CAPE LITHIUM CORP. (Formerly Known as Moonbound Mining Ltd.)

Interim Condensed Consolidated Financial Statements

For the Periods Ended October 31, 2024 and 2023

(*Expressed in Canadian Dollars)*

NOTICE TO READER

The accompanying unaudited interim condensed financial statements of Cape Lithium Corp. (formerly know as Moonbound Mining Ltd.) for the three months ended October 31, 2024, have been prepared by the management of the Company and approved by the Company's Audit Committee and the Company's Board of Directors.

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indication that an auditor has not reviewed the financial statements.

The accompanying unaudited interim condensed financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these interim condensed financial statements in accordance with standards established by the Canadian Institute of Chartered Professional Accountants for a review of the interim condensed financial statements by an entity's auditor.

Cape Lithium Corp. (formerly know as Moonbound Mining Ltd.)
Interim Condensed Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

As at	October 31, 2024	April 30, 2024
ASSETS		
Current assets		
Cash	$ 86,104	$ 734,926
Receivables	65,784	33,073
Share subscription receivable	17,000	-
Prepayments	2,041	-
Note receivable (Note 7)	-	500,000
	170,929	1,267,999
Non-current assets		
Exploration and evaluation assets (Note 5)	14,032,950	-
Equity investment in Strathmore Claims (Note 6)	5,259,690	5,259,690
Investment in associate (Note 4)	24,649,165	23,007,550
TOTAL ASSETS	**$ 44,112,734**	**$ 29,535,239**
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	$ 1,173,877	$ 790,866
Short-term loans (Note 8)	1,000,000	1,880,000
Convertible debentures (Note 9)	540,479	-
	2,714,356	**2,670,866**
SHAREHOLDERS' EQUITY		
Share capital (Note 10)	33,651,028	22,359,968
Subscription receipts	-	7,503
Reserves	12,875,027	6,007,263
Deficit	(5,127,677)	(1,510,361)
TOTAL SHAREHOLDERS' EQUITY	**41,398,378**	**26,864,373**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**$ 44,122,734**	**$ 29,535,239**

Nature and Continuance of Operations (Note 1)
Subsequent Events (Note 16)
Commitments (Note 15)

These interim condensed consolidated financial statements were approved for issue by the Board of Directors on December 30, 2024 and signed on its behalf by:

"James Lumley" Director   *"David Eaton"* Director

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

Cape Lithium Corp. (formerly know as Moonbound Mining Ltd.)
Interim Condensed Consolidated Statements of Operations and Comprehensive Loss
(Expressed in Canadian Dollars)

	Three Months Ended October 31, 2024	Three Months Ended October 31, 2023	Six Months Ended October 31, 2024	Six Months Ended October 31, 2023
Operating Expenses				
Accounting and management (Note 11)	$ -	$ -	$ 283	$ -
Auditor fees	17,200	8,000	38,700	17,263
Consulting fees (Note 11)	204,819	39,570	366,336	89,570
Exploration and evaluation (Note 5)	52,088	188,919	6,862	257,787
Filing fees	9,451	3,421	14,033	10,240
Interest expense (Note 7)	39,941	-	45,036	-
Investor and communications	7,229	1,660	11,713	6,308
Legal	(39,746)	16,241	8,937	37,963
Office and administration	1,448	3,351	34,445	10,886
Share-based compensation	-	-	2,963,962	-
Travelling	11,692	-	121,222	-
	(304,122)	$ 261,162.00	(3,611,529)	(430,017)
Other income (loss)				
Foreign exchange gain or loss	(13)	-	(3,965)	-
Fair value loss on long term investment	(954)	-	(1,822)	-
Loss and comprehensive loss for the year	$ (305,089)	$ 261,162.00	$ (3,617,316)	$ (430,017)
Loss per share - basic and diluted	$ (0.00)	$ (0.01)	$ (0.04)	$ (0.01)
Weighted average number of common shares outstanding – basic and diluted	100,016,203	23,145,540	97,111,572	19,192,739

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

Cape Lithium Corp. (formerly know as Moonbound Mining Ltd.)
Interim Condensed Consolidated Statements of Changes in Shareholders' Equity (Deficiency)
(Expressed in Canadian Dollars)

	Number of Shares	Share Capital ($)	Subscription Receipts($)	Reserves	Deficit	Total Shareholders' Equity ($)
Balance, April 30, 2023	15,282,903	$ 758,154	$ -	$ -	$ (189,041)	$ 569,113
Shares issued for the assignment of Memorandum of Understanding	13,250,000	3,047,500	-	-	-	$ 3,047,500
Warrants issued for the assignment of Memorandum of Understanding				1,941,588	-	$ 1,941,588
Finder's warrants issued for the assignment of Memorandum of Understanding				202,249	-	$ 202,249
Loss and comprehensive loss for the year	-	-	-	-	(430,017)	(430,017)
Balance, October 31, 2023	**28,532,903**	**$ 3,805,654**	**$ -**	**$ 2,143,837**	**$ (619,058)**	**$ 5,330,433**
Balance, April 30, 2024	**90,972,571**	**22,359,968**	**7,503**	**6,007,263**	**(1,510,361)**	**26,864,373**
Share issued for private placements, net of share issuance cost	5,032,173	1,505,004	(7,503)	-	-	1,497,501
Shares issued for the acquisition of subsidiaries	40,300,000	9,269,000	-	-	-	9,269,000
Warrant issued for the acquisition of subsidiaries	-	-	-	3,849,720	-	3,849,720
Issuance of finder's share	2,000,000	460,000	-	-	-	460,000
Exercise of warrants	292,778	57,056	-	-	-	57,056
Share-based payments	-	-	-	2,963,962	-	2,963,962
Convertible debentures	-	-	-	54,082	-	54,082
Loss and comprehensive loss for the year	-	-	-	-	(3,617,316)	(3,617,316)
Balance, October 31, 2024	**138,597,522**	**$ 33,651,028**	**$ -**	**$ 12,875,027**	**$ (5,127,677)**	**$ 41,398,378**

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

Cape Lithium Corp. (formerly know as Moonbound Mining Ltd.)
Interim Condensed Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

	October 31, 2024	October 31, 2023
Operating activities		
Net loss for the period	(3,617,316)	(430,017)
Items not requiring use of cash:		
Accrued interest and accretion on convertible debt	44,561	-
Share-based compensation	2,963,962	-
Fair value loss on long term investment	1,822	-
Changes in operating assets and liabilities:		
Receivable	(33,436)	(4,364)
Prepayments	(2,040)	(100,000)
Accounts payable and accrued liabilities	(339,760)	48,101
Cash used in operating activities	(982,207)	(486,280)
Investing activities		
Investment in associate	(1,643,437)	-
Cash, acquired on investment in subsidiaries	(127,735)	
Cash used for investing activities	(1,771,172)	-
Financing activities		
Shares issued for cash, net of share issuance costs	1,497,501	-
Proceeds from convertible debentures	550,000	-
Exercise of warrants	57,056	-
Issuance of special warrants, net of issuance cost		-
Cash provided by financing activities	2,104,557	-
Increase in cash	(648,822)	(486,280)
Cash , beginning of year	734,926	550,558
Cash, end of year	86,104	64,278

Supplemental cash flow information

Fair value of shares issued for acquisition of exploration and evaluation assets	9,269,000	-
Fair value of warrants issued for acquisition of exploration and evaluation assets	460,000	-

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

1. Nature of Operations and Going Concern

Nature of Operations

Cape Lithium Corp. (formerly Moonbound Mining Ltd.) (the "Company") was incorporated under the Business Corporations Act of British Columbia on July 30, 2021 and listed on the Canadian Securities Exchange. The Company is engaged in the acquisition, evaluation and development of mineral properties, principally in the Americas and south African. Company is listed on the Canadian Securities Exchange under the symbol "MML". Effective on September 12, 2024, the Company changed it name to Cape Lithium Corp. from Moonbound Mining Ltd. Concurrently with the name change, the Company also changed its stock symbol to "CLI". The Company's head office address is 2250 – 1055 West Hastings Street, Vancouver, British Columbia V6E 3V7. The registered and records office address is 900 - 885 West Georgia Street. Vancouver, BC, V6C 3H1.

Going Concern

At October 31, 2024, the Company had not yet achieved profitable operations, had an accumulated deficiency of $5,127,677 (April 30, 2024: $1,510,361) since its inception and had a working capital deficiency of $2,543,427 (April 30, 2024: $1,402,867), and expects to incur further losses in the development of its business. The Company is in the process of exploring and evaluating its mineral properties. On the basis of information to date, it has not yet determined whether those properties contain economically recoverable mineral deposits. The business of mining and exploration involves a high degree of risk and there can be no assurances that the Company's exploration programs will result in profitable mining operations. The Company's ability to continue as a going concern is dependent on obtaining continued financial support, completing public equity financing or generating profitable operations in the future. Management is committed to raising additional capital to meet its exploration and operating obligation; however, additional equity financing is subject to the global financial markets and economic conditions, which have recently been disrupted and are volatile, and the debt and equity markets, which are distressed. All of these factors, together with the current unstable economic conditions, indicate the existence of material uncertainties related to events or conditions that cast significant doubt as to whether the Company can continue as a going concern and; therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business. These consolidated financial statements do not give effect to any adjustments that would be necessary should the Company be unable to continue as a going concern, and therefore, be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these consolidated financial statements. Such adjustments could be material.

2. Basis of Presentation

(a) Statement of compliance

These interim condensed consolidated financial statements are prepared in accordance with International Accounting Standards ("IAS") 34, interim condensed Financial Reporting, as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") on a basis consistent with the material accounting policies disclosed in note 3 of the most recent annual audited financial statements as at and for the year ended April 30, 2024 as filed on SEDAR+ at www.sedarplus.ca. The interim condensed consolidated financial statements do not include all of the information required for full annual financial statements.

These interim condensed consolidated financial statements were approved and authorized for issuance by the Board of Directors on December 30, 2024.

(b) Basis of presentation

These interim condensed consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments, which are measured at fair value, as explained in the material accounting policies (Note 3). In addition, these consolidated interim condensed financial statements have been prepared under the accrual basis of accounting, except for cash flow information.

2. Basis of Presentation (Continued)

(c) Basis of Consolidation

These interim condensed consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. All intercompany transactions, balances, revenue and expenses are eliminated in full upon consolidation.

The legal subsidiaries of the Company are as follows:

Name of Subsidiary	Place of Incorporation	Beneficial Ownership Interest	
		October 31, 2024	April 30, 2023
1442160 B.C. Ltd.*	British Columbia, Canada	100%	-
Norrabees Lithium (SA) Limited*	Republic of Mauritius	100%	-
Spodueme Kop (SA) Limited*	Republic of Mauritius	100%	-
Continental Lithium Africa Development Corporation**	British Columbia, Canada	100%	-
Strathmore Lithium Resources (Proprietary) Limited**	Republic of Namibia	100%	-
Karas Lithium (Pty) Limited**	Republic of Namibia	100%	-

*The Company acquired the control on January 29, 2024.
** The Company acquired the control on October 23, 2024.

(d) Reclassification of prior period figures

In order to maintain consistency with current period expense classification, comparative information on consolidated statements of loss and comprehensive loss were reclassified.

(e) Functional and presentation currency

IFRS requires that the functional currency of each entity in the consolidated group be determined separately in accordance with the indicators as per IAS 21 – Foreign exchange and should be measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The parent and subsidiaries' functional currency is the Canadian dollar for operations in both Republic of Mauritius and Canada. The consolidated financial statements are presented in Canadian dollars, which is the parent and subsidiaries' presentation currency.

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Assets and liabilities of an entity that has a functional currency that is different from presentation currency are translated at exchange rate at the reporting date and the income and expenses are translated at the average exchange rate during the reporting period. Gains and losses resulting from translation adjustments are recorded as other comprehensive income (loss) and accumulated in a separate component of shareholders' equity, described as accumulated comprehensive income (loss).

2. Basis of Presentation (Continued)

(f) Significant judgments, estimates and assumptions

The preparation of these consolidated financial statements requires management to make judgment, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual outcomes could 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 review affects both current and future periods.

Key sources of estimation uncertainty

Fair value calculation of share-based payments: The fair value of share-based payments in relation to the reverse takeover is calculated using a Black Scholes option pricing model. There are a number of assumptions used in the calculation such as the share price, expected option life, the future price volatility of the underlying security and forfeiture rates which can vary from actual future events. The factors applied in the calculation are management’s best estimates based on industry average and future forecasts.

Critical accounting judgments

The critical judgments that the Company’s management has made in the process of applying the Company’s accounting policies that have the most significant effect on the amounts recognized in these consolidated financial statements are as follows:

Going concern: The preparation of the consolidated financial statements requires management to make judgments and estimates regarding the ability to continue as a going concern. The Company’s ability to continue as a going concern is dependent upon, but not limited to, its ability to generate sufficient cash and working capital to fund its operations and discharge its liabilities as they become due for the next twelve months.

Asset acquisition vs business combination: Management's determination of whether a transaction constitutes a business combination, or an asset acquisition is determined based on whether the investee constitutes a business, as defined by IFRS 3. If the investee constitutes a business then the acquisition is accounted for as a business combination but if the investee does not meet the definition of a business, the acquisition is accounted for as an asset acquisition. To be considered a business, an acquisition of an integrated set of activities and assets would have to include an input and a substantive process that together significantly contribute to the ability to create outputs. Judgement is required to determine if an investee meets the definition of a business.

Business combination: The preparation of the consolidated financial statements requires management to make judgments and estimates regarding the fair value of the acquired assets and liabilities.

Determination of functional currency of the Company: The functional currency for each of the Company and its subsidiary is the currency of the primary economic environment in which each entity operates. The determination of each entity’s functional currency requires analyzing facts that are considered primary factors, and if the result is not conclusive, the secondary factors. The analysis requires management to apply significant judgment since primary and secondary factors may be mixed. In determining its functional currency, management analyzed both the primary and secondary factors, including the currency of each entity’s operating cash flow, and sources of financing.

2. Basis of Presentation (Continued)

(g) Significant judgments, estimates and assumptions (Continued)

Income taxes: Provisions for taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the out come of these tax related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

3. Material Accounting Policies

(a) Cash

Cash and cash equivalents includes cash on hand, demand deposits with financial institutions and other short-term highly liquid investments that are readily convertible to known amounts of cash and subject to an insignificant risk of change in value. The Company does not currently have any cash equivalents. As at October 31, 2024 the Company had cash of $86,104 (April 30, 2024: $734,926).

(b) Financial instruments

Classification
On initial recognition, the Company determines the financial instruments classification as per the following categories:

- instruments measured at amortized cost;
- instruments measured at fair value through other comprehensive income ("FVOCI") or through net income ("FVTPL").

The financial instruments' classification under IFRS 9 is based on the business model in which a financial asset is managed and on its contractual cash flow characteristics. Derivatives embedded in contracts where the host is a financial instrument in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Equity investments held for trading are classified as FVTPL. For all other equity investments that are not held for trading, the Company, on initial recognition, may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income (OCI). This election is made on an investment-by-investment basis.

Financial liabilities are measured at amortized cost unless they must be measured at FVTPL (such as derivatives) or if the Company elects to measure them at FVTPL.

3. Material Accounting Policies (Continued)

(b) Financial instruments (Continued)

Measurement

Financial instruments at amortized cost

Financial instruments at amortized cost are initially measured at fair value, and subsequently at amortized cost, using the effective interest method, less any impairment loss. Interest income, foreign exchange gains and losses and impairment are recognized in the consolidated statements of loss and comprehensive loss.

Financial instruments at fair value

Financial instruments are initially and subsequently measured at fair value and transaction costs are accounted for in the consolidated statements of loss and comprehensive loss. When the Company elects to measure a financial liability at FVTPL, gains or losses related to the Company's own credit risk are accounted for in the consolidated statements of loss and comprehensive loss.

Fair value hierarchy

Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The levels of the fair value hierarchy are defined as follows:

- level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Inputs for assets or liabilities that are not based on observable market data.

Impairment

The Company recognizes loss allowances for expected credit losses (“ECL”) on:

- financial assets measured at amortized cost;
- debt investments measured at FVOCI; and
- contract assets (as defined in IFRS 15).

The Company measures loss allowances on amounts receivable at an amount equal to lifetime ECL. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company’s historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realizing security (if any is held); or
- the financial asset is more than 90 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

3. Material Accounting Policies (Continued)

(b) Financial instruments (Continued)

Measurement of ECLs
ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Presentation of allowance for ECL in the consolidated statements of financial position
Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

Write-off
The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company’s procedures for recovery of amounts due.

<u>Derecognition</u>
Financial assets
The Company derecognizes a financial asset when, and only when, the contractual rights to the cash flows from the financial asset have expired or when contractual rights to the cash flows have been transferred.

Financial liabilities
The Company derecognizes a financial liability when, and only when, it is extinguished, meaning when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of the extinguished financial liability and the consideration paid or payable, including non-cash assets transferred or liabilities assumed, is recognized in the consolidated statement of loss and comprehensive loss.

(c) Exploration and evaluation asset

<u>Exploration and evaluation expenditures</u>
Pre-exploration costs are expensed in the year in which they are incurred. Upon acquiring the legal right to explore a mineral property (exploration and evaluation assets), all direct costs related to the acquisition of a mineral property are capitalized. Exploration and evaluation expenditures incurred prior to the determination of the feasibility of mining operations and the decision to proceed with development are recognized in profit or loss as incurred, net of recoveries. Costs incurred before the Company has obtained the legal rights to explore an area are charged to profit or loss. Exploration and evaluation assets are assessed for impairment at least annually and if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Mining exploration tax credits for certain exploration expenditures incurred in British Columbia are treated as a reduction of the exploration and development costs of the respective resource property. The amounts are recorded in the year they are received.

3. Material Accounting Policies (Continued)

(c) Exploration and evaluation asset (Continued)

Mineral property acquisition costs and exploration and evaluation expenditures are recorded at cost. When shares are issued as part of mineral property acquisition costs, they are valued at the closing share price on the date of issuance. Payments related to a property acquired under an option or joint venture agreement, where payments are made at the sole discretion of the Company, are recorded upon payment.

The Company may occasionally enter into farm-out arrangements, whereby the Company will transfer part of a mineral interest, as consideration, for an agreement by the transferee to meet certain exploration and evaluation expenditures that would have otherwise been undertaken by the Company. The Company does not record any expenditures made

by the farmee on its behalf. Any cash consideration received from the agreement is credited against the costs previously capitalized to the mineral interest given up by the Company, with any excess cash accounted for as a gain on disposal.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as “mines under construction”. Exploration and evaluation assets are tested for impairment before the assets are transferred to development properties.

As the Company currently has no operational income, any incidental revenues earned in connection with exploration activities are applied as a reduction to capitalized exploration and evaluation assets.

Exploration and evaluation assets are classified as an intangible asset.

Decommissioning liabilities

An obligation to incur decommissioning and site rehabilitation costs occurs when environmental disturbance is caused by exploration, evaluation, development or ongoing production.

Decommissioning and site rehabilitation costs arising from the installation of plant and other site preparation work, discounted to their net present value, are provided when the obligation to incur such costs arises and are capitalized into the cost of the related asset. These costs are charged against operations through amortization of the asset and unwinding of the discount on the provision.

Amortization is included in operating costs while the unwinding of the discount is included as a financing cost. Changes in the measurement of a liability relating to the decommissioning or site rehabilitation of plant and other site preparation work are added to, or deducted from, the cost of the related asset and charged against operating profit or loss. The discount rate used to measure the net present value of the obligations is the pre-tax rate that reflects the current market assessment of the time value of money and the risks specific to the obligation.

The costs for the restoration of site damage, which arises during production, are provided at their net present values and charged against operations as extraction progresses.

3. Material Accounting Policies (Continued)

(d) Impairment of non-financial assets

Impairment tests on intangible assets with indefinite useful economic lives are undertaken annually at every reporting period. Other non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable and at least annually. Where the carrying value of an asset exceeds its recoverable amount, which is the higher of value in use and fair value less costs to sell, the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash-generating unit, which is the lowest group of assets in which the asset belongs for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets. The Company has one cash-generating unit for which impairment testing is performed.

An impairment loss is charged to profit or loss, except to the extent they reverse gains previously recognized in accumulated other comprehensive income or loss.

(e) Acquisition of a business

The acquisition method of accounting is used to account for business combinations. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of the exchange. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Company's share of the net fair value of the identifiable assets, liabilities and contingent liabilities is recorded as goodwill. If the cost of an acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized immediately in earnings.

Transaction costs that are incurred in connection with a business combination, other than those associated with the issuance of debt or equity securities, are recognized in earnings.

There is an option to apply a concentration test that permits a simplified assessment of whether an acquired set of activities and assets is in fact a business. The optional concentration test is met if substantially all of the fair value of the assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. An entity may make such an election separately for each transaction or other event. If the concentration test is met, the set of activities and assets is determined not to be a business and no further assessment is needed.

(f) Interests in joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. The results and assets and liabilities of joint ventures are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with IFRS 5.

Under the equity method, an investment in a joint venture is recognized initially in the consolidated statement of financial position at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other

3. Material Accounting Policies (Continued)

(f) Interests in joint ventures (Continued)

comprehensive income of the joint venture. When the Company's share of losses of a joint venture exceeds the Company's interest in that joint venture (which includes any long-term interests that, in substance, form part of the net investment in joint venture), the Company discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the joint venture.

An investment in a joint venture is accounted for using the equity method from the date on which the investee becomes a joint venture. On acquisition of the investment in a joint venture, any excess of the cost of the investment over the Company's share of the net fair value of the identifiable assets and liabilities of the investee is recognized as goodwill, which is included within the carrying amount of the investment. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognized immediately in the consolidated statements of loss in the period in which the investment is acquired. The requirements of IAS 36 are applied to determine whether it is necessary to recognize any impairment loss with respect to the Company's investment in a joint venture.

(g) Investment in associates

An associate is an entity over which the Company has significant influence but not control. Investments in associates are based on the Company's ability to exercise significant influence over the operating and financial policies of the investee. Investments in associates are accounted for using the equity method whereby the investment is initially recorded at cost and adjusted thereafter for additional investments made, dividends received and to recognize the Company's proportionate share of the associate's post acquisition income or loss.

The Company's share of the associate's profit or loss is recognized in the consolidated statement of loss, and its share of movements in other comprehensive income is recognized in the consolidated statement of other comprehensive loss with a corresponding adjustment to the carrying amount of the investment. When the Company's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Company does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Company determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Company calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognizes the amount in the consolidated statement of loss and comprehensive loss.

(h) Income taxes

Income tax expense consists of current and deferred tax. Income tax is recognized in the statement of comprehensive income (loss), except to the extent that it relates to items recognized directly in equity.

Current income tax
Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year-end, and any adjustment to tax payable with regard to previous years.

3. Material Accounting Policies (Continued)

(h) Income taxes (Continued)

Deferred income tax

Deferred tax assets and liabilities and the related deferred income tax expense or recovery are recognized for deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in profit or loss in the period that substantive enactment occurs.

A deferred tax asset is recognized to the extent that it is probable that future taxable income will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, the deferred tax asset is reduced. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

(i) Share capital

Equity instruments are contracts that give a residual interest in the net assets of the Company. Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares are classified as equity instruments. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

The Company may issue units consisting of common shares and common share purchase warrants. The Company estimates the fair value of the common shares based on their market price on the share issuance date. The residual difference, if any, between the unit price and the fair value of each common share represents the fair value attributable to each warrant.

(j) Convertible debenture

Upon issuance, convertible debentures are allocated among host debt, free stand warrants issued with the debenture, coupon interest which the Company is not obligated to repay with cash, and the conversion feature on initial recognition. The host debt is accounted at fair value using discounted future cash obligation on debt principal at effective interest rate. The free stand warrants are measured at fair value using the Black Scholes pricing model. On initial recognition, the residual of total proceeds less the fair value of the host debt and free stand warrants is allocated between coupon interest and conversion feature based on number of shares to be converted for the coupon interest and principal at maturity. The host debt is subsequently carried at amortized cost using the effective interest rate method; the liability is accreted to the principal amount of the convertible debt over the term of the convertible debt. Accretion is expensed to the consolidated statement of operations and comprehensive loss.

3. Material Accounting Policies (Continued)

(k) Share-based payment transactions

The fair value of share options granted to directors, officers, employees, and consultants is recognized as an expense over the vesting period using the graded vesting method with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee, including directors of the Company. The fair value is measured at the grant date and recognized over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option-pricing model, taking into account the terms and conditions upon which the options were granted. At the end of each reporting period, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest. Share-based payments incorporates an expected forfeiture rate.

(l) Earning (loss) per share

The Company presents basic and diluted earnings (loss) per share data for its common shares, computed by dividing the net earnings (loss) by the weighted average number of outstanding shares in issue during the reporting period. Diluted earnings (loss) per share is computed similar to basic earnings (loss), except that the weighted average number of outstanding shares include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods. In a loss reporting period, potentially dilutive common shares are excluded from the loss per share calculation, as the effect would be anti-dilutive.

(m) Changes in accounting policies

There were no changes that had a material effect on the reported net income or net assets of the Company during the periods presented in these audited consolidated financial statements.

4. Acquisitions

Acquisition of 1442160 B.C. Ltd.

On January 29, 2024, the Company closed the acquisition of all of the issued and outstanding common shares of 1442160 B.C. Ltd. from the shareholders of 1442160 B.C. Ltd. Pursuant to the Share Exchange Agreement, the Company issued 38,000,000 common shares in the capital of the Company, at a deemed price of $0.30 per share, and 19,000,000 common share purchase warrants to 1442160 B.C. Ltd.'s shareholders on a pro rata basis as consideration. Each warrant entitles the holder to purchase one common share in the capital of the Company at an exercise price of $0.40 for a period of three years after the date of issuance of the warrants.

In connection with the transaction and under the terms of a finder's fee agreement, an arm's length finder was issued an aggregate of 2,000,000 shares (collectively, the "Finder's Shares") at a deemed price of $0.30 per Finder's Share. The Finder's Shares are subject to a statutory hold period of four months and a day, in accordance with relevant Canadian securities law.

1442160 B.C. Ltd. is a private British Columbia corporation whose wholly-owned subsidiary, Norrabees Lithium (SA) Limited ("Norrabees"), is a company incorporated under the company laws of the Republic of Mauritius.

(Expressed in Canadian Dollars)

4. Acquisitions (Continued)

Acquisition of 1442160 B.C. Ltd. (Continued)

The Company opted to apply the optional IFRS 3 concentration test, which resulted in the acquisition being accounted as an asset acquisition. The results of operations are included in these financial statements from the date of closing of the acquisition on January 29, 2024.

The consideration paid on the acquisition of 1442160 B.C. Ltd. was accounted for as an investment in subsidiaries with the fair value of the shares issued valued using the market value of the Company's shares on the date of change of control.

The acquisition of 1442160 B.C. Ltd. was recorded in the accounts of the Company at its fair value determined as follows:

Consideration paid for 100% interest is as follows:	$
Common shares issued	11,400,000
Warrant issued	3,813,310
Finder's shares	600,000
Legal fees	79,871
Total consideration paid	15,893,181
Cash	272
Subscription receivables	3,001
Investment in associate	22,016,588
Accounts payables and accrued liabilities	(46,680)
Loan payables	(6,080,000)
Net assets acquired	15,893,181

On December 13, 2023, 1442160 B.C. Ltd.'s wholly owned subsidiary, Norrabees, signed a Sale of Shares Agreement (the "Sale of Shares Agreement") among Norrabees, Dune Resources Proprietary Limited ("Dune"), and SPH Kundalila Proprietary Limited ("SPH") ("Parties"). Pursuant to Sale of Shares Agreement, Norrabees has the right to acquire all of the issued and outstanding share of Dune from SPH (the "Dune Transaction"). In accordance with the Sale of Shares Agreement, the Dune Transaction is to be completed in three parts:

- Part A to be comprised of the sale of 3,124 Dune's shares in the capital of Dune for the consideration of $4,520,000 USD, which constituting approximately 40% of the total issued and outstanding Dune Shares. As at January 29, 2024, $4,520,000 USD has been fully paid.

- Part B to be comprised of the sale of 3,124 Dune Shares, constituting approximately 40% of the total issued and outstanding Dune Shares. Within nine months of closing part A sale, Norrabees makes payment of the part B consideration of $4,520,000 USD to SPH.

- Part C to be comprised of the sale of 1,562 Dune Shares, constituting approximately 20% of the total issued and outstanding Dune Shares. Within two months of closing of part C sale, Norrabees makes payment of the part C consideration of $2,260,000 USD to SPH.

Norrabees also grants to SPH the option to purchase the part A sales shares for the part A purchase consideration, in the event that the Part B conditions are not fulfilled, waived or extended as the case may be, and any time after the part A sale closing date.

(Expressed in Canadian Dollars)

4. Acquisitions (Continued)

Acquisition of 1442160 B.C. Ltd. (Continued)

As of the date of Sale of Share Agreement, Dune holds 65% of the issued and outstanding shares of Namli Exploration & Mining Proprietary Limited ("Namli"), a private limited liability company under the laws of the Republic of South Africa, which company holds a mining permit and a prospecting right. In connection with the Dune Transaction, Dune will increase its ownership of Namli from 65% to 100% within 30 days of the part A sale close. As at April 30, 2024, Namli is a wholly-owned subsidiary of Dune.

On October 25, 2024, Norrabees, Dune and SPH signed the addendum to Sale of Shares Agreement, in terms of which the Parties agreed to amend the transaction regarding the purchase of the Part B Ssales and Part C Sale Shares by consolidating the purchase of the remaining shares in Dune as follows:

- SPH would sell to Norrabees and Norrabees would purchase from SPH, the Part B Sale Shares, constituting the remaining 60% of the issued shares in Dune, for the total amount of US$2,500,000;

As at October 31, 2024, the consideration of amended Part B Sales was not paid.

As at October 31, 2024, the Company classifies its investment in Dune as an investment in associate, as the Company owns 40% of Dune as of October 31, 2024.

A continuity of the investment in Dune as an associate is as follows:

Balance, April 30, 2023	$	-
40% investment in Dunes acquired on acquisition of 1442160 B.C. Ltd. valued at fair value		22,016,588
Additional working capital advances to Dune		994,446
Total investment in 40% of investment in Associate		23,001,034
Less: Equity share of Dune loss for the period from acquisition to year end date		(3,484)
Balance, April 30, 2024	$	23,007,550
Additional working capital advances to Dune		1,643,437
Less: Equity share of Dune loss for the period from acquisition to year end date		(1,822)
Balance, October 31, 2024	$	24,649,165

Noted below is summarized financial information (presented at 100%)

Loss and comprehensive loss	**Six Months Ended October 31, 2024**
General and administrative	4,551
Net loss and comprehensive loss	4,551
Net loss and comprehensive loss attributable to the Company	1,821

(Expressed in Canadian Dollars)

4. Acquisitions (Continued)

Acquisition of 1442160 B.C. Ltd. (Continued)

Balance sheet	**October 31, 2024**
Cash	104,914
Other current assets	1,316,182
Current liabilities	(2,036,662)
Net liabilities	(615,566)

Acquisition of Continental Lithium Africa Development Corporation

On October 23, 2024, the Company closed the acquisition of all of the issued and outstanding common shares of Continental Lithium Africa Development Corporation ("Continental Lithium") from the shareholders of Continental Lithium. Pursuant to the Securities Exchange Agreement, the Company issued 40,300,000 common shares in the capital of the Company, at a deemed price of $0.23 per share, and 20,000,000 common share purchase warrants to Continental Lithium's shareholders on a pro rata basis as consideration. Each warrant entitles the holder to purchase one common share in the capital of the Company at an exercise price of $0.50 for a period of three years after the date of issuance of the warrants.

In connection with the transaction and under the terms of a finder's fee agreement, an arm's length finder was issued an aggregate of 2,000,000 shares (collectively, the "Finder's Shares") at a deemed price of $0.23 per Finder's Share. The Finder's Shares are subject to a statutory hold period of four months and a day, in accordance with relevant Canadian securities law.

Continental Lithium is a private British Columbia corporation whose wholly-owned subsidiaris, Strathmore Lithium Resources (Proprietary) Limited ("Strathmore Lithium"), is a company incorporated under the company laws of the Republic of Namibia and Karas Lithium (Pty) Limited, is a company incorporated under the company laws of the Republic of Namibia

The Company opted to apply the optional IFRS 3 concentration test, which resulted in the acquisition being accounted as an asset acquisition. The results of operations are included in these financial statements from the date of closing of the acquisition on October 23, 2024.

The consideration paid on the acquisition of Continental Lithium. was accounted for as an investment in subsidiaries with the fair value of the shares issued valued using the market value of the Company's shares on the date of change of control.

The acquisition of Continental Lithium. was recorded in the accounts of the Company at its fair value determined as follows:

(Expressed in Canadian Dollars)

4. Acquisitions (Continued)

Acquisition of Continental Lithium Africa Development Corporation (Continued)

Consideration paid for 100% interest is as follows:	$
Common shares issued	9,269,000
Warrant issued	3,849,720
Finder's shares	460,000
Legal fees	129,759
Total consideration paid	13,708,479
Cash	2,032
Subscription receivables	17,000
GST receivable	12,205
Exploration and evaluation assets	14,032,950
Accounts payables and accrued liabilities	(355,708)
Net assets acquired	13,708,479

5. Exploration and Evaluation Assets

Option Agreement

The Company entered into the Option Agreement dated effective October 13, 2021 with Cloudbreak, pursuant to which Cloudbreak granted to the Company the option to acquire a 100% legal and beneficial interest in the property (the "Yak Property") from Cloudbreak by satisfying the following requirements:

(a) The Company paying an aggregate of $145,000 to Cloudbreak as follows:

(i) $10,000 on October 13, 2021 (paid);
(ii) $25,000 on April 13, 2022 (paid);
(iii) $35,000 on or before the first anniversary (January 9, 2024) of the Company completing a transaction that results in the Company's shareholders holding shares in a "reporting issuer" (as defined under applicable Canadian securities laws) that is listed on a recognized Canadian stock exchange (a "Go Public Transaction") (January 9, 2024) (paid); and
(iv) $75,000 to Cloudbreak on or before the second anniversary (January 9, 2025) of the Company completing a Go Public Transaction; and

(b) The Company incurring an aggregate of $700,000 in mining work expenditures on the Yak Property (or cash payments to Cloudbreak in lieu of all or any portion of such mining work expenditures) as follows:

(i) $150,000 on or before the second anniversary (January 9, 2025) of the Company completing a Go Public Transaction; and

(ii) $550,000 on or before the third anniversary (January 9, 2026) of the Company completing a Go Public Transaction; and

(Expressed in Canadian Dollars)

5. Exploration and Evaluation Assets (Continued)

(c) The Company issuing an aggregate of 2,700,000 Common Shares to Cloudbreak as follows:

(i) 700,000 Common Shares on October 13, 2021 (issued);

(ii) 750,000 Common Shares on or before the first anniversary (January 9, 2024) of the Company completing a Go Public Transaction (the Company has not issued shares to Cloudbreak and is in discussion with Cloudbreak to renegotiate the agreement); and

(iii) 1,250,000 Common Shares on or before the second anniversary (January 9, 2025) of the Company completing a Go Public Transaction.

The Option Agreement provides that the Company will be the operator of the property during the option period. The Option Agreement also provides for the establishment of an area of mutual interest located up to and within three kilometres of the existing exterior boundaries of the property, such that if a party acquires mineral interests within such area of mutual interest, the other party may elect to include such mineral interests as part of the property for purposes of the Option Agreement.

At the exercise of the option, the Company will grant a 2% net smelter return (the "NSR") royalty to CloudBreak. The Company will have the right to purchase one-half (or 1%) of the NSR for $1,500,000.

During the period from July 30, 2021 to April 30, 2022, the Company issued 700,000 shares with a fair value of $35,000 and made $35,000 cash payments to Cloudbreak. $35,000 payment on the first anniversary from the date the Company became a reporting issuer was made during the year ended April 30, 2024.

Exploration and evaluation asset costs are set out below:

Balance – April 30, 2023 and April 30, 2022	$	70,000
Addition		35,000
Exploration and evaluation expenditures		87,262
Impaired		(192,262)
Balance – April 30, 2024 and October 31, 2024	$	-

During the year, the Company terminated its Option agreement with Cloudbreak, as a result, the Company impaired the property costs as at April 30, 2024.

<u>Adjacent to Strathmore Property</u>

On October 23, 2024, the Company acquired of all of the issued and outstanding common shares of Continental Lithium from the shareholders of Continental Lithium, whereby it acquired all of Continental Lithium's interest of its property, located in the Karas Region in the South of Namibia.

(Expressed in Canadian Dollars)

5. Exploration and Evaluation Assets (Continued)

The following table summarizes the exploration and evaluation expenses incurred during the period ended October 31, 2024 and April 30, 2024:

Exploration and evaluation expenditures	Yak Property*	Strathmore Property
Balance, April 30, 2023	3,700	
Analytical and sample related	4,296	
Geological consultants	317,450	364,120
Mapping and modelling	2,500	-
Project supervision	7,539	-
Supplies & other	10,705	
Transport, travel and related	25,543	
Cost recovery: BC METC	(5,771)	
Balance, April 30, 2024	362,262	364,120
Geological consultants	-	6,862
Balance, April 30, 2024 and October 31, 2024	362,262	370,982

*The Yak Property exploration and evaluation expenditures were capitalized and impaired as per the table above.

6. Investment in Strathmore Claims

Strathmore Property

On September 7, 2023, the Company closed the assignment agreement (the "Assignment Agreement") with Continental Lithium Africa Development Corporation ("Continental Lithium"), a private arm's length British Columbia company, dated July 31, 2023, whereby the Company has taken assignment (the "Assignment") of all of the benefits and obligations of Continental Lithium contained in the amended Memorandum of Understanding (the "MOU") dated June 23, 2023 among Continental Lithium, Alfeus Tomas and Paulus Nghifikepunye (the "Transaction").

The MOU contemplates a joint venture to be formed in connection with seven mining licenses located in Namibia, referred to as the Strathmore mining claims, which are located in the Cape Cross - Uis area Pegmatite Belt. On December 21, 2023, pursuant to the MOU, the Company entered into a joint venture and shareholder agreement (the "JV Agreement") with Alfeus Tomas and Paulus Nghifikepunye, whereby the parties have agreed to establish a joint venture in respect of certain mining claims, on the terms and conditions set out in the JV Agreement.

Pursuant to the Transaction, the Company issued 12,000,000 shares, at a deemed price of $0.23 per share, and 12,000,000 common share purchase warrants in the capital of the Company, in consideration of the Assignment. Each warrant entitles the holder to acquire one common share of the Company at an exercise price of $0.20 for a period of two years from the date of the closing of the Transaction. The Company paid a finders' fee equal to 1,250,000 shares, at a deemed price of $0.23 per share, and 1,250,000 finder's warrants in the capital of the Company. Each finder's warrant entitles the holder to acquire one share at an exercise price of $0.20 for a period of two years from the date of the closing of the Transaction. The total value of shares and warrants issued were $5,191,337 as at April 30, 2024.

6. Investment in Strathmore Claims (Continued)

On December 19, 2023, pursuant to the Assignment Agreement, the Company entered into a joint venture and shareholders agreement (the "JV Agreement") with Alfeus Tomas and Paulus Nghifikepunye, whereby the parties wish to

establish a joint venture in respect of certain mining claims, on the terms and conditions set out in the JV Agreement as follows, the Company is required to make payments of:

(i) $250,000 USD upon execution of JV Agreement, arrival of First Effective date, issue of environmental clearance for Strathmore Claims to render Tomas the holder thereof.

(ii) $200,000 USD payable upon completion of written approval from Okombahe Reserve authorities ensuring access to the Mining claims for the purposes of Prospecting operations and Mining Operations and other project activities.

(iii) $75,000 USD payable 12 months from the first effective date under this agreement.

(iv) $75,000 USD payable 18 months from the first effective date under this agreement.

(v) $75,000 USD payable 24 months from the first effective date under this agreement.

(vi) Allotting and issue of 300,000 fully paid common shares in Moonbound within one month of the first effective date under the JV agreement.

(vii) Allotting and issue of 300,000 fully paid common shares in Moonbound within one month of the publication of a NI43-101 compliant resource and reserve report.

An effective date will be set and a joint venture will be formed upon completion of a number of suspensive conditions. As at October 31, 2024, the first effective date has not yet been determined and the Company is not yet required to make the above milestone payments.

Mining Licence EPL 7574

On April 3, 2023, Opti Terrae Resources (Proprietary) Limited (the " Opti Terrae"), Lgnatius Hinky Theodore (the " Theodore"), Daniel Ndjai Gerson Zaire and Continental Lithium entered into a Joint Venture Agreement in Respect of Exclusive Prospecting Licence 7574 (the "Joint Venture Agreement") to establish their rights and obligations in respect of a joint venture through the instrumentality of a new company (the " JV Company") in the Joint Venture Agreement.

In consideration for the opportunity and the transfer by Theodore of all his rights, title and interest in the licence to the JV Company, Continental Lithium shall within 7 days of the effective date pay Theodore the amount of US$125,001 to Theodore.

An effective date will be set and a joint venture will be formed upon completion of a number of suspensive conditions. As at October 31, 2024, the first effective date has not yet been determined and the Company is not yet required to make the above milestone payments.

7. Note receivable

On March 28, 2024, a note receivable of $500,000 was issued to 1148989 B.C. Ltd. The note receivable is non-interest bearing and repayable within 12 months of receipt. As at October 31, 2024, the outstanding balance of the note receivable is nil.

8. Short-term Loans

During the year ended April 30, 2024, the Company's subsidiary, 1442160 B.C. Ltd., entered into two loan agreements with Continental Lithium, an unrelated third party, under which the lender provided loans totaling $1,100,000. The loans were non-interest bearing and repayable at any time without penalty. The Company repaid $720,000 of these loans during the year, leaving an outstanding balance of $380,000 as of April 30, 2024. On October 23, 2024, the Company acquired Continental Lithium, resulting in the elimination of the $380,000 loan balance.

On January 11, 2024, the Company's subsidiary, 1442160 B.C. Ltd., entered into a loan agreement with an arm's length party pursuant to which the lender agreed to lend a total amount of $500,000. The loan will bear interest of $26,000 and matured on February 12, 2024. On the maturity date, the borrower shall repay the full amount of the loan, along with the 300,000 shares of 1442160 B.C. Ltd. During the fiscal year 2024, the Company paid $26,000 interest expenses. As at October 31, 2024, the Company repaid the loan in full; the shares have not been issued due to ongoing discussion.

On January 24, 2024, Company's subsidiary, 1442160 B.C. Ltd., entered into a loan agreement with an arm's length party pursuant to which the lender agreed to lend a total amount of $1,000,000. The loan is non-interest bearing and repayable at any time or from time to time without penalty. As at October 31, 2024, the outstanding balance of the loan is $1,000,000.

On January 15, 2024, the Company entered into a loan agreement with an arm's length party pursuant to which the lender agreed to advance the Company a loan in the principal amount of $1,500,000. The loan matured the earlier of 30 days following the advance date and other date as the lender and the borrower may mutually agree on, with an interest rate of

8. Short-term Loans

10% per annum from and including the advance date to the date that the loan is paid in full. As partial consideration of the loan, the Company agreed to pay the lender an arrangement fee of $45,000 and transfer to the lender 400,000 common shares of 1442160 B.C. Ltd. As at April 30, 2024, the Company repaid the loan in full.

9. Convertible Debentures

On July 19, 2024, the Company issued an aggregate of 550 convertible debenture units (each, a "Debenture Unit") at a price of $1,000 per Debenture Unit for gross proceeds of $550,000. Each Debenture Unit is comprised of: (i) $1,000 principal amount unsecured convertible debenture (each, a "Debenture"); and (ii) 2,500 common share purchase warrants (each, a "Warrant"). Each Warrant will entitle the holder thereof to acquire one common share in the capital of the Company (each, a "Warrant Share") at a price of $0.40 per Warrant Share for a period of two years following closing. The principal amount of the Debenture will have a maturity date (the "Maturity Date") six months following the issuance of the Debentures and will accrue interest at a rate of 10% per annum. At the sole option of the subscribers, the principal amount and any accrued and unpaid interest thereon may be converted into common shares of the Company at a conversion price of $0.40 per common share at any time after the date of issuance but prior to the Maturity Date.

The fair value of the debt liability component at inception of $495,918 was determined using estimated future cash flows discounted using a market interest rate of 31.56%. The residual amount of $54,082 is recognized as warrants and as the equity portion of convertible debenture.

(Expressed in Canadian Dollars)

9. Convertible Debentures (Continued)

The components of the Company's convertible debentures as of October 31, 2024 and April 30, 2024 are as follows:

	Liability Component	Equity Component	Total
	$	$	$
April 30, 2024	-	-	-
On date of issuances, net of transaction costs	495,918	54,082	550,000
Accretion and interest expense recognized during the period	44,561	-	44,561
October 31, 2024	540,479	37,967	594,561

10. Share Capital

(a) Authorized

Unlimited number of common shares without par value.

(b) Issued and outstanding

As of October 31, 2024, 138,597,522 (April 30, 2024: 90,972,571) common shares were issued and outstanding.

On September 6, 2023, the Company issued 12,000,000 shares, at a deemed price of $0.23 per share, and 12,000,000 common share purchase warrants in the capital of the Company for the Assignment (Note 6). Each warrant entitles the holder to acquire one share at an exercise price of $0.20 for a period of 24 months. The Company paid a finders' fee equal to 1,250,000 shares, at a deemed price of $0.23 per share, and 1,250,000 common share purchase warrants in the capital of the Company. Each warrant entitles the holder to acquire one share at an exercise price of $0.20 for a period of 24 months.

