Targa Exploration Corp.

Condensed Interim Consolidated Financial Statements

For the three and nine months ended December 31, 2023 and 2022

(Unaudited - Expressed in Canadian dollars)

Notice of Disclosure of Non-auditor Review of the Condensed Interim Consolidated Financial Statements for the Three and Nine Months Ended December 31, 2023 and 2022.

Pursuant to National Instrument 51-102 Continuous Disclosure Obligations, part 4, subsection 4.3(3)(a) issued by the Canadian Securities Administrators, 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 unaudited condensed interim consolidated financial statements of Targa Exploration Corp. for the interim periods ended December 31, 2023 and 2022, have been prepared in accordance with the International Accounting Standard 34 *Interim Financial Reporting* as issued by the International Accounting Standards Board and are the responsibility of management.

The Company's independent auditors have not performed a review of these condensed interim consolidated financial statements.

February 28, 2024

TARGA EXPLORATION CORP.
Condensed Interim Consolidated Statements of Financial Position
(Unaudited - Expressed in Canadian dollars)

	Note	**December 31, 2023**	March 31, 2023
		$	$
ASSETS			
Current			
Cash		**2,134,177**	604,316
Goods and services tax recoverable		**74,530**	2,713
Prepaid expenses and deposits		**686,702**	46,126
Total assets		**2,895,409**	653,155
LIABILITIES			
Current			
Accounts payable and accrued liabilities	10	**428,987**	38,878
Flow-through premium liability	7	**264,917**	-
Total liabilities		**693,904**	38,878
SHAREHOLDERS' EQUITY			
Share capital	8(b)	**10,868,310**	3,656,958
Subscription receivable		**(10,000)**	-
Reserves		**1,153,614**	46,800
Deficit		**(9,810,419)**	(3,089,481)
Total shareholders' equity		**2,201,505**	614,277
Total liabilities and shareholders' equity		**2,895,409**	653,155

Nature of operations and going concern (Note 1)
Subsequent events (Note 12)

Approved and authorized for issue on behalf of the Board of Directors:

/s/ "Karlene Collier"	*/s/ "Mahesh Liyanage"*
Director	Director

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

TARGA EXPLORATION CORP.
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
(Unaudited - Expressed in Canadian dollars)

	Note	Three months ended December 31, 2023	Three months ended December 31, 2022	Nine months ended December 31, 2023	Nine months ended December 31, 2022
		$	$	**$**	$
Operating expenses					
Exploration and evaluation expenditures	6	**539,716**	353,895	**5,545,923**	506,277
Filing and transfer agent fees		**16,425**	5,504	**41,264**	23,315
General and administrative		**26,830**	16,692	**63,023**	24,641
Marketing and investor relations		**83,790**	-	**166,688**	2,590
Legal and professional fees		**36,724**	60,369	**93,459**	77,744
Management and consulting fees	10	**100,794**	15,000	**195,978**	31,000
Share-based compensation	10	**17,331**	-	**698,646**	46,800
		(821,610)	(451,460)	**(6,804,981)**	(712,367)
Other income					
Amortization of flow-through premium liability	7	**18,521**	-	**84,043**	-
Net loss and comprehensive loss		**(803,089)**	(451,460)	**(6,720,938)**	(712,367)
Net loss per share:					
Basic and diluted		**(0.01)**	(0.01)	**(0.12)**	(0.02)
Weighted average number of common shares:					
Basic and diluted		**62,961,028**	40,311,620	**58,121,556**	35,798,469

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

TARGA EXPLORATION CORP.
Condensed Interim Consolidated Statements of Cash Flows
(Unaudited - Expressed in Canadian dollars)

	Nine months ended December 31, 2023	2022
	$	$
Operating activities:		
Net loss for the period	**(6,720,938)**	(712,367)
Item not affecting cash:		
Shares issued for acquisition costs included in exploration and evaluation expenditures	**4,109,099**	250,000
Share-based compensation	**698,646**	46,800
Amortization of flow-through premium liability	**(84,043)**	-
Changes in non-cash working capital items:		
Goods and services tax recoverable	**(71,817)**	(11,495)
Prepaid expenses and deposits	**(640,576)**	(23,984)
Accounts payable and accrued liabilities	**390,109**	(9,829)
Cash used in operating activities	**(2,319,520)**	(460,875)
Investing activities:		
Cash acquired with acquisition of Pan Canadian Lithium Corp.	**234,403**	-
Cash provided by investing activities	**234,403**	-
Financing activities:		
Proceeds from the issuance of units	**1,327,367**	-
Proceeds from the issuance of flow-through units	**2,072,957**	-
Subscription receivable collected	**-**	5,000
Proceeds received from warrants exercised	**2,000**	10,000
Share issuance costs	**212,654**	-
Cash provided by financing activities	**3,614,978**	15,000
Net change in cash	**1,529,861**	(445,875)
Cash, beginning of the period	**604,316**	1,240,496
Cash, end of the period	**2,134,177**	794,621
Supplemental cash flow information:		
Cash paid for income taxes	**-**	-
Cash paid for interest expense	**-**	-
Exploration and evaluation expenditure included in accounts payable and accrued liabilities	**248,786**	-
Cash paid for field work related to Shanghai Property included in exploration and evaluation expenditures (Note 6(a))	**552,582**	-
Cash acquisition costs for Pegmatite Lithium Projects included in exploration and evaluation expenditures (Note 6(c))	**315,000**	-
Cash paid for field work related to Pegmatite Lithium Projects included in exploration and evaluation expenditures (Note 6(c))	**94,349**	-
Cash paid for field work related to Pan Canadian Lithium Project included in exploration and evaluation expenditures (Note 6(d))	**77,070**	-

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

TARGA EXPLORATION CORP.
Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
(Unaudited - Expressed in Canadian dollars, except number of shares)

	Common shares	Special warrants	Share capital	Subscription receivable	Reserves	Deficit	Total shareholders' equity
	#	$	$	$	$	$	$
Balance, March 31, 2022	33,188,250	6,650,000	804,413	(5,000)	665,000	(236,574)	1,227,839
Subscription receivable collected	-	-	-	5,000	-	-	5,000
Shares issued to purchase Shanghai Property	500,000	-	250,000	-	-	-	250,000
Shares issued from special warrant conversion	6,650,000	(6,650,000)	665,000	-	(665,000)	-	-
Shares issued from exercise of warrants	50,000	-	10,000	-	-	-	10,000
Share-based compensation	-	-	-	-	46,800	-	46,800
Net loss and comprehensive loss for the period	-	-	-	-	-	(712,367)	(712,367)
Balance, December 31, 2022	40,338,250	-	1,729,413	-	46,800	(948,941)	827,272
Shares issued to purchase Lithium Projects	4,377,375	-	1,926,045	-	-	-	1,926,045
Shares issued from exercise of warrants	15,000	-	1,500	-	-	-	1,500
Net loss and comprehensive loss for the period	-	-	-	-	-	(2,140,540)	(2,140,540)
Balance, March 31, 2023	44,780,625	-	3,656,958	-	46,800	(3,089,481)	614,277
Shares issued for acquisition of Pan Canadian Lithium Corp.	5,766,666	-	1,874,166	-	-	-	1,874,166
Shares issued to purchase Pegmatite Lithium Projects	7,500,000	-	2,400,000	-	-	-	2,400,000
Shares issued to purchase Lithium Projects	301,463	-	69,336	-	-	-	69,336
Shares issued from exercise of warrants	20,000	-	2,000	-	-	-	2,000
Units issued in private placements	7,087,084	-	1,337,367	(10,000)	136,133	-	1,463,500
Flow-through units issued in private placement	10,704,647	-	2,072,957	-	232,533	-	2,305,490
Share issuance costs	-	-	(195,514)	-	39,502	-	(156,012)
Flow-through premium liability	-	-	(348,960)	-	-	-	(348,960)
Share-based compensation	-	-	-	-	698,646	-	698,646
Net loss and comprehensive loss for the period	-	-	-	-	-	(6,720,938)	(6,720,938)
Balance, December 31, 2023	**76,160,485**	**-**	**10,868,310**	**(10,000)**	**1,153,614**	**(9,810,419)**	**2,201,505**

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Targa Exploration Corp. (the "Company") was incorporated pursuant to the Business Corporations Act of British Columbia on September 26, 2017. The Company's registered office is located at #700-1090 West Georgia Street, Vancouver, BC, V6E 3V7. On September 27, 2022, the Company's common shares commenced trading on the Canadian Securities Exchange under the ticker symbol "TEX". On October 7, 2022, the Company's common shares commenced trading on the Frankfurt Stock Exchange under the ticker symbol "V6Y". On May 17, 2023, the Company's common shares commenced trading on the OTCQB Venture Market under the ticker symbol "TRGEF".

The Company is in the business of acquisition, exploration and development of mineral properties. The business of mining and exploration involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of exploration and evaluation expenditures is dependent upon several factors. These include the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development of these properties, and future profitable production or proceeds from disposition of mineral properties.

These unaudited condensed interim consolidated financial statements for the three and nine months ended December 31, 2023 and 2022 (the "financial statements") have been prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for at least the next twelve months. As at December 31, 2023, the Company has working capital of $2,201,505 (March 31, 2023 - $614,277) and an accumulated deficit of $9,810,419 (March 31, 2023 - $3,089,481). For the three and nine months ended December 31, 2023, the Company generated a net loss of $803,089 and $6,720,938, respectively (2022 - $451,460 and $712,367, respectively) and used cash in operating activities of $2,319,520 (2022 - $460,875). These factors indicate the existence of a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern. As a result, the Company may be unable to realize its assets and discharge its liabilities in the normal course of business. The Company's ability to continue as a going concern is dependent upon its ability to generate positive cash flows from operations, and/or raise adequate funding through equity or debt financing to discharge its liabilities as they come due. 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 advantageous to the Company. Should the Company be unable to continue as a going concern, asset and liability realization values may be substantially different from their carrying values. These financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. Such adjustments could be material.

2. BASIS OF PREPARATION

a) Statement of compliance

These financial statements were approved by the Board of Directors and authorized for issue on February 28, 2024.

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee applicable to the preparation of interim financial statements including International Accounting Standard 34 *Interim Financial Reporting*. These financial statements do not include all disclosures required for annual audited financial statements. Accordingly, they should be read in conjunction with the notes to the Company's audited financial statements for the years ended March 31, 2023 and 2022 (the "Annual Financial Statements").

b) Basis of presentation

The financial statements have been prepared using the historical cost basis, except for certain financial assets and liabilities which are measured at fair value, as specified by IFRS for each type of asset, liability, income, and expense as set out in the accounting policies below, as well as information presented in the consolidated statement of cash flows.

c) Functional and presentation currency

The functional currency is the currency of the primary economic environment in which an entity operates. These financial statements have been prepared in Canadian dollars, which is the Company's and its subsidiaries functional and presentation currency, except as otherwise noted.

2. BASIS OF PRESENTATION (continued)

d) Basis of consolidation

These financial statements include the accounts of the Company and its wholly owned subsidiaries, 1326091 B.C. Ltd and Pan Canadian Lithium Corp. All intercompany transactions and balances are eliminated on consolidation. Control exists where the parent entity has power over the investee and is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. A subsidiary is included in the financial statements from the date control commences until the date control ceases.

3. SIGNIFICANT ACCOUNTING POLICIES

In the preparation of these financial statements, the Company used the same accounting policies disclosed in Note 3 to the Annual Financial Statements, except for the following:

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 Canadian 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 issuance. 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 as other income through profit or loss as the eligible expenditures are incurred.

4. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, revenues, and expenses. Management continually evaluates these judgments, estimates and assumptions based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates and judgments, which may cause a material adjustment to the carrying amounts of assets and liabilities. The Company's interim results are not necessarily indicative of its results for a full year. The critical judgements and estimates applied in the preparation of these financial statements are consistent with those applied and disclosed in Note 4 to the Annual Financial Statements, except for the following:

Asset acquisition versus business combination

At the time of acquisition, the Company considers whether each acquisition represents the acquisition of a business or an asset acquisition. The Company accounts for an acquisition as a business combination where the acquiree meets the definition of a business. When the acquisition is an asset acquisition the fair value of the consideration is allocated to the assets and liabilities acquired based upon their relative fair values, and no goodwill or deferred tax is recognized. The acquisition of Pan Canadian Lithium Corp. was accounted for as an asset acquisition (Note 5).

5. ACQUISITION

Pan Canadian Lithium Corp. ("Pan Canadian Lithium") is a privately held lithium company.

On May 11, 2023, the Company entered into an agreement to acquire 100% of the issued and outstanding common shares of Pan Canadian Lithium (the "Pan Canadian Lithium Agreement").

On the closing date of the Pan Canadian Lithium Agreement on May 19, 2023, the Company issued 5,766,666 common shares to the former shareholders of Pan Canadian Lithium at a fair value of $0.325 per share for a total fair value of $1,874,166. The acquisition resulted in the Company acquiring 100% interest in certain mining claims in four lithium exploration projects located in the provinces of Saskatchewan and Ontario, Canada (Note 6(d)). In addition, the Company acquired Pan Canadian Lithium's positive cash position of $234,403.

(Unaudited - Expressed in Canadian dollars)

5. ACQUISITION (continued)

The acquisition of Pan Canadian Lithium has been accounted for by the Company as an asset acquisition. The acquisition did not qualify as a business combination under IFRS 3 *Business Combinations*, as the significant inputs, processes, and outputs, that together constitute a business, did not exist in Pan Canadian Lithium at the time of acquisition. Therefore, the asset acquisition transaction was accounted for in accordance with guidance provided in IFRS 2 *Share-based Payment*. Accordingly, no goodwill was recorded with respect to the acquisition.

A summary of the fair values of the consideration and the assets acquired as at the May 19, 2023 acquisition date is as follows:

	$
Consideration:	
Common shares issued to Pan Canadian Lithium shareholders	1,874,166
	1,874,166
Purchase price allocation:	
Cash	234,403
Exploration and evaluation expenditures	1,639,763
	1,874,166

6. EXPLORATION AND EVALUATION EXPENDITURES

a) Shanghai Property

The Company entered into the option agreement (the “Agreement”) dated October 6, 2021 with Shawn Ryan and Wildwood Exploration Inc. (“Wildwood”), who were the owners of 70% and 30%, respectively, of the mineral claims situated in the Mayo Mining District, Yukon Territory, which are generally known and described as the “Shanghai Property”. Pursuant to the Agreement, the Company was granted an option to acquire a 100% right, title, and interest in those mineral claims.

In accordance with the Agreement, the Company has the option to acquire a 100% undivided interest in the Shanghai Property. In exchange for transferring the consideration and making the investments below.

i. Pay to Wildwood an aggregate of $750,000, as follows:

- $50,000 ten business days from October 6, 2021, the effective date of the Agreement (paid)
- $100,000 on or before October 6, 2022 (paid)
- $100,000 on or before October 6, 2023 (unpaid)
- $100,000 on or before October 6, 2024
- $150,000 on or before October 6, 2025
- $250,000 on or before October 6, 2026

ii. Issue and deliver to Shawn Ryan an aggregate of 4,000,000 common shares, as follows:

- 500,000 common shares within ten business days after October 6, 2021 (issued)
- an additional 500,000 common shares on or before October 6, 2022 (issued, refer to Note 8(b))
- an additional 600,000 common shares on or before October 6, 2023 (not issued)
- an additional 650,000 common shares on or before October 6, 2024
- an additional 750,000 common shares on or before October 6, 2025
- an additional 1,000,000 common shares on or before October 6, 2026

(Unaudited - Expressed in Canadian dollars)

6. EXPLORATION AND EVALUATION EXPENDITURES (continued)

iii. Incur expenditures in the aggregate amount of not less than $2,850,000, as follows:

- $75,000, on or before November 15, 2021 (incurred)
- in the additional amount of $150,000 on or before November 15, 2022 (incurred)
- in the additional amount of $375,000 on or before November 15, 2023 (incurred)
- in the additional amount of $500,000 on or before November 15, 2024
- in the additional amount of $750,000 on or before November 15, 2025
- in the additional amount of $1,000,000 on or before November 15, 2026

The Company has not issued the consideration due on or before October 6, 2023 as required by the Agreement and is currently in the process of renegotiating new terms to the Agreement.

Under the Agreement, the Company is required to pay Shawn Ryan and Wildwood in accordance with their respective interests, a Net Smelter Returns royalty (“NSR”) equal to 2.5% of net smelter returns. The Company may reduce the NSR by 1.0% for a payment of $2,000,000.

A summary of the Company’s exploration and evaluation expenditures for the Shanghai Property is as follows:

	Three months ended December 31,		Nine months ended December 31,	
	2023	2022	**2023**	2022
	$	$	**$**	$
Acquisition cost	**-**	350,000	**552,582**	350,000
Geological consulting	**-**	3,895	**-**	156,277
	-	353,895	**552,582**	506,277

b) Lithium Projects

On December 12, 2022, the Company entered into an agreement (the “Kenorland Agreement”) with Kenorland Minerals North America Ltd. ("Kenorland") who were the owners of a 100% interest in two lithium exploration projects. The project situated in the James Bay region of northern Quebec is generally known and described as the Opinaca Project (the “Opinaca Project”), and the project located in eastern Manitoba is generally known and described as the Superior Project (the “Superior Project”), together known as the “Lithium Projects".

On January 25, 2023, in accordance with the Kenorland Agreement, the Company acquired a 100% undivided interest in the Lithium Projects, in exchange for 4,377,375 common shares of the Company with a fair value of $1,926,045 (issued, refer to Note 8(b)), a payment of $100,000 in cash (paid), and a 3% NSR.

In addition, the Company is required to issue 9.9% of the issued common shares to Kenorland when the Company has raised an aggregate of up to $5,000,000 through future common share issuances. On October 18, 2023, the Company partially fulfilled its obligation to issue 9.9% of its common shares associated with future financings to Kenorland through issuing 301,463 common shares with a fair value of $69,336. The shares represent 9.9% of the common shares issued in the private placement which closed on August 15, 2023.

Subsequent to December 31, 2023, on January 10, 2024, the Company partially fulfilled its obligation and issued 1,459,918 common shares with a fair value of $242,420 (Note 12). The shares represent 9.9% of the common shares issued in the private placement which closed on December 22, 2023.

c) Pegmatite Lithium Projects

On May 11, 2023, the Company completed the acquisition of a 100% interest in the Leaf River Lithium Project, the Raglan South Lithium Project, and the Musquaro Lake Lithium Project (collectively the “Pegmatite Lithium Projects”) from a syndicate of sellers consisting of Shawn Ryan, Wildwood, Isaac Fage, Callum Ryan, Simon Cash and Adam Fage (collectively, the “Sellers”).

(Unaudited - Expressed in Canadian dollars)

6. EXPLORATION AND EVALUATION EXPENDITURES (continued)

In accordance with the agreement, the Company acquired a 100% interest in the Pegmatite Lithium Projects, in exchange for 7,500,000 common shares of the Company ("Consideration Shares") with a fair value of $2,400,000 (issued, refer to Note 8(b)), a payment of $315,000 in cash to Wildwood (paid) and another $315,000 in cash upon closing of a financing of a minimum of $1,000,000 in net proceeds and a 1% NSR granted to Shawn Ryan. The Sellers have entered into to a voluntary escrow arrangement whereby one-third of the Consideration Shares will be released from escrow every four months after May 1, 2023, with the first such release date on September 1, 2023.

A summary of the Company's exploration and evaluation expenditures for the Pegmatite Lithium Projects is as follows:

	Three months ended December 31,		Nine months ended December 31,	
	2023	2022	**2023**	2022
	$	$	**$**	$
Acquisition cost	**-**	-	**2,715,000**	-
Analysis	**53,574**	-	**53,574**	-
Shipping	**5,992**	-	**5,992**	-
Claim Fees	-	-	**24,765**	-
Field Work	-	-	**8,551**	-
Job Supplies	-	-	**1,468**	-
	59,565	-	**2,809,349**	-

d) Pan Canadian Lithium Projects

On May 19, 2023, the Company acquired a 100% interest of four exploration projects with two located in each of the provinces of Saskatchewan and Ontario (the "Pan Canadian Lithium Projects"), with the acquisition of Pan Canadian Lithium (Note 5).

A summary of the Company's exploration and evaluation expenditures for Pan Canadian Lithium Projects is as follows:

	Three months ended December 31,		Nine months ended December 31,	
	2023	2022	**2023**	2022
	$	$	**$**	$
Acquisition cost	**-**	-	**1,639,763**	-
Claim fees	**-**	-	**6,710**	-
Field Work	**6,089**	-	**6,089**	-
Geological consulting	**-**	-	**45,531**	-
Travel	**6,903**	-	**18,740**	-
	12,992	-	**1,716,833**	-

e) Northern Lithium Projects

Subsequent to balance sheet date, on January 10, 2024, the Company acquired a 100% interest of five lithium Quebec and Ontario (the "Northern Lithium).

A summary of the Company's exploration and evaluation expenditures for the Northern Lithium is as follows:

	Three months ended December 31,		Nine months ended December 31,	
	2023	2022	**2023**	2022
	$	$	**$**	$
Acquisition cost	**345,438**	-	**345,438**	-
Geological consulting	**35,723**	-	**35,723**	-
	381,161	-	**381,161**	-

(Unaudited - Expressed in Canadian dollars)

7. FLOW-THROUGH PREMIUM LIABILITY

Flow-through shares are issued at a premium, calculated as the difference between the price of a flow-through share and the price of a common share on the date of issuance. The tax deductions generated by the eligible expenditures are passed through to the shareholders of the flow-through shares once the eligible expenditures are incurred and renounced.

On August 15, 2023, the Company issued 1,403,333 flow-through units (the "FT Units") at the price of $0.48 per flow-through share for gross proceeds of $673,600 (Note 8(b)). The FT Units were issued at a premium of $0.08 per flow-through unit. As a result, a flow-through premium liability of $112,267 was recorded. The Company is obligated to spend $673,600 by December 31, 2023 on eligible exploration expenditures.

On December 22, 2023, the Company issued 4,234,647 flow-through units (the "FT Units") at the price of $0.17 per flow-through share and 5,066,667 Quebec super-flow-through units (the "Super FT Unit") at the price of $0.18 per super-flow-through share for gross proceeds of $719,980 and $912,000, respectively (Note 8(b)). The FT Units were issued at a premium of $0.02 per flow-through unit and the Super FT Units were issued at a premium of $0.03 per Quebec super-flow-through unit. As a result, a flow-through premium liability of $236,693 was recorded. The Company is obligated to spend $1,631,890 by December 31, 2023 on eligible exploration expenditures.

During the nine months ended December 31, 2023, the Company incurred $518,091 of qualifying exploration expenditures. As a result, an amortization of flow-through premium liability of $84,043 was recorded.

A summary of the Company's flow-through premium liability and remaining eligible expenditure obligation is as follows:

	Remaining eligible expenditure obligation	Flow-through premium liability
	$	$
Balance, March 31, 2023 and 2022	-	-
Flow-through funds raised	2,305,490	348,960
Eligible expenditures	(518,092)	(84,043)
Balance, December 31, 2023	**1,787,398**	**264,917**

8. SHARE CAPITAL

a) Authorized share capital

Unlimited number of common shares without par value.

b) Issued share capital

During the nine months ended December 31, 2023, the Company had the following share capital transactions:

- On May 11, 2023, the Company issued 7,500,000 common shares at a share price of $0.32 per share for total fair value of $2,400,000 as payment to acquire the Pegmatite Lithium Projects (Note 6(c)).

- On May 19, 2023, pursuant to the closing of the Pan Canadian Lithium Agreement, the Company issued 5,766,666 common shares to the former Pan Canadian Lithium shareholders at a share price of $0.325 per share for total fair value of $1,874,166 as payment to acquire Pan Canadian Lithium (Note 5).

- On June 23, 2023, the Company issued 20,000 common shares from the exercise of warrants for gross proceeds of $2,000.

8. SHARE CAPITAL (continued)

- On August 15, 2023, the Company closed a private placement for aggregate gross proceeds of $1,330,300 by issuing 1,641,750 units (the "Units") at a price of $0.40 per unit for gross proceeds of $656,700; and 1,403,333 FT Units at a price of $0.48 per unit for gross proceeds of $673,600. Each Unit and FT Unit consists of one common share and one-half of one common share purchase warrant (each whole warrant a “Warrant”). Each Warrant entitles the holder to purchase one common share of the Company at a price of $0.70 per share for a period of two years until August 15, 2025. The gross proceeds from the Units were allocated using the residual value method, whereby the proceeds were allocated to the common shares based on the market value at the date of issuance and the remaining proceeds were allocated to the warrants and recognized in reserves. As the fair value of the common shares issued exceeded the remaining proceeds, there was no proceeds allocated to the warrants. The gross proceeds from the FT Units were first allocated to the flow-through premium, calculated as the difference between the price of a flow-through unit and the price of a unit at that date (Note 7). As a result, $112,267 was allocated to the flow-through premium. The remaining proceeds of $561,333 were allocated using the residual value method. As the fair value of the common shares issued exceeded the remaining proceeds, there was no proceeds allocated to the warrants. Total share issuance costs were $53,472 in connection with this private placement, which include $40,370 of cash share issuance costs and $13,101 related to 63,375 warrants issued to finders, which were valued using the Black-Scholes option pricing model and recognized in reserves. Each finders’ warrant entitles the holder to purchase one common share at an exercise price of $0.70 per share until August 15, 2025.

