $0.495 per common share. Upon closing of the private placement, the Company recognized a flow-through share premium liability of $150,075, representing the Company's obligation to spend the $1,800,900 on eligible expenditures.

During the three and six months ended June 30, 2024, the Company incurred $809,507 and $875,391, respectively, (June 30, 2023 - $318,100 and $318,100) of eligible expenditures resulting in recognition of flow-through share premium recovery in the condensed interim consolidated statement of loss and comprehensive loss of $114,775 and $125,819 (June 30, 2023 – $57,831 and $57,831), respectively. As at June 30, 2024, the Company has a flow-through share premium liability of $313,072 (December 31, 2023 – $438,891). As at June 30, 2024, the Company has a remaining obligation to spend $2,178,207 in eligible expenditures to fulfill the flow-through requirements.

12. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOWS

		For the six months ended June 30, 2024		**For the six months ended June 30, 2023**
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	$	-	$	188,050
Value of exercised options transferred to share capital	$	-	$	3,799
Acquisition costs for exploration and evaluation assets in accounts payable and accrued liabilities	$	10	$	-

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 segment.

The net loss for the three and six months ended June 30, 2024, and the total assets attributable to the geographical locations, as at June 30, 2024, 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, other receivables excluding sales taxes, 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.

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 June 30, 2024, the balance of cash and cash equivalents was $996,277, comprised of $396,277 held on deposit and $600,000 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 June 30, 2024. 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 June 30, 2024, 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 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, 2023.