On January 4, 2024, the Company issued 125,000 shares a price of $0.10 per share for exercise of warrants for proceeds of $12,500.

On January 25, 2024, the Company issued 170,000 shares a price of $0.10 per share for exercise of warrants for proceeds of $17,000.

On January 29, 2024, pursuant to the terms of the Share Exchange Agreement dated January 5, 2024, the Company acquired all of the issued and outstanding 1442160 B.C. Ltd. shares from the 1442160 B.C. Ltd.'s shareholders in consideration for the issuance of an aggregate of 38,000,000 shares in the capital of the Company at a deemed price of $0.30 per shares, and 19,000,000 common share purchase warrants to 1442160 B.C. Ltd.'s shareholders on a pro rata basis. Each warrant entitles the holder to purchase one common share in the capital of the Company at an exercise price of $0.40 for a period of three years after the date of issuance of the warrants. On the same day, the Company issued 2,000,000 common shares of the Company to an eligible finder as a finder's fee in consideration for the finder's services in facilitating the identification of the transaction between the Company and 1442160 B.C. Ltd.

On January 25, 2024, the Company completed the first tranche of its private placement offering, which included an aggregate of 7,000,000 subscription receipts (each a "Subscription Receipt") at a price of $0.30 per Subscription Receipt for gross proceeds of $2,100,000. Each Subscription Receipt was converted into one common share of the Company,

10. Share Capital (Continued)

(b) Issued and outstanding (Continued)

at no additional cost, upon completion of the Acquisition (Note 4) on January 29, 2024. The Company paid cash of $6,836 to the escrow agent in connection with the private placement.

On January 29, 2024, the Company completed a private placement offering and issued 7,000,000 common shares at a price of $0.30 per common share for gross proceeds of $2,100,000.

On March 15, 2024, the Company closed a private placement offering and issued 4,493,334 common shares at a price of $0.30 per common share for gross proceeds of $1,348,000. In connection with the closing, the Company also issued 196,700 share purchase warrants to finders fair valued at $48,166 and paid a cash finder’s fees totaling $59,010 to certain finders. Each Finders’ Warrant will entitle the holder to purchase one common share at a price of $0.30 and has an expiry of two years after the Closing.

On April 19, 2024, the Company closed a private placement offering and issued 1,781,334 common shares at a price of $0.30 per common share for gross proceeds of $534,400. In connection with the closing, the Company also issued 8,750 share purchase warrants to finders fair valued at $1,950 and paid a cash finder’s fees totaling $2,625 to certain finders. Each Finders’ Warrant will entitle the holder to purchase one common share at a price of $0.30 and has an expiry of two years after the Closing.

On April 30, 2024, the Company closed a private placement offering and issued 1,870,000 common shares at a price of $0.30 per common share for gross proceeds of $561,000.

On May 8, 2024, the Company issued 15,000 shares a price of $0.10 per share for exercise of warrants for proceeds of $1,500.

On May 17, 2024, the Company closed a private placement and issued 2,410,006 common shares in the capital of the Company at a price of $0.30 per common share for gross proceeds of $723,001. In connection with the closing of the private placement, the Company also paid a cash finder’s fees totaling $2,355 to an eligible finder.

On June 3, 2024, the Company issued 277,778 shares a price of $0.20 per share for exercise of warrants for proceeds of $55,556.

On June 24, 2024, the Company closed a private placement and issued 2,622,167 common shares in the capital of the Company at a price of $0.30 per common share for gross proceeds of $786,650. In connection with the private placement, the Company also paid a cash finder’s fees totaling $2,292 to an eligible finder.

On October 23, 2024, the Company closed the acquisition of all of the issued and outstanding common shares of Continental Lithium Africa Development Corporation (“Continental Lithium”) from the shareholders of Continental Lithium. Pursuant to the Securities Exchange Agreement, the Company issued 40,300,000 common shares in the capital of the Company, at a deemed price of $0.23 per share, and 20,000,000 common share purchase warrants to Continental Lithium’s shareholders on a pro rata basis as consideration. Each warrant entitles the holder to purchase one common share in the capital of the Company at an exercise price of $0.50 for a period of three years after the date of issuance of the warrants.

(Expressed in Canadian Dollars)

10. Share Capital (Continued)

(b) Issued and outstanding (Continued)

In connection with the transaction and under the terms of a finder's fee agreement, an arm's length finder was issued an aggregate of 2,000,000 shares (collectively, the "Finder's Shares") at a deemed price of $0.23 per Finder's Share. The Finder's Shares are subject to a statutory hold period of four months and a day, in accordance with relevant Canadian securities law.

Upon the Company's shares being listed on the Canadian Securities Exchange, certain common shares held by the Company's directors were subject to escrow. As at October 31, 2024, the Company had 362,250 common shares remaining in escrow which will be fully released over the next 26 months in semi-annual installments.

(c) Common share purchase warrants

Common share purchase warrant transactions and the number of common share purchase warrants outstanding are summarized below:

	Number of Warrants	Weighted Average Exercise Price $
Balance, April 30, 2023	13,145,903	0.10
Issued	32,455,450	0.20
Exercised	(295,000)	0.10
Balance, April 30, 2024	45,306,353	0.33
Issued	21,375,000	0.49
Exercised	(292,778)	0.19
Balance, October 31, 2024	66,388,575	0.33

Common share purchase warrants issued as at October 31, 2024 are as follows:

Date of Expiry	Number of Warrants Outstanding	Exercise Price $
9-Sep-26	5,790,000	0.1
3-Mar-25	4,166,142	0.1
13-Mar-25	2,879,761	0.1
6-Sep-25	12,972,222	0.2
29-Jan-27	19,000,000	0.4
15-Mar-26	196,700	0.3
19-Apr-26	8,750	0.3
19-Jul-26	1,375,000	0.4
23-Oct-27	20,000,000	0.5
	66,388,575	

(Expressed in Canadian Dollars)

10. Share Capital (Continued)

(c) Common share purchase warrants (Continued)

The weighted average remaining life of the common share purchase warrants as of October 31, 2024, is 1.94 (April 30, 2024 – 1.99) years.

As at	October 31, 2024	April 30, 2024
Risk-free interest rate	3.03%	4.62%
Dividend yield	0%	0%
Expected volatility	181%	136.60%
Expected life (years)	3	2
Forfeiture rate	0%	0%

The expected volatility used for the Finders' warrants is based on the historic volatility of comparable companies.

(d) Stock Options

The Company has adopted an Omnibus Equity Incentive Plan (the "Plan"), which is a rolling plan for Options and Restricted Share Unit, Performance Share Unit or Deferred Share Unit granted under this Plan such that the aggregate number of common shares issuable under the Plan shall not exceed 20% of the Company's then total issued and outstanding common shares calculated as at the date of any grant.

A summary of changes in common stock options outstanding is presented below:

Expiry Date	Exercise Price	Number of Options as of April 30, 2024	Granted During the period	Number of Options as of October 31, 2024
19-May-29	0.40	-	7,850,000	7,850,000
	0.40	-	7,850,000	7,850,000

The weighted average contractual life remaining of all stock options as at October 31, 2024 is 4.55 years (July 31, 2023: nil years).

On May 17, 2024, the Company granted 7,850,000 options to purchase up to 7,850,000 common shares to certain directors, officers, and consultants of the Company under the Company's omnibus equity incentive plan. The Options are exercisable at the price of $0.40 per common share until May 17, 2029, subject to any earlier termination in accordance with the Plan. All Options vested immediately on the date of grant. The Company recorded a share-based payment amount of $2,963,961. The Company used the Black-Scholes Option Pricing Model to estimate the fair value of the options using the following assumptions: risk free interest rate of 3,69%; dividend yield of 0%; expected volatility of 167%; and expected option life of 5 years.

(Expressed in Canadian Dollars)

11. Financial Instruments and financial risk

The Company's activities expose it to a variety of financial risks. The Company's overall business strategies, tolerance of risk and general risk management philosophy are determined by the directors in accordance with prevailing economic and operating conditions.

The Company has the following financial instruments as of October 31, 2024 and April 30, 2023:

	Categories	October 31, 2024	April 30, 2024
Financial assets		$	$
Cash	Amortized cost	86,104.00	734,926.00
Share subscription receivable	Amortized cost	17,000.00	-
Note receivable	Amortized cost	-	500,000.00
Financial liabilities			
Trade and other payables	Amortized cost	1,173,877.00	790,866.00
Short-term loans	Amortized cost	1,000,000.00	1,880,000.00
Convertible debentures	Amortized cost	540,479.00	-

Financial risk management objectives and policies

The Company is exposed to varying degrees to a variety of financial instrument-related risks*:*

Financial instruments that potentially subject the Company to a significant concentration of credit risk consists primarily of cash. The Company limits its exposure to credit loss by placing its cash with major financial institutions. The Company has minimal credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. All of the Company's financial liabilities are classified as current and are anticipated to mature within the next fiscal period. The Company intends to settle these with funds from its positive working capital position. As at October 31, 2024, the Company had a working capital deficit of $ 2,543,427 (April 30, 2023: $1,402,867).

The following table summarizes the significant remaining contracted payments of the Company's financial liabilities and capital expenditures as at October 31, 2024:

		Due by period				
	Total	< 1 year	1 - 2 years	2 - 3 years	3 - 4 years	> 5 years
	$	$	$	$	$	$
Trade and other payables	1,173,877	1,173,877	-	-	-	-
Short-term loans	1,000,000	1,000,000	-	-	-	-
Convertible debentures	550,000	550,000				
	2,723,877	2,723,877	-	-	-	-

11. Financial Instruments and financial risk (Continued)

Interest rate risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. Interest earned on cash is at nominal interest rates, and therefore, the Company does not consider interest rate risk to be significant. As at October 31, 2024, the Company is not exposed to significant interest rate risk.

Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's functional currency, and that of all its subsidiaries, is the Canadian dollar. Some of the operational and other expenses incurred outside of Canada are paid in US dollars, South African Rand or Mauritius Rupee. All assets and liabilities of the Company are recorded in Canadian dollars and as a result, fluctuations in the US dollar, South African Rand or Mauritius Rupee vis-à-vis the Canadian dollar result in foreign exchange gains/losses. The Company currently has no plans for hedging its foreign currency transactions.

The Company has net financial liability of approximately $2,814 (2024 - nil) that are denominated in Mauritius Rupee. A 10% change in the Mauritius Rupee to the Canadian dollar exchange rate would impact the Company's profit or loss by $281 (2024 - $Nil).

Commodity and equity price risk

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, particularly as they relate to base and precious metals, individual equity movements, and the stock market in general to determine the appropriate course of action to be taken by the Company.

12. Capital Management

Capital is comprised of the Company's shareholders' equity. The Company manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Company does not presently utilize any quantitative measures to monitor its capital. There were no changes in the Company's approach to capital management during the period, and there were no external restrictions.

13. Related Party Transactions

The Company's related parties include key management personnel and companies controlled and/or owned by officers and directors of the Company. Key management consists of the officers and directors who are responsible for planning, directing and controlling the activities of the Company. Remuneration of key management personnel is the following:

	October 31, 2024	October 31, 2023
Consulting Fees - Directors & Officers (a)	134,673	39,570
Accounting and Management Services	-	9,166
Share-based compensation(b)	1,094,967	-
	1,229,640	48,736

(Expressed in Canadian Dollars)

13. Related Party Transactions (Continued)

(a) For the period ended October 31, 2023, $134,673 (October 31, 2023: $39,750) in consulting fees were paid/incurred to CEO of the Company.

(b) For the period ended October 31, 2024, 2,900,000 (October 31, 2023: nil) stock options were granted to management and directors and $1,094,967 (October 31, 2023: $nil) of share-based payments expense was recorded.

As at October 31, 2024, included in trade and other payables was $56,281 (April 30, 2024: $nil) payable to the Company's CEO. The amount owing is unsecured, non-interest bearing and have no specific terms of repayments.

As at October 31, 2024, $27,938 (April 30, 2024 - $15,354) is owed to Fehr & Associates, it's a company related to former CEO of the Company, and is included in accounts payable and accrued liabilities. The amount owing is unsecured, non-interest bearing and have no specific terms of repayments.

These transactions are in the normal course of operations and have been valued in these consolidated financial statements at their estimated fair value amounts.

14. Segmented information

The Company as one reportable operating segment: mineral exploration and development in three geographic locations being Republic of Mauritius, South Africa and Canada.

The Company's consolidated net loss by geographic locations for the periods ended October 31, 2024 and 2023 are as follows:

Net loss		**October 31, 2024**		**October 31, 2023**
Canada	$	(3,613,558)	$	(430,017)
Republic of Mauritius		(1,937)		-
South Africa		(1,821)		-
Total	$	(3,617,316)	$	(430,017)

The Company's total assets by geographic locations for the years ended October 31, 2024 and 2023 are as follows:

Total assets		**October 31, 2024**		**April 30, 2024**
Canada	$	37,007,352	$	22,430,076
South Africa		7,105,382		7,105,163.00
Total	$	44,112,734	$	29,535,239

15. Commitments

Following the acquisition of 1442160 B.C. Ltd. by the Company, 1442160 B.C. Ltd.'s wholly owned subsidiary, Norrabees, entered into a Sale of Shares Agreement. Under this agreement, Norrabees has the right to acquire all issued and outstanding shares of Dune from SPH by completing a three-part payment schedule. For more details, please refer to Note 4.

15. Commitments (Continued)

Regarding the Yak Property investment (see note 5), the Company has decided to terminate all work and will not pursue further interest in this property. There are no remaining commitments related to the Yak Property.

As per the signed Assignment Agreement, the Company entered into the JV Agreement effective December 19, 2023, concerning the Strathmore Property. Under this agreement, the parties intend to establish a joint venture, and the Company is obligated to make specific payments as outlined in Note 6.

On January 8, 2024, effective January 1, 2024, Norrabees and Rainmakers Management & Consultancy DMCC ("RMAC") entered into a management agreement (the "Management Agreement"). The term of the Management Agreement is for 10 years unless and until it is otherwise terminated pursuant to terms therein. The services provided by RMAC include acting as the project manager in South Africa, coordinating with governmental officials, researching and advising Norrabees on local service providers and vendors, supervising operational activities of ongoing projects, coordinating, arranging and setting up necessary logistics, in addition to services pertaining to transporting lithium to port and to buyers, providing chartering services such as seeking and negotiating employment of trucking, warehousing, container forwarding, and other such services. Pursuant to the Management Agreement, RMAC is entitled to receive a management fee of USD$15,000 per month for the first year of management. The monthly management fee for further periods will be agreed to two months before the beginning of the calendar year.

16. Subsequent events

Subsequent to October 31, 2024, the Company received formal notice from SPH asserting that Norabees is in breach of its Settlement Agreement (the "Agreement") dated October 25, 2024 concluded among Norrabees, SPH, and Dune. The Notice pertains to Norrabees' non-payment of certain consideration payable under the terms of the Agreement amounting to USD$2,500,000, which amount was due on or before December 6, 2024. Under the Agreement, failure to remedy the breach within five business days could result in legal and financial consequences, including potential claims for damages and enforcement of obligations or the termination of the agreement itself.