- On October 18, 2023, the Company issued 301,463 common shares at a price of $0.23 per share for total fair value of $69,336 to satisfy the requirement as per the purchase and sale agreement on January 25, 2023 which requires the Company to issue shares from future private placements with fair value up to 9.9% of $5,000,000 (Note 6(b)).

- On December 22, 2023, the Company closed a private placement for aggregate gross proceeds of $2,448,690 by issuing 5,445,334 units (the "Units") at a price of $0.15 per unit for gross proceeds of $816,800, 4,234,647 FT Units at a price of $0.17 per unit for gross proceeds of $719,890; and 5,066,667 Super FT Unit at a price of $0.18 per unit for gross proceeds of $912,000. Each Unit, FT Unit and Super FT Unit consists of one common share and one-half of one common share purchase warrant (each whole warrant a “Warrant”). Each Warrant entitles the holder to purchase one common share of the Company at a price of $0.30 per share for a period of two years until December 22, 2025. The gross proceeds from the Units were allocated using the residual value method, whereby the proceeds were allocated to the common shares based on the market value at the date of issuance and the remaining proceeds were allocated to the warrants and recognized in reserves. As the fair value of the common shares issued exceeded the remaining proceeds, there was no proceeds allocated to the warrants. The gross proceeds from the FT Units and Super FT Units were first allocated to the flow-through premium, calculated as the difference between the price of a flow-through unit and the price of a unit at that date (Note 7). As a result, $236,693 was allocated to the flow-through premium. The remaining proceeds of $2,211,997 were allocated using the residual value method. As a result, $1,843,331 was allocated to share capital and $368,666 was allocated to warrants reserve. Total share issuance costs were $142,043 in connection with this private placement, which include $115,642 of cash share issuance costs and $26,401 related to 638,020 warrants issued to finders, which were valued using the Black-Scholes option pricing model and recognized in reserves. Each finders’ warrant entitles the holder to purchase one common share at an exercise price of $0.30 per share until December 22, 2025.

During the year ended March 31, 2023, the Company had the following share capital transactions:

- On September 22, 2022, the previously issued 6,650,000 special warrants (Note 8(d)) were automatically converted into 6,650,000 units for no additional consideration. Each unit consists of one common share of the Company and one warrant. Each warrant entitles the holder to purchase one common share of the Company at a price of $0.20 per share for a period of five years until September 22, 2027. The total fair value of the common shares is $665,000. The warrants were accounted for using the residual value method. As the fair value of the common shares issued exceeded the cash proceeds, there was $nil residual value allocated to the warrants.

- On October 7, 2022, the Company issued 500,000 common shares at $0.50 per share for the total fair value of $250,000 to Shawn Ryan in connection with the Shanghai Property agreement (Note 6(a)).

- On December 21, 2022, the Company issued 50,000 common shares from the exercise of warrants for proceeds of $10,000.

- On January 25, 2023, the Company issued 4,377,375 common shares at $0.44 per share for the total fair value of $1,926,045 as a payment to acquire the Lithium Projects (Note 6(b)).

- On February 21, 2023, the Company issued 15,000 common shares from the exercise of warrants for gross proceeds of $1,500.

(Unaudited - Expressed in Canadian dollars)

8. SHARE CAPITAL (continued)

c) Share restrictions

Escrowed securities

On September 15, 2022, an escrow agreement (the “Escrow Agreement”) between the Company and certain shareholders of the Company was completed resulting in 502,500 common shares and 500,000 warrants (the “Escrowed Securities”) being deposited in escrow. Pursuant to the Escrow Agreement, 10% of the Escrowed Securities were released from escrow on the Escrow Agreement date (the “Initial Release”) and an additional 15% to be released every six-month interval thereafter, for a period of 36 months following the Initial Release. These Escrowed Securities, may not be transferred, assigned, or otherwise dealt without the consent of the regulatory authorities. As at December 31, 2023, 201,000 common shares and 200,000 warrants have been released from escrow. As at December 31, 2023, the remaining balance of Escrowed Securities consists of 301,500 common shares and 300,000 warrants (March 31, 2023 - 376,875 common shares and 375,000 warrants).

Pegmatite Lithium Projects acquisition

On May 11, 2023, the Company completed the acquisition of a 100% interest in the Pegmatite Lithium Projects in consideration for the issuance of 7,500,000 common shares of the Company. The shares are subject to a voluntary 24-month hold period, with one-third of the common shares being released from escrow every four months after May 1, 2023 with the first such release date to occur on September 1, 2023. As at December 31, 2023, 2,500,000 common shares have been released from escrow resulting in a remaining balance of 5,000,000 common shares.

d) Special Warrants

On February 14, 2022, the Company completed a non-brokered private placement for gross proceeds of $665,000 from the issuance of 6,650,000 special warrants (“Special Warrants”) at $0.10 per warrant, of which $5,000 was outstanding for collection as at March 31, 2022 and subsequently received during the year ended March 31, 2023. The balance for the Special Warrants was $665,000 recorded to reserves. Each Special Warrant entitles the holder, on exercise, without additional consideration, to receive one common share and one warrant; each warrant entitles the holder to purchase one share at a price of $0.20 for five years.

On September 22, 2022, the 6,650,000 Special Warrants were automatically converted into 6,650,000 units. Each unit consists of one common share of the Company and one warrant. Each warrant entitles the holder to purchase one common share of the Company at a price of $0.20 per share for a period of five years until September 22, 2027. The warrants were accounted for using the residual value method. The total fair value of the common shares is $665,000. As the fair value of the common shares issued exceeded the cash proceeds, there was $nil residual value allocated to the warrants.

A summary of the Company’s assumptions used in the Black-Scholes option pricing model for special warrants granted on February 14, 2022 is as follows:

Risk-free interest rate	1.78%
Estimated life	5 years
Expected volatility	100.00%
Expected dividend yield	0.00%

During the three and nine months ended December 31, 2023, the Company did not issue any Special Warrants.

A summary of the Company’s Special Warrant activity is as follows:

	Number of warrants	Weighted average exercise price
	#	$
Balance, March 31, 2022	6,650,000	0.20
Exercised	(6,650,000)	0.20
Balance, March 31, 2023 and December 31, 2023	**-**	**-**

As at December 31, 2023, the Company had no Special Warrants outstanding and exercisable (March 31, 2023 - nil).

(Unaudited - Expressed in Canadian dollars)

8. SHARE CAPITAL (continued)

e) Warrants

During the nine months ended December 31, 2023, the Company completed the following transaction:

- On August 15, 2023, in connection with the private placement unit issuance, 1,522,542 warrants were issued. As the fair value of the common shares issued exceeded the cash proceeds, there was $nil residual value allocated to the warrants. Each share purchase warrant entitles the holder thereof to purchase one common share of the Company at an exercise price of $0.70 until August 15, 2025. In connection with the private placement, 63,375 finders' warrants were issued. Each finders' warrant entitles the holder thereof to purchase one common share of the Company at an exercise price of $0.70 until August 15, 2025. The total fair value of the agent warrants issued was $13,101. A summary of the Company's assumptions used in the Black-Scholes option pricing model for brokers warrants granted on August 15, 2023 is as follows:

Risk-free interest rate	4.78%
Estimated life	2 years
Expected volatility	100.00%
Expected dividend yield	0.00%

- On December 22, 2023, in connection with the private placement unit issuance, 7,373,324 warrants were issued. As the cash proceeds exceeded the fair value of the common shares issued, there was $605,359 residual value allocated to the warrants. Each share purchase warrant entitles the holder thereof to purchase one common share of the Company at an exercise price of $0.30 until December 22, 2025. In connection with the private placement, 638,020 finders' warrants were issued. Each finders' warrant entitles the holder thereof to purchase one common share of the Company at an exercise price of $0.30 until December 22, 2025. The total fair value of the agent warrants issued was $26,401. A summary of the Company's assumptions used in the Black-Scholes option pricing model for brokers warrants granted on December 22, 2023 is as follows:

Risk-free interest rate	3.99%
Estimated life	2 years
Expected volatility	100.00%
Expected dividend yield	0.00%

The expected life in years represents the period of time the warrants issued are expected to be outstanding. The volatility rate is based on comparable companies with a historical volatility. The risk-free rate is based on Canada government bonds with a remaining term equal to the expected life of the warrants.

A summary of the Company's warrant activity is as follows:

	Number of warrants	**Weighted average exercise price**
	#	$
Balance, March 31, 2022	22,500,000	0.10
Issued	6,650,000	0.20
Exercised	(65,000)	0.18
Balance, March 31, 2023	29,085,000	0.12
Issued	9,597,261	0.37
Exercised	(20,000)	0.10
Balance, December 31, 2023	**38,662,261**	**0.18**

(Unaudited - Expressed in Canadian dollars)

8. SHARE CAPITAL (continued)

A summary of the Company's outstanding warrants as at December 31, 2023 is as follows:

Date of expiry	Weighted average exercise price	Number of warrants	Weighted average remaining life
	$	#	Years
August 15, 2025	0.70	1,585,917	1.62
December 15, 2025	0.10	3,875,000	1.96
December 22, 2025	0.30	8,011,344	1.98
June 18, 2026	0.10	11,104,931	2.47
September 28, 2026	0.10	7,485,069	2.75
September 22, 2027	0.20	6,600,000	3.73
	0.18	**38,662,261**	**2.48**

During the nine months ended December 31, 2023, the weighted average share price on the date of exercise of warrants was $0.53 per share (year ended March 31, 2023 - $1.11).

f) Stock options

The Company has a Stock Option Plan (the "Plan") under which directors, employees and consultants are eligible to receive stock option grants. Under the Plan, granted options are exercisable over periods up to 10 years as determined by the Board of Directors. The maximum number of outstanding options under the plan is limited to 10% of the number of issued and outstanding common shares.

On April 14, 2022, the Company issued 1,425,000 stock options to directors, officers and consultants with an exercise price of $0.10 and expiry date of April 14, 2027. The options vested immediately and were valued at $46,800 using the Black-Scholes option pricing model with the following assumptions:

Risk-free interest rate	2.61%
Estimated life	5 years
Expected volatility	100.00%
Expected dividend yield	0.00%

On June 23, 2023, the Company issued 2,150,000 stock options to directors, officers, employees and consultants with an exercise price of $0.44 and expiry date of June 13, 2028. The options vested immediately and were valued at $681,315 using the Black-Scholes option pricing model with the following assumptions:

Risk-free interest rate	3.76%
Estimated life	5 years
Expected volatility	100.00%
Expected dividend yield	0.00%

On October 18, 2023, the Company issued 400,000 stock options to consultants with an exercise price of $0.24 and expiry date of October 18, 2024. The options will vest in four tranches over the course of one year and were valued at $35,395 using the Black-Scholes option pricing model with the following assumptions:

Risk-free interest rate	4.90%
Estimated life	1 year
Expected volatility	100.00%
Expected dividend yield	0.00%

The expected life in years represents the period of time the options granted are expected to be outstanding. The volatility rate is based on comparable companies with a historical volatility. The risk-free rate is based on Canada government bonds with a remaining term equal to the expected life of the options.

(Unaudited - Expressed in Canadian dollars)

8. SHARE CAPITAL (continued)

A summary of the Company's stock options is as follows:

	Number of stock options	Weighted average exercise price
	#	$
Balance, March 31, 2022	-	-
Issued	1,425,000	0.10
Balance, March 31, 2023	1,425,000	0.10
Issued	2,550,000	0.41
Balance, December 31, 2023	**3,975,000**	**0.30**

A summary of the Company's outstanding stock options as at December 31, 2023 is as follows:

Date of expiry	Number of stock options outstanding	Number of stock options exercisable	Weighted average exercise price	Weighted average remaining life
	#	#	$	Years
October 18, 2024	400,000	-	0.24	0.80
April 14, 2027	1,425,000	1,425,000	0.10	3.29
June 13, 2028	2,150,000	2,150,000	0.44	4.45
	3,975,000	**3,575,000**	**0.30**	**3.67**

During the three and nine months ended December 31, 2023, the Company recorded share-based compensation expense of $17,331 and $698,646, respectively (2022 - $nil and $46,800, respectively) related to the vesting of stock options.

9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

As at December 31, 2023, the fair value of the financial instruments cash and accounts payable and accrued liabilities are classified and measured at amortized cost. The carrying value of cash and accounts payable and accrued liabilities approximate the fair value due to the relatively short-term maturity of these instruments.

a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to fulfill its contractual obligations. The Company's credit risk relates primarily to cash. The Company minimizes its credit risk related to cash by placing cash with major financial institutions.

b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company is exposed to liquidity risk through accounts payable and accrued liabilities but controls liquidity risk by ensuring that it has sufficient cash resources to pay for its financial obligations.

As at December 31, 2023, the Company had sufficient cash on hand to discharge its accounts payable and accrued liabilities as they become due. As the Company's operations do not generate cash, financial liabilities are discharged using funding through the issuance of common stock or debt as required, the Company may need to seek a combination of debt and equity to meet the spending requirements under the Shanghai Property option agreement.

c) Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and foreign exchange rates. The Company is not exposed to significant interest rate risk on the basis that its financial liabilities bear no interest or interest at fixed rates. The Company does not carry financial assets or liabilities that are denominated in a foreign currency and is therefore not exposed to significant foreign exchange rate risk.

(Unaudited - Expressed in Canadian dollars)

10. RELATED PARTY TRANSACTIONS

Key management personnel include those persons having the authority and responsibility of planning, directing and executing the activities of the Company. The Company has determined that its key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

A summary of the Company's related party transactions with key management is as follows:

	Three months ended December 31,		Nine months ended December 31,	
	2023	2022	**2023**	2022
	$	$	**$**	$
Management and consulting fees - executive director	**49,500**	-	**66,000**	-
Management and consulting fees - CEO	**36,294**	-	**84,978**	-
Management and consulting fees - former CEO	**12,000**	12,000	**36,000**	23,000
Management and consulting fees - CFO	**3,000**	3,000	**9,000**	8,000
Share-based compensation	**-**	-	**514,948**	36,126
	100,794	15,000	**710,926**	67,126

As at December 31, 2023, $nil and $1,963 of accounts payable and accrued liabilities were owed to the former CEO and CFO, respectively (March 31, 2023 - $4,000 and $1,050, respectively).

11. CAPITAL MANAGEMENT

The Company's capital structure consists of all components of shareholders equity. The Company's objective when managing capital is to maintain adequate levels of funding to support the current operations comprising the acquisition, exploration and development of mineral properties. The Company obtains funding primarily through issuing share capital. Future financings are dependent on market conditions and there can be no assurance the Company will be able to raise funds in the future.

There were no changes to the Company's approach to capital management during the nine months ended December 31, 2023. The Company is not subject to externally imposed capital requirements.

12. SUBSEQUENT EVENTS

On January 10, 2024, the Company completed the acquisition of 100% interest in five lithium projects in Quebec and Ontario from a group of vendors (the "Vendors") and 1384025 B.C. Ltd ("Northern Lithium") in exchange for 7,500,001 common shares of the Company, a payment of $377,860 in cash to the Vendors, and a 1% production royalty granted to Northern Lithium.

On January 10, 2024, the Company issued an additional 1,459,918 shares of the Company, representing 9.9% of the shares issued in the recently closed financing on December 22, 2023, to Kenorland Minerals pursuant to the original purchase agreement for the Opinaca and Superior projects.