Targa Exploration Corp.

Consolidated Financial Statements

For the years ended March 31, 2024 and 2023

(Expressed in Canadian dollars)

DeVISSER GRAY LLP
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INDEPENDENT AUDITOR’S REPORT

To the Shareholders of Targa Exploration Corp.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Targa Exploration Corp. (the “Company”), which comprise the consolidated statements of financial position as at March 31, 2024 and 2023, and the consolidated statements of loss and comprehensive loss, changes in shareholders’ equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards (“IFRS”).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the consolidated financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company is in an early stage and has operating loss. As stated in Note 1, the Company’s ability to continue as a going concern is dependent upon its ability to generate positive cashflows from operations, and/or raise adequate funding through equity or debt financing to discharge its liabilities as they come due. These matters, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined that there are no other key audit matters to communicate in our auditor’s report.

Other Information

Management is responsible for the other information. The other information comprises the information included in "Management's Discussion and Analysis" but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company’s financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units withing the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

The engagement partner on the audit resulting in this independent auditor's report is G. Cameron Dong.

De Visser Gray LLP

Vancouver, BC, Canada
July 26, 2024

TARGA EXPLORATION CORP.
Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

	Note	**March 31, 2024**	March 31, 2023
		$	$
ASSETS			
Current			
Cash		**2,220,981**	604,316
Goods and services tax recoverable		**75,233**	2,713
Prepaid expenses and deposits		**125,490**	46,126
Total assets		**2,421,704**	653,155
LIABILITIES			
Current			
Accounts payable and accrued liabilities	10	**922,928**	38,878
Flow-through premium liability	7	**457,058**	-
Total liabilities		**1,379,986**	38,878
SHAREHOLDERS' EQUITY			
Share capital	8(b)	**12,443,799**	3,656,958
Reserves		**1,562,146**	46,800
Deficit		**(12,964,227)**	(3,089,481)
Total shareholders' equity		**1,041,718**	614,277
Total liabilities and shareholders' equity		**2,421,704**	653,155

Nature of operations and going concern (Note 1)
Commitments (Note 13)
Subsequent events (Note 14)

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 consolidated financial statements.

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

		Years ended March 31,	
	Note	**2024**	2023
		$	$
Operating expenses			
Exploration and evaluation expenditures	6	**8,085,038**	2,547,103
Filing and transfer agent fees		**52,997**	34,218
General and administrative		**124,598**	38,799
Marketing and investor relations		**271,687**	12,779
Legal and professional fees		**143,182**	127,208
Management and consulting fees	10	**277,218**	46,000
Share-based compensation	10	**1,074,428**	46,800
		10,029,148	2,852,907
Other income			
Amortization of flow-through premium liability	7	**154,402**	-
Net loss and comprehensive loss		**(9,874,746)**	(2,852,907)
Net loss per share:			
Basic and diluted		**(0.15)**	(0.08)
Weighted average number of common shares:			
Basic and diluted		**64,685,643**	37,716,173

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

TARGA EXPLORATION CORP.
Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)

	Years ended March 31,	
	2024	2023
	$	$
Operating activities:		
Net loss for the year	**(9,874,746)**	(2,852,907)
Adjustments for:		
Shares issued for acquisition costs included in exploration and evaluation expenditures	**5,139,490**	2,176,045
Share-based compensation	**1,074,428**	46,800
Amortization of flow-through premium liability	**(154,402)**	-
Changes in non-cash working capital items:		
Goods and services tax recoverable	**(72,520)**	(2,713)
Prepaid expenses and deposits	**(79,364)**	(46,126)
Accounts payable and accrued liabilities	**884,050**	26,221
Cash used in operating activities	**(3,083,064)**	(652,680)
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	**1,778,500**	-
Proceeds from the issuance of flow-through units	**2,917,990**	-
Subscription receivable collected	**-**	5,000
Proceeds received from warrants exercised	**2,000**	11,500
Issuance costs of private placements	**(233,164)**	-
Cash provided by financing activities	**4,465,326**	16,500
Net change in cash	**1,616,665**	(636,180)
Cash, beginning of the year	**604,316**	1,240,496
Cash, end of the year	**2,220,981**	604,316
Supplemental cash flow information:		
Cash income tax paid	**-**	-
Cash interest paid	**-**	-

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

TARGA EXPLORATION CORP.
Consolidated Statements of Changes in Shareholders' Equity
(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 to purchase Opinaca Lithium Project	4,377,375	-	1,926,045	-	-	-	1,926,045
Shares issued from special warrant conversion	6,650,000	(6,650,000)	665,000	-	(665,000)	-	-
Shares issued from exercise of warrants	65,000	-	11,500	-	-	-	11,500
Share-based compensation	-	-	-	-	46,800	-	46,800
Net loss and comprehensive loss for the year	-	-	-	-	-	(2,852,907)	(2,852,907)
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 MUL Projects	7,500,000	-	2,400,000	-	-	-	2,400,000
Shares issued to purchase Opinaca Lithium Project	1,761,381	-	237,227	-	-	-	237,227
Shares issued to purchase North Lithium - Pegmatite, Harricana and Other Ontario Lithium Projects	7,500,001	-	862,500	-	-	-	862,500
Shares issued from exercise of warrants	20,000	-	2,000	-	-	-	2,000
Units issued in private placements	10,137,084	-	1,627,117	-	151,383	-	1,778,500
Flow-through units issued in private placement	4,234,647	-	614,024	-	105,866	-	719,890
Super flow-through units issued in private placements	6,470,000	-	1,458,933	-	126,667	-	1,585,600
Charity flow-through units issued in private placement	3,500,000	-	595,000	-	17,500	-	612,500
Issuance costs of private placements	-	-	(272,666)	-	39,502	-	(233,164)
Flow-through premium liability	-	-	(611,460)	-	-	-	(611,460)
Share-based compensation	-	-	-	-	1,074,428	-	1,074,428
Net loss and comprehensive loss for the year	-	-	-	-	-	(9,874,746)	(9,874,746)
Balance, March 31, 2024	**91,670,404**	**-**	**12,443,799**	**-**	**1,562,146**	**(12,964,227)**	**1,041,718**

The accompanying notes are an integral part of these 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 #1723-595 Burrard Street, Vancouver, BC, V7X 1J1. 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 consolidated financial statements for the years ended March 31, 2024 and 2023, (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 March 31, 2024, the Company has working capital of $1,041,718 (March 31, 2023 - $614,277) and an accumulated deficit of $12,964,227 (March 31, 2023 - $3,089,481). For the year ended March 31, 2024, the Company generated a net loss of $9,874,746 (2023 - $2,852,907) and used cash in operating activities of $3,083,064 (2023 - $652,680). 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 July 26, 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.

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. MATERIAL ACCOUNTING POLICY INFORMATION

a) Cash

Cash consists of cash on hand and deposits in banks with no restrictions.

b) Financial instruments

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit or loss (“FVTPL”), at fair value through other comprehensive income (loss) (“FVTOCI”), or at amortized cost. The Company determines the classification of its financial assets at initial recognition. The classification of debt instruments is driven by the Company’s business model for managing the financial assets and their contractual cash flow characteristics.

Measurement

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

c) Exploration and evaluation expenditures

The Company’s mineral property interests are comprised of mineral properties owned by the Company and rights to ownership of mineral properties, which the Company can earn through cash or share payments, incurring exploration expenditures or combinations thereof. The Company expenses all acquisition and exploration and evaluation expenditures related to its mineral interests until such time that it can demonstrate the technical feasibility and commercial viability of extracting mineral resources.

d) Income tax

Provision for income taxes consists of current and deferred tax expense.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates and tax laws enacted or substantively enacted at the reporting date, adjusted for amendments to tax payable or recoverable with regards to previous years.

