ULTRA LITHIUM INC.

(the "Company")

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED OCTOBER 31, 2024 AND 2023

Independent Auditor's Report

To the Shareholders of Ultra Lithium Inc.:

Opinion

We have audited the consolidated financial statements of Ultra Lithium Inc. and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as at October 31, 2024 and October 31, 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 material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at October 31, 2024 and October 31, 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audits 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 audits of the consolidated financial statements in Canada, and we have fulfilled our other 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 had a working capital deficit and an accumulated deficit. As stated in Note 1, these events or conditions, 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 report.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

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 audits 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 audits or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, 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 Accounting Standards as issued by the International Accounting Standards Board, 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 within the Company as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the 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 audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

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 Brock Stroud.

MNP LLP

Toronto, Ontario
February 28, 2025

Chartered Professional Accountants
Licensed Public Accountants

Ultra Lithium Inc.

Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	Note	October 31, 2024	October 31, 2023
		$	$
Assets			
Current assets:			
Cash and cash equivalents		298,399	466,742
Amounts receivable	*3*	73,112	423,095
Prepaid expenses and deposits	*8*	69,490	57,336
		441,001	947,173
Noncurrent assets:			
Exploration and evaluation assets	*4*	9,314,259	12,778,607
		9,755,260	13,725,780
Liabilities and Shareholders' Equity			
Current liabilities:			
Trade payables and accrued liabilities	*8*	2,046,898	1,437,674
Promissory notes	*5*	192,764	-
Loan payable	*6*	1,033,130	1,311,188
		3,272,792	2,748,862
Noncurrent liabilities:			
Deferred tax liability		-	245,077
		3,272,792	2,993,939
Shareholders' equity:			
Share capital	*7*	27,838,672	27,838,672
Reserves	*7*	2,847,854	2,828,364
Deficit		(24,204,058)	(19,935,195)
		6,482,468	10,731,841
		9,755,260	13,725,780

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

"Weiguo Lang" Director
Weiguo Lang

"Andrew Lee Smith" Director
Andrew Lee Smith

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

Ultra Lithium Inc.

Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

		Years ended October 31,	
	Note	2024	2023
		$	$
Expenses:			
Bank charges and interest		14,296	33,412
Consulting fees		-	10,000
General exploration	*8*	12,000	12,000
Management fees	*8*	366,000	366,000
Office, rent and administration		248,885	160,107
Professional fees	*8*	395,398	408,470
Shareholder communication		24,508	282,339
Stock exchange and filing fees		40,647	33,030
Transfer agent fees		6,287	9,842
Travel and promotion		50,886	147,223
		(1,158,907)	(1,462,423)
Other income (expenses):			
Foreign exchange gain		39,741	59,011
Interest expense	*5, 6*	(96,665)	(46,525)
Interest income		20,390	45,941
Settlement of flow-through premium liability		-	5,187
Changes in fair value of derivative liability	*6*	403,241	(403,241)
Impairment of exploration and evaluation assets	*4*	(3,721,740)	(819,367)
		(3,355,033)	(1,158,994)
Loss before taxes		(4,513,940)	(2,621,417)
Deferred tax recovery	*12*	245,077	2,649
Loss for the year		(4,268,863)	(2,618,768)
Other comprehensive income:			
Foreign currency translation		19,490	161,325
Comprehensive loss		(4,249,373)	(2,457,443)
Loss per share		(0.02)	(0.02)
Weighted average number of common shares – basic		191,095,351	173,486,881

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

Ultra Lithium Inc.

Consolidated Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)

	Share Capital		Reserves				
	Common shares	Amount	Equity reserve	Foreign currency translation	Total	Deficit	Total shareholder's equity
	#	$	$	$	$	$	$
Balance, October 31, 2022	168,731,713	26,679,432	2,126,215	540,824	2,667,039	(17,316,427)	12,030,044
Private placement	21,818,183	1,200,000	-	-	-	-	1,200,000
Finders' fee units	545,455	32,727	-	-	-	-	32,727
Share issuance cost	-	(73,487)	-	-	-	-	(73,487)
Comprehensive income (loss) for the year	-	-	-	161,325	161,325	(2,618,768)	(2,457,443)
Balance, October 31, 2023	191,095,351	27,838,672	2,126,215	702,149	2,828,364	(19,935,195)	10,731,841
Balance, October 31, 2023	191,095,351	27,838,672	2,126,215	702,149	2,828,364	(19,935,195)	10,731,841
Comprehensive income (loss) for the year	-	-	-	19,490	19,490	(4,268,863)	(4,249,373)
Balance, October 31, 2024	191,095,351	27,838,672	2,126,215	721,639	2,847,854	(24,204,058)	6,482,468

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

Ultra Lithium Inc.

Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)
For the years ended October 31,

	2024	2023
	$	$
Operations:		
Loss for the year	(4,268,863)	(2,618,768)
Items not involving cash:		
Accrued interest expense	96,665	46,525
Foreign exchange loss (gain)	34,169	(43,598)
Impairment of exploration and evaluation of assets	3,721,740	819,367
Settlement of flow-through premium liability	-	(5,187)
Deferred tax (recovery) expense	(245,077)	(2,649)
Changes in fair value of derivative liability	(403,241)	403,241
	(1,064,607)	(1,401,069)
Changes in non-cash working capital items:		
Amounts receivable	349,983	(113,827)
Prepaid expenses and deposits	(12,154)	176,158
Trade payables and accrued liabilities	362,358	375,230
	(364,420)	(963,508)
Financing:		
Promissory notes proceeds	181,940	-
Shares issued for cash	-	1,200,000
Share issuance cost	-	(40,760)
Repayment of loan	-	(130,020)
Proceeds from loan	-	1,018,077
	181,940	2,047,297
Investing:		
Exploration and evaluation assets	(259,884)	(4,581,242)
Recovery – Exploration and evaluation assets	279,534	-
Advance payable	-	(5,000,000)
	19,650	(9,581,242)
Change in cash and cash equivalents	(162,830)	(8,497,453)
Effects of foreign exchange translation on cash and cash equivalents	(5,513)	5,251
Cash and cash equivalents, beginning of year	466,742	8,958,944
Cash and cash equivalents, end of year	**298,399**	**466,742**
Supplementary information:		
Exploration and evaluation assets in trade payables and accrued liabilities	1,118,467	871,601
Finders' fee shares issued	-	32,727
Cash and cash equivalents consist of:		
Cash	243,399	411,742
Guaranteed investment certificates	55,000	55,000
	298,399	**466,742**

NOTE 1 – NATURE AND CONTINUANCE OF OPERATIONS AND GOING CONCERN

Ultra Lithium Inc. (the "Company") was incorporated on November 27, 2004 under the Business Corporations Act of British Columbia and is engaged in the acquisition, exploration and evaluation of exploration and evaluation assets. On January 21, 2022, the Company changed its name to Ultra Lithium Inc. The Company's common shares are listed for trading on Tier 2 of the TSX Venture Exchange (the "Exchange") under the symbol "ULT". The head office and principal address of the Company are located at 2735 Carolina Street, Vancouver, BC, Canada, V5T 3T3. The Company's records office and registered office address is located at Suite 1120 - 789 West Pender Street, Vancouver, British Columbia, Canada, V6C 1H2.

The Company is in the process of exploring its exploration and evaluation assets and has not yet determined whether these properties contain mineral reserves that are economically recoverable. The Company's ability to continue as a going concern and the recoverability of the amounts shown for exploration and evaluation assets are dependent upon the ability of the Company to raise additional financing in order to complete the exploration and development of its resource properties, the discovery of economically recoverable reserves and upon future profitable production or proceeds from disposition of the Company's exploration and evaluation assets. As a resource company in the exploration stage, the ability of the Company to complete its acquisition, exploration and development will be affected principally by its ability to raise adequate amounts of capital through equity financings, debt financings, joint venturing of projects and other means.

These consolidated financial statements have been prepared on a basis of accounting principles applicable to a going concern which contemplates the realization of assets and the satisfaction of liabilities and commitments in the normal course of business. The Company has a history of losses with no operating revenue other than interest income and had a working capital deficit of $2,831,791 as at October 31, 2024 (October 31, 2023 - $1,801,689) and accumulated deficit of $24,204,058 (October 31, 2023 - $19,935,195) and expects to incur further losses in the development of its business. The Company requires additional financing in order to fund working capital requirements and operations for the upcoming fiscal year. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be available on acceptable terms. These material uncertainties may cast significant doubt on the entity's ability to continue as a going concern.

These consolidated financial statements do not reflect any adjustments, which could be material, to the carrying values of assets and liabