

**Freedom Battery Metals Inc.**

**Condensed Interim Financial Statements  
For the Three and Six Months Ended July 31, 2022  
(Expressed in Canadian Dollars)  
(Unaudited)**

## **NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS**

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

The accompanying condensed interim financial statements of Freedom Battery Metals Inc. have been prepared by and are the responsibility of the Company's management. The Company's independent auditors have not performed a review or audit of these interim financial statements.

**FREEDOM BATTERY METALS INC.**  
**Condensed Interim Statements of Financial Position**  
**(Expressed in Canadian Dollars)**  
**(Unaudited)**

	<b>July 31, 2022</b>	<b>January 31, 2022</b>
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 460,828	\$ 503,736
Receivables	22,744	4,498
	<b>483,572</b>	<b>508,234</b>
Mineral property (note 4)	129,000	69,000
	<b>\$ 612,572</b>	<b>\$ 577,234</b>
<b>Liabilities and Shareholders' Equity</b>		
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accrued liabilities (note 6)	\$ 186,162	\$ 5,240
<b>Shareholders' Equity</b>		
Share Capital (note 5)	409,604	409,604
Subscriptions Received (note 5)	-	192,167
Warrant Reserves (note 5)	292,392	-
Deficit	(275,586)	(29,777)
	<b>426,410</b>	<b>571,994</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 612,572</b>	<b>\$ 577,234</b>

Approved on behalf of the Board:

\_\_\_\_\_  
*"Paul Gorman" (signed)*  
 Director

\_\_\_\_\_  
*"David Bowen" (signed)*  
 Director

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

**FREEDOM BATTERY METALS INC.**  
**Condensed Interim Statement of Comprehensive Loss**  
**(Expressed in Canadian Dollars)**  
**(Unaudited)**

	<b>Three Months Ended July 31, 2022</b>		<b>Six Months Ended July 31, 2022</b>		<b>51-Day Period Ended July 31, 2021</b>
<b>Operating expenses</b>					
Accounting and audit fees	\$ 12,455	\$	16,800	\$	-
Consulting fees	34,345		34,345		-
Exploration and evaluation costs (note 4)	-		91,341		-
Interest and bank charges	195		444		104
Legal fees	35,298		44,492		3,272
Management fees (note 6)	12,000		24,000		1,000
Realized exchange gain/loss	63		51		-
Transfer agent and filing fees	31,830		31,830		-
Travel	2,506		2,506		-
<b>Net loss and comprehensive loss for the period</b>	<b>\$ (128,692)</b>	<b>\$</b>	<b>(245,809)</b>	<b>\$</b>	<b>(4,376)</b>
<b>Basic and diluted loss per share</b>	<b>\$ (0.01)</b>	<b>\$</b>	<b>(0.02)</b>	<b>\$</b>	<b>(0.00)</b>
<b>Weighted average number of common shares outstanding</b>	<b>15,700,100</b>		<b>15,700,100</b>		<b>1,353,041</b>

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**FREEDOM BATTERY METALS INC.**

**Condensed Interim Statements of Changes in Shareholders' Equity**

**(Expressed in Canadian Dollars)**

**(Unaudited)**

	<u>Common Shares</u>					
	Number of shares	Amount \$	Warrants Reserves \$	Subscriptions Received \$	Deficit \$	Total Shareholders' Equity \$
<b>Balance, June 10, 2021 (date of incorporation)</b>	1	-	-	-	-	-
Repurchase and cancellation of incorporation share	(1)	-	-	-	-	-
Founders' shares	1,500,100	7,501	-	-	-	7,501
Subscriptions received	-	-	-	10,000	-	10,000
Net loss for period	-	-	-	-	(4,377)	(4,377)
<b>Balance, July 31, 2021</b>	<b>1,500,100</b>	<b>7,501</b>	<b>-</b>	<b>10,000</b>	<b>(4,377)</b>	<b>13,124</b>
Private placements	14,000,000	400,000	-	-	-	400,000
Shares issued for acquisition of mineral property	200,000	4,000	-	-	-	4,000
Share issuance costs	-	(1,897)	-	-	-	(1,897)
Subscriptions received	-	-	-	182,167	-	182,167
Net loss for period	-	-	-	-	(25,400)	(25,400)
<b>Balance, January 31, 2022</b>	<b>15,700,100</b>	<b>409,604</b>	<b>-</b>	<b>192,167</b>	<b>(29,777)</b>	<b>571,994</b>
Private placements – special warrants	-	-	294,567	(192,167)	-	102,400
Share issuance costs	-	-	(2,175)	-	-	(2,175)
Net loss for period	-	-	-	-	(245,809)	(245,809)
<b>Balance, July 31, 2022</b>	<b>15,700,100</b>	<b>409,604</b>	<b>292,392</b>	<b>-</b>	<b>(275,586)</b>	<b>426,410</b>

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

**FREEDOM BATTERY METALS INC.**  
**Condensed Interim Statement of Cash Flows**  
**(Expressed in Canadian Dollars)**  
**(Unaudited)**

	<b>Six Months Ended July 31, 2022</b>	<b>51-Day Period Ended July 31, 2021</b>
<b>Cash Provided by (Used In)</b>		
<b>Operating Activities</b>		
Net loss for the period	\$ (245,809)	\$ (4,377)
Change in working capital balances:		
Receivables	(18,246)	(185)
Accounts payable and accrued liabilities	180,922	4,558
<b>Cash Used in Operating Activities</b>	<b>(83,133)</b>	<b>(4)</b>
<b>Investing Activities</b>		
Mineral property acquisition costs (note 4)	(60,000)	-
<b>Cash Used in Investing Activities</b>	<b>(60,000)</b>	<b>-</b>
<b>Financing Activities</b>		
Proceeds on issuance of special warrants	102,400	-
Proceeds on issuance of shares	-	7,501
Subscriptions received	-	10,000
Share issuance costs	(2,175)	-
<b>Cash Provided by Financing Activities</b>	<b>100,225</b>	<b>17,501</b>
<b>Outflow of Cash</b>	<b>(42,908)</b>	<b>17,497</b>
<b>Cash, Beginning of Period</b>	<b>503,736</b>	<b>-</b>
<b>Cash, End of Period</b>	<b>\$ 460,828</b>	<b>\$ 17,497</b>

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

**FREEDOM BATTERY METALS INC.**  
**Notes to the Condensed Interim Financial Statements**  
**For the Three and Six Months Ended July 31, 2022**  
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**1. NATURE OF OPERATIONS AND GOING CONCERN**

Freedom Battery Metals Inc. (the “Company”) was incorporated under the *BC Business Corporations Act* on June 10, 2021. The principal business of the Company is the acquisition, exploration and evaluation of resource properties. The Company’s registered and records office address is 6<sup>th</sup> Floor, 905 West Pender Street, Vancouver, BC, V6C 1L6. Its principal place of business is 915 – 700 West Pender Street, Vancouver, BC, V6C 1G8.

These condensed interim financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. During the six-month period ended July 31, 2022, the Company incurred a net loss of \$245,809, and at present, the Company has no current operating income. Without additional financing, the Company may not be able to fund its ongoing operations and complete development activities. The Company intends to finance its future requirements through equity issuance. There is no assurance that the Company will be able to obtain such financings or obtain them on favorable terms. These uncertainties may cast significant doubt on the Company’s ability to continue as a going concern. The Company will need to raise sufficient working capital to maintain operations. These financial statements do not include any adjustments related to the recoverability of assets and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

On July 25, 2022, the Company obtained a receipt for its final long form prospectus (the “Prospectus”) from the British Columbia Securities Commission, Alberta Securities Commission, Manitoba Securities Commission and Ontario Securities Commission. The Prospectus qualified the distribution of 2,945,666 common shares and 2,945,666 common share purchase warrants of the Company upon the exercise of 2,945,666 issued and outstanding special warrants. On August 3, 2022, the Company’s common shares began trading on the Canadian Securities Exchange (the “CSE”) under the symbol “FBAT” and the Company’s special warrants were converted into 2,945,666 common shares and 2,945,666 common share purchase warrants.

**2. BASIS OF PRESENTATION**

(a) Statement of compliance

These unaudited condensed interim financial statements were prepared in accordance with IAS 34, *Interim Financial Reporting*. These condensed interim financial statements do not include all of the information required for full annual financial statements. These condensed interim financial statements should be read in conjunction with the audited financial statements for the 235-day period ended January 31, 2022 which have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

In preparing these condensed interim financial statements, the significant accounting policies and the significant judgments made by management in applying the Company’s significant accounting policies and key sources of estimation uncertainty were the same as those that applied to the Company’s audited financial statements for the 235-day period ended January 31, 2022.

These financial statements are presented in Canadian dollars, which is the Company’s functional currency.

**FREEDOM BATTERY METALS INC.**  
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**2. BASIS OF PRESENTATION** (Continued)

(b) Basis of presentation

These condensed interim financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair value. In addition, these condensed interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

(c) Approval of the condensed interim financial statements

These condensed interim financial statements were authorized for issue by the Audit Committee and Board of Directors on September 29, 2022.

**3. SIGNIFICANT ACCOUNTING POLICIES**

In preparing these condensed interim financial statements, the significant accounting policies and the significant estimates and judgments made by management in applying the Company's significant accounting policies and key sources of estimation uncertainty were the same as those that applied to the Company's audited financial statements for the 235-day period ended January 31, 2022.

**4. MINERAL PROPERTY**

Zig-Zag Lithium Property, Ontario, Canada

On September 1, 2021, the Company entered into an option agreement with Alex Pleson (a related party), ("Optionor") to acquire a 100% interest in the Zig-Zag Lithium Property by paying consideration of \$250,000 in cash, agreeing to incur at least \$310,000 in expenditures on the Zig-Zag Property, and issue 500,000 Shares to the Optionor. The Property Agreement was negotiated on an arm's length basis, as the Optionor was not a director when the Property Agreement was entered into on September 1, 2021. The Optionor is now a director of the Company, having been appointed to the Board on September 21, 2021. Consideration for the option will be paid as follows:

- Within five (5) calendar days of the Effective date of the agreement, the Company must make a cash payment to the Optionor of \$65,000 and issue 200,000 Shares (met);
- within five (5) calendar days of the Optionee's receipt of a final technical report (the "Technical Report") for the Property, prepared in accordance with NI 43-101F1 – Technical Report and NI 43-101 – Standards of Disclosure for Mineral Projects, to the reasonable satisfaction of the Optionee and their counsel, make a cash payment to the Optionor of \$60,000 (met);
- On or before the first anniversary of the date upon which the Company's shares are listed for trading on any stock exchange in Canada (the "Listing Date"), the Company must make a cash payment of \$50,000, issue 100,000 Shares, and incur aggregate expenditures of at least \$110,000; and
- On or before the second anniversary of the Listing Date, the Company will make a cash payment of \$75,000, issue 200,000 Shares, and incur additional expenditures of at least \$200,000.



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**4. MINERAL PROPERTY (Continued)**

During the six months ended July 31, 2022, the Company had the following expenditures which were expensed as incurred on the property:

	<b>Balance at January 31 and July 31, 2022</b>
<b>Zig-Zag Lithium Property</b>	
Field work and analysis wages	\$ 38,050
Travel	7,869
Accommodations & food	6,450
Supplies & equipment rental	21,227
Rock assays	3,250
Soil analysis and reporting	14,495
<b>Total exploration and evaluation costs</b>	<b>\$ 91,341</b>

**5. SHAREHOLDERS' EQUITY**

(a) Authorized

Unlimited number of common shares without par value.

(b) Issued and outstanding

15,700,100 common shares without par value

- (i) On June 10, 2021, the Company issued 100 common shares at a price of \$0.005 in connection with the incorporation of the Company.
- (ii) On June 15, 2021, the Company completed a non-brokered private placement financing raising aggregate gross proceeds of \$7,500 by the issuance of 1,500,000 common shares at a price of \$0.005 per share to the founders of the Company.
- (iii) On August 19, 2021, the Company completed a non-brokered private placement financing raising aggregate gross proceeds of \$200,000 by the issuance of 10,000,000 common shares at \$0.02 per share.
- (iv) On September 21, 2021, the Company issued 200,000 common shares at \$0.02 per share in connection with the Zig-Zag Lithium property option agreement (note 4).
- (v) On November 18, 2021, the Company completed a non-brokered private placement financing raising aggregate gross proceeds of \$200,000 by the issuance of 4,000,000 units of the Company at \$0.05 per unit. Each unit comprises one common share and one whole share purchase warrant. Each warrant will be exercisable for a period of three years following the issuance date at an exercise price of \$0.10. The fair value of the warrants was determined to be \$Nil.

In connection with the private placements above, the Company incurred \$1,897 in share issuance costs.

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**5. SHAREHOLDERS' EQUITY (Continued)**

(b) Warrants

The following is a summary of the Company's warrant activities:

	<b>Number of Warrants</b>	<b>Weighted Average Exercise Price</b>
Outstanding at January 31 and July 31, 2022	4,000,000	\$ 0.10

The warrants outstanding as at July 31, 2022 are as follows:

<b>Exercise Price</b>	<b>Expiration Date</b>	<b>Number of Warrants</b>	<b>Weighted Average Remaining Life (Years)</b>
\$0.10	November 18, 2024	4,000,000	2.30
		4,000,000	2.30

(c) Special Warrants

On April 22, 2022, the Company completed a non-brokered private placement financing raising aggregate gross proceeds of \$294,567 by the issuance of 2,945,666 special warrants at \$0.10 per special warrant. Each special warrant is convertible into one unit of the Company at any time for no additional consideration. Each unit comprises one common share and one whole share purchase warrant. Each warrant will be exercisable for a period of two years from the date the Company's common shares commence trading on the Canadian Securities Exchange, at an exercise price of \$0.20. The Company received \$192,167 in subscription funds related to this private placement prior to January 31, 2022.

In connection with the issuance of special warrants, the Company incurred \$2,175 in issuance costs.

**6. RELATED PARTY TRANSACTIONS**

Key management personnel include persons having the authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Board of Directors and corporate officers.

During the six months ended July 31, 2022, the Company paid \$12,000 (51-day period ended July 31, 2021 - \$1,000) in management fees to the Chief Financial Officer and \$12,000 (51-day period ended July 31, 2021 - \$nil) in management fees to the Chief Executive Officer.

As at July 31, 2022, \$4,200 (January 31, 2022 - \$2,100) due to the Chief Executive Officer is included in accounts payable and accrued liabilities.

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**6. FINANCIAL INSTRUMENTS**

The Company's financial instruments consist of cash and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant credit, liquidity or market risk arising from these financial instruments.

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk for the Company is associated with its cash. The Company is not exposed to significant credit risk as its cash is placed with a major Canadian financial institution.

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

As at July 31, 2022, the Company has cash of \$460,828 (January 31, 2022 - \$503,736) available to apply against short-term business requirements and current liabilities of \$186,162 (January 31, 2022 - \$5,240). All of the liabilities presented as accounts payable and accrued liabilities are due within 90 days of July 31, 2022. The Company relies upon equity financings to satisfy its capital requirements and will continue to depend heavily upon equity capital to finance its activities. There can be no assurance the Company will be able to obtain required financing in the future on acceptable terms.

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: foreign currency risk, interest rate risk and other price risk. The Company is not exposed to significant market risk.

**8. CAPITAL MANAGEMENT**

The Company has just commenced operations. It has not yet determined whether it will be successful in its endeavours and does not generate cash flows from operations. The Company's primary source of funds comes from the issuance of common shares. The Company does not use other sources of financing that require fixed payments of interest and principal due to lack of cash flow from current operations and is not subject to any externally imposed capital requirements.

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern. The Company defines its capital as shareholders' equity. Capital requirements are driven by the Company's general operations. To effectively manage the Company's capital requirements, the Company monitors expenses and overhead to ensure costs and commitments are being paid. The Company did not change its approach to capital management during the six months period ended July 31, 2022.

**9. SEGMENTED INFORMATION**

The Company operates in one business segment being the exploration and development of resource properties. All assets of the Company are located in Canada.

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**10. EVENTS AFTER THE REPORTING DATE**

On August 31, 2022, the Company completed its previously announced non-brokered private placement through the issuance of 9,700,000 units of the Company at \$0.105 per unit for aggregate gross proceeds of \$1,018,500. Each unit is composed of one common share and one-half of one common share purchase warrant. Each warrant is exercisable at \$0.15 per share for two years from issuance.

On September 7, Nelson Lamb resigned as a director of the Company. On September 8, 2022, the Company appointed Paul Gorman to its board of directors.

On September 20, 2022 the Company entered into an agreement for the right to acquire a 100% interest in the Ruby Graphite project, a project area covering approximately 2,000 acres and 96 federal lode mining claims located in Beaverhead County, Montana, U.S.A.

On September 20, 2022, pursuant to a securities exchange agreement dated September 16, 2022 (the "Agreement") among Freedom, Broadstone Resources Inc. ("Broadstone") and a subsidiary of Broadstone ("Subco"), Freedom has agreed to acquire all the issued and outstanding shares of Subco in consideration for the issuance of 2,750,000 common shares of Freedom (the "Consideration Shares") to Broadstone and cash consideration of \$294,628.26 (the "Acquisition"). Broadstone currently holds an option to acquire a 100% interest in the Ruby Graphite project (the "Ruby Option"). The Ruby Option will be assigned to Subco pursuant to an amended and restated option agreement to be entered into on or prior to completion of the Acquisition in accordance with the terms of the Agreement.