Deferred tax expense is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax expense is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

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

e) Share capital

Common shares are classified as equity. Incremental costs directly attributable to the issuance of common shares are recognized as a deduction from equity. Common shares issued for consideration other than cash, are measured based on the fair value of the consideration received, unless the fair value cannot be estimated reliably, in which case they are measured at the fair value of the shares at the date the shares are issued.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

f) Share issuance costs

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

g) Earnings (loss) per share

Basic earnings (loss) per share is calculated by dividing the net income (loss) by the weighted average number of shares issued and outstanding during the period. Diluted earnings (loss) per share is calculated using the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted earnings (loss) per share assumes that the proceeds to be received on the exercise of dilutive stock options and warrants are used to repurchase common shares at the average market price during the period.

h) Share-based compensation

The Company accounts for the stock options at their fair value and recognizes the cost as compensation expense over the vesting period, with the offset recorded to reserves. The amount recognized as share-based compensation expense is adjusted to reflect the number of awards for which the related service conditions are expected to be met such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service conditions at the vesting date.

The fair value of stock options granted to directors and employees is measured using the Black-Scholes option pricing model on the date of issuance. Share-based compensation to non-employees is measured at the fair value of the goods or services received, or at the fair value of the equity instruments issued if it is determined that the fair value of the goods or services received cannot be reliably measured, and is recorded at the date the goods or services are received.

Consideration received on the exercise of stock options is recorded as share capital, and the amount previously recognized in reserves is transferred to share capital. For options that expire unexercised, the initial fair value recorded remains in reserves.

i) Warrants

Share purchase warrants are classified as a component of equity.

Proceeds from issuances by the Company of units consisting of shares and warrants are allocated based on the residual method, whereby the carrying amount of the warrants is determined based on any difference between gross proceeds and the estimated fair market value of the shares. If the proceeds from the offering are less than or equal to the estimated fair market value of shares issued, a nil carrying amount is assigned to the warrants.

Share purchase warrants issued for service are initially recorded as a part of warrants reserve in equity at the recognized fair value. The fair value of the share purchase warrants is determined using the Black-Scholes option pricing model.

Upon exercise of the share purchase warrants the previously recognized value of the warrants exercised is reallocated to share capital from warrants reserve. The proceeds generated from the payment of the exercise price are allocated to share capital. Should the warrants expire before exercise the previously recognized value of the warrants expired is reallocated to contributed surplus from warrants reserve.

j) Special warrants

Special warrants are initially recorded as a part of reserves in equity at the recognized fair value. Upon exercise of the special warrants, the previously recognized fair value of the special warrants is reallocated to share capital from reserves. Should the warrants expire before exercise the previously recognized fair value of the warrants expired is reallocated to contributed surplus from reserves.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

k) New accounting standards and interpretations

The Company adopted the following amendments to accounting standards, which are effective for annual periods beginning on or after January 1, 2023:

Disclosure of accounting policies - IAS 1 and IFRS Practice Statement 2
The amendments to IAS 1 *Presentation of financial statements* and IFRS Practice Statement 2 *Making materiality judgements* provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their ‘significant’ accounting policies with a requirement to disclose their ‘material’ accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments have had an impact on the Company’s disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Company’s financial statements.

Definition of accounting estimates - amendments to IAS 8
The amendments to IAS 8 *Accounting policies, changes in accounting estimates and errors* clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates. The amendments had no impact on the Company’s financial statements.

Deferred tax related to assets and liabilities arising from a single transaction - amendments to IAS 12
The amendments to IAS 12 *Income Taxes* narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities. The amendments had no impact on the Company’s financial statements.

The Company has not early adopted any other new accounting standard, interpretation or amendment that has been issued but is not yet effective.

4. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, revenues and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances and which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and further periods if the revision affects both current and future periods.

Significant assumptions about the future and other sources of estimation uncertainty that management has made that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

a) Going concern

The assessment of the Company’s ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating and mineral property expenditures and meet its liabilities for the ensuing year as they fall due involves judgment based on historical experience and other factors including the expectation of future events that are believed to be reasonable under the circumstances. Management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. The Company is aware that material uncertainties related to events or conditions exist that may cast significant doubt upon the Company’s ability to continue as a going concern.

(Expressed in Canadian dollars)

4. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (continued)

b) Fair value calculation of share-based compensation

The fair value of share-based compensation in relation to the options granted is calculated using a Black-Scholes option pricing model. There are a number of estimates used in the calculation such as the expected option life, rate of forfeiture of options granted, risk-free interest rate used and the future price volatility of the underlying security, which can vary from actual future events. The factors applied in the calculation are management's best estimates based on industry averages and future forecasts.

5. ACQUISITION

On May 11, 2023, the Company entered into an agreement (the "Pan Canadian Lithium Agreement") to acquire all the issued and outstanding common shares of Pan Canadian Lithium Corp. ("Pan Canadian Lithium"), a privately held lithium company.

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 a 100% mineral property interest in four lithium exploration projects (Slim Jim and Sky Lake, White Metal Lithium and Prince Albert Lake Lithium) located in the provinces of Saskatchewan and Ontario, Canada (Note 6). In addition, the Company acquired Pan Canadian Lithium's positive cash position of $234,403.

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
Assets acquired:	
Cash	234,403
Excess consideration over net identifiable assets allocated to exploration and evaluation expenditures	**1,639,763**

(Expressed in Canadian dollars)

6. EXPLORATION AND EVALUATION EXPENDITURES

A summary of the Company's exploration and evaluation expenses for the year ended March 31, 2024, is as follows:

	Acquisition cost	Analysis	Claim Fees	Field Work	Geological consulting	Total
	$	$	$	$	$	$
Administrative	-	-	-	259	77,614	77,873
Opinaca Lithium Projects	237,227	55,119	141,419	51,437	303,823	789,025
Superior Lithium Project	-	560	3,087	3,198	117,392	124,237
Sky - Jim Lithium Projects	420,527	14,420	16,300	16,070	28,362	495,679
MUL Projects	3,030,000	-	12,023	12,311	677,089	3,731,423
Shanghai Property	8,081	-	-	-	-	8,081
Prince Albert Lake Lithium Project	87,172	-	-	-	1,962	89,134
White Metal Lithium Project	1,132,065	-	-	-	2,545	1,134,610
North Lithium - Pegmatite Project	1,152,409	-	1,779	-	-	1,154,188
Harricana Lithium Project	311,089	-	-	-	9,887	320,976
Other Ontario Lithium Projects	154,724	-	-	-	5,088	159,812
	6,533,294	**70,099**	**174,608**	**83,275**	**1,223,762**	**8,085,038**

A summary of the Company's exploration and evaluation expenses for the year ended March 31, 2023, is as follows:

	Acquisition cost	Geological consulting	Total
	$	$	$
Opinaca Lithium Projects	2,026,045	-	2,026,045
Shanghai Property	350,000	171,058	521,058
	2,376,045	171,058	2,547,103

Opinaca and Superior Lithium Projects

On January 25, 2023, the Company acquired a 100% undivided interest in two lithium exploration projects from Kenorland Minerals North America Ltd. ("Kenorland"), in exchange for 4,377,375 common shares of the Company with a fair value of $1,926,045 (Note 8(b)), a cash payment of $100,000, and a 3% Net Smelter Returns royalty ("NSR"). The project located in the James Bay region of northern Quebec is generally known and described as the "Opinaca Project", and the project located in eastern Manitoba is generally known and described as the "Superior Project".

As additional consideration, the Company is required to issue 9.9% of any future common share issuances subsequent to January 25, 2023, to Kenorland up to a number of common shares with an aggregate fair value $5,000,000 (Note 13). 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.

On January 10, 2024, the Company partially fulfilled its obligation and issued 1,459,918 common shares with a fair value of $167,891. The shares represent 9.9% of the common shares issued in the private placement which closed on December 22, 2023.

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.

6. EXPLORATION AND EVALUATION EXPENDITURES (continued)

In accordance with the Agreement, the Company had 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 (Not paid; agreement terminated)
- $100,000 on or before October 6, 2024 (Not applicable; agreement terminated)
- $150,000 on or before October 6, 2025 (Not applicable; agreement terminated)
- $250,000 on or before October 6, 2026 (Not applicable; agreement terminated)

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 paid; agreement terminated)
- an additional 650,000 common shares on or before October 6, 2024 (Not applicable; agreement terminated)
- an additional 750,000 common shares on or before October 6, 2025 (Not applicable; agreement terminated)
- an additional 1,000,000 common shares on or before October 6, 2026 (Not applicable; agreement terminated)

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 (Not applicable; agreement terminated)
- in the additional amount of $750,000 on or before November 15, 2025 (Not applicable; agreement terminated)
- in the additional amount of $1,000,000 on or before November 15, 2026 (Not applicable; agreement terminated)

Under the Agreement, the Company was required to pay Shawn Ryan and Wildwood in accordance with their respective interests, a 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.

The Company had not issued the consideration due on or before October 6, 2023. On February 2, 2024, Shawn Ryan issued a default notice to the Company and on March 2, 2024, the Agreement was terminated. No further obligations are due in connection with the Shanghai Property.

MUL 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 “MUL Projects”) from a syndicate of sellers consisting of Shawn Ryan, Wildwood, Isaac Fage, Callum Ryan, Simon Cash and Adam Fage (collectively, the “Sellers”).

In accordance with the agreement, the Company acquired a 100% interest in the MUL Projects, in exchange for 7,500,000 common shares of the Company (“Consideration Shares”) with a fair value of $2,400,000 (issued - Note 8(b)), a payment of $315,000 in cash to Wildwood (paid) and another payment of $315,000 in cash upon closing of a financing of a minimum of $1,000,000 in net proceeds (accrued) 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.

Sky-Jim, Prince Albert Lake and White Metal Lithium Projects

On May 19, 2023, the Company acquired a 100% interest in the Slim Jim and Sky Lake Projects (collectively the “Sky-Jim Lithium Projects”), White Metal Lithium Project and Prince Albert Lake Lithium Project with its acquisition of Pan Canadian Lithium (Note 5).

(Expressed in Canadian dollars)

6. EXPLORATION AND EVALUATION EXPENDITURES (continued)

North Lithium - Pegmatite, Harricana and Other Ontario Lithium Projects

On January 10, 2024, the Company acquired a 100% interest in the Case Lake, Detour West and Lakeshore lithium projects (collectively the “Other Ontario Lithium Projects”), Pegmatite Beach (“North Lithium - Pegmatite Project”) and Harricana Lithium Project in exchange for 7,500,001 common shares of the Company at a price of $0.115 per share for a total fair value of $862,500 (Note 8(b)), a 1.0% NSR granted to 1384025 B.C. LTD., a cash payment of $100,000 (paid), $277,861 (paid), and $377,861 (accrued and subsequently paid in shares – see Note 14).

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 super flow-through units ("Super FT Units") at $0.48 per Super FT Unit for gross proceeds of $673,600 (Note 8(b)). The FT Units were issued at a premium of $0.08 per Super FT Unit over the fair value of the Company’s common shares on the date of issuance. As a result, a flow-through premium liability of $112,267 was recorded. The Company is obligated to spend $673,600 by December 31, 2024 on eligible exploration expenditures.

On December 22, 2023, the Company issued 4,234,647 flow-through units (“FT Units”) at $0.17 per FT Unit and 5,066,667 Super FT Units at $0.18 per Super FT Unit 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 FT Unit over the fair value of the Company’s common shares on the date of issuance and the Super FT Units were issued at a premium of $0.03 per Super FT 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, 2024 on eligible exploration expenditures.

On March 28, 2024, the Company issued 3,500,000 charity flow-through units ("CFT Units") at $0.175 per CFT Unit for gross proceeds of $612,500 (Note 8(b)). The CFT Units were issued at a premium of $0.075 per CFT Unit over the fair value of the Company’s common shares on the date of issuance. As a result, a flow-through premium liability of $262,500 was recorded. The Company is obligated to spend $612,500 by December 31, 2025 on eligible exploration expenditures.

During the year ended March 31, 2024, the Company incurred $736,831 of qualifying exploration expenditures. As a result, an amortization of flow-through premium liability of $154,402 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	2,917,990	611,460
Eligible expenditures	(736,831)	(154,402)
Balance, March 31, 2024	**2,181,159**	**457,058**

8. SHARE CAPITAL

a) Authorized share capital

Unlimited number of common shares without par value.

b) Issued share capital

During the year ended March 31, 2024, 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 MUL Projects (Note 6).

- 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 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.

- 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 Super FT Units at a price of $0.48 per unit for gross proceeds of $673,600. Each Unit and Super FT Unit consists of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one common share of the Company at a price of $0.70 per share 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 fair 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, no proceeds were 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 and remaining proceeds of $561,333 were allocated to the common shares and warrants 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 unit issuance costs were $53,472 in connection with this private placement, which comprises cash issuance costs of $40,370 of and $13,102 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).

- On December 22, 2023, the Company closed a private placement for aggregate gross proceeds of $2,448,690 by issuing 5,445,334 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 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 fair 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, no proceeds were 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 FT Unit and the price of a Unit at that date (Note 7). As a result, $236,693 was allocated to the flow-through premium and remaining proceeds of $2,211,997 were allocated to the common shares and warrants 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 issuance costs were $142,043 in connection with this private placement, which comprises $115,642 of cash 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.

- On January 10, 2024, the Company issued 7,500,001 common shares at $0.12 per share for total fair value of $862,500 as payment to acquire the North Lithium - Pegmatite, Harricana and Other Ontario Lithium Projects.

8. SHARE CAPITAL (continued)

- On January 10, 2024, the Company issued an additional 1,459,918 common shares, 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 Lithium Projects at $0.12 per share for total fair value of $167,891.

- On March 28, 2024, the Company closed a private placement for aggregate gross proceeds of $917,500 by issuing 3,050,000 Units at a price of $0.10 per unit for gross proceeds of $305,000 and 3,500,000 CFT Units at a price of $0.175 per CFT Unit for gross proceeds of $612,500. Each Unit and CFT Unit consist of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one common share of the Company at a price of $0.25 per share until March 28, 2026. 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, no proceeds were allocated to the warrants. The gross proceeds from the CFT Units were first allocated to the flow-through premium, calculated as the difference between the price of a CFT Unit and the price of a Unit at that date (Note 7). As a result, $262,500 was allocated to the flow-through premium and remaining proceeds of $655,000 were allocated to the common shares and warrants using the residual value method. As a result, $622,250 was allocated to share capital and $32,750 was allocated to warrants reserve. Total share issuance costs were $40,000 in connection with this private placement.

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).

- 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 Opinaca Lithium Project (Note 6).

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

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 March 31, 2024, the remaining balance of Escrowed Securities consists of 226,125 common shares and 225,000 warrants (March 31, 2023 - 376,875 common shares and 375,000 warrants).

MUL Projects acquisition

On May 11, 2023, the Company completed the acquisition of a 100% interest in the MUL Projects in consideration for the issuance of 7,500,000 common shares (the “MUL Consideration 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 March 31, 2024, 2,500,000 MUL Consideration Shares remain in escrow (Note 14).

(Expressed in Canadian dollars)

8. SHARE CAPITAL (continued)

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. 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 common share at a price of $0.20 for five years from the date of issuance.

On September 22, 2022, the 6,650,000 Special Warrants were 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 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 March 31, 2024	**-**	**-**

e) Warrants

During the year ended March 31, 2024, the Company completed the following transactions:

- 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 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 finders’ warrants issued was $13,101. A summary of the Company’s inputs used in the Black-Scholes option pricing model for the finders’ warrants granted on August 15, 2023 is as follows:

Share price	$0.47
Exercise price	$0.70
Expected life	2 years
Risk-free interest rate	4.78%
Expected volatility	100.00%
Expected annual 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 $368,666 residual value allocated to the warrants. Each 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 finders’ warrants issued was $26,401. A summary of the Company’s inputs used in the Black-Scholes option pricing model for the finders’ warrants granted on December 22, 2023 is as follows:

Share price	$0.13
Exercise price	$0.30
Expected life	2 years
Risk-free interest rate	3.99%
Expected volatility	100.00%
Expected annual dividend yield	0.00%

(Expressed in Canadian dollars)

8. SHARE CAPITAL (continued)

- On March 28, 2024, in connection with the private placement unit issuance, 3,275,000 warrants were issued. As the cash proceeds exceeded the fair value of the common shares issued, there was $32,750 residual value allocated to the warrants. Each warrant entitles the holder thereof to purchase one common share of the Company at an exercise price of $0.25 until March 28, 2026.

The expected life in years represents the period of time the warrants issued are expected to be outstanding. The expected volatility is based on comparable companies with a historical volatility. The risk-free interest 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	12,872,261	0.37
Exercised	(20,000)	0.10
Balance, March 31, 2024	**41,937,261**	**0.19**

A summary of the Company's outstanding warrants as at March 31, 2024, 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
March 28, 2026	0.25	3,275,000	1.99
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
	0.19	**41,937,261**	**2.28**

During the year ended March 31, 2024, the weighted average share price on the date of exercise of warrants was $0.53 per share (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.

(Expressed in Canadian dollars)

8. SHARE CAPITAL (continued)

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 inputs:

Share price	$0.05
Exercise price	$0.10
Expected life	5 years
Risk-free interest rate	2.61%
Expected volatility	100.00%
Expected annual 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 inputs:

Share price	$0.42
Exercise price	$0.44
Expected life	5 years
Risk-free interest rate	3.76%
Expected volatility	100.00%
Expected annual 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 inputs:

Share price	$0.23
Exercise price	$0.24
Expected life	1 year
Risk-free interest rate	4.90%
Expected volatility	100.00%
Expected annual dividend yield	0.00%

On March 14, 2024, the Company issued 3,991,000 stock options to directors, officers, employees and consultants with an exercise price of $0.12 and expiry date of March 14, 2029. The options vested immediately and were valued at $365,491 using the Black-Scholes option pricing model with the following inputs:

Share price	$0.12
Exercise price	$0.12
Expected life	5 years
Risk-free interest rate	4.22%
Expected volatility	100.00%
Expected annual dividend yield	0.00%

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

(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	6,541,000	0.23
Balance, March 31, 2024	**7,966,000**	**0.21**

A summary of the Company's outstanding stock options as at March 31, 2024, 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	100,000	0.24	0.55
April 14, 2027	1,425,000	1,425,000	0.10	3.04
June 13, 2028	2,150,000	2,150,000	0.44	4.21
March 14, 2029	3,991,000	3,991,000	0.12	4.96
	7,966,000	**7,666,000**	**0.21**	**4.19**

During the year ended March 31, 2024, the Company recorded share-based compensation expense of $1,074,428 (2023 - $46,800) related to the vesting of stock options.

9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

As at March 31, 2024, financial instruments comprising cash, deposits, accounts payable and accrued liabilities are classified and measured at amortized cost. The carrying value of cash, deposits, accounts payable and accrued liabilities approximate the fair value due to the relatively short-term maturity of these instruments.

The Company is exposed in varying degrees to a variety of financial instrument related risks. The type of risk exposure and the way in which such exposure is managed is provided as follows:

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 and deposits. The Company minimizes its credit risk related to cash by placing cash with major financial institutions and deposits with recognized creditworthy third parties and regularly reviews the recoverability of them.

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 March 31, 2024, 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 to continue its operations.

(Expressed in Canadian dollars)

9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

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.

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 for the years ended March 31, 2024 and 2023, is as follows:

	2024	2023
	$	$
Management and consulting fees - executive director	**99,750**	-
Management and consulting fees - Chief Executive Officer ("CEO")	**112,500**	-
Management and consulting fees - former CEO	**44,000**	35,000
Management and consulting fees - Chief Financial Officer ("CFO")	**12,000**	11,000
Share-based compensation	**751,635**	36,126
	1,019,885	82,126

As at March 31, 2024, $nil and $nil 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 its 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 year ended March 31, 2024. The Company is not subject to externally imposed capital requirements.

(Expressed in Canadian dollars)

12. INCOME TAX

A summary of the Company's reconciliation of income tax at statutory rates for the years ended March 31, 2024 and 2023, is as follows:

	2024	2023
	$	$
Net loss before income tax	**(9,874,746)**	(2,852,907)
Combined federal and provincial statutory income tax rates	**27%**	27%
Income tax recovery at statutory rates	**(2,666,200)**	(770,300)
Non-deductible expenditures and non-taxable revenues	**618,700**	12,700
Impact of flow-through shares	**294,600**	-
Adjustment to prior years provision versus statutory tax returns and expiry of non-capital losses	**(1,100)**	-
Change in unrecognized deferred tax assets	**1,754,000**	757,600
Income tax expense	**-**	-

A summary of the Company's significant components of a potential deferred tax asset are as follows:

	March 31, 2024	March 31, 2023
	$	$
Unit issuance costs	**58,900**	-
Non-capital loss	**321,600**	76,100
Mineral resource properties	**2,076,300**	729,300
	2,456,800	805,400
Unrecognized deferred tax assets	**(2,456,800)**	(805,400)
Deferred tax assets	**-**	-

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the statement of financial position are as follows:

	March 31, 2024	**Expiry date range**	March 31, 2023	Expiry date range
	$		$	
Temporary differences				
Unit issuance costs	**218,100**	**2044 to 2048**	-	No expiry date
Non-capital losses	**1,191,200**	**2040 to 2044**	281,900	2041 to 2043
Mineral resources properties	**7,690,000**	**No expiry date**	2,701,000	No expiry date

13. COMMITMENTS

The Company is required to issue to Kenorland 9.9% of any future common share issuances up to a number of common shares with an aggregate fair value $5,000,000 (Note 6). As at March 31, 2024, the Company had partially fulfilled its obligation and issued 1,761,381 common shares with a fair value of $237,227. Additionally, the Company still needs to issue 648,450 and 300,475 shares for private placements completed on March 28 and May 1, 2024, respectively (Note 14).

14. SUBSEQUENT EVENTS

On May 1, 2024, the Company closed the final tranche of its previously announced non-brokered private placement for gross proceeds of $670,000 by issuing 6,700,000 Units at a price of $0.10 per Unit, with each Unit consisting of one common share and one-half common share purchase warrant. Each whole warrant entitles the holder to purchase one common share of the Company at a price of $0.25 per share for a period of two years from the Offering closing date. On initial recognition, proceeds were allocated using the residual value method and, as a result, $569,500 was allocated to share capital and $100,500 was allocated to the warrants. In connection with the private placement, the Company paid a cash finders’ fee of $2,400 and issued 24,000 finder’s warrants with an aggregate fair value of $587.

On May 1, 2024, the remaining balance of 2,500,000 MUL Consideration Shares were released from escrow.

On July 16, 2024, the Company issued 4,099,999 common shares for total fair value of $377,861 to settle the final cash payment that was due in connection with the North Lithium - Pegmatite acquisition (Note 6).

On July 22, 2024, the Company issued 948,925 common shares for total fair value of $90,148 to satisfy the requirement as per the purchase and sale agreement of Kenorland entered into 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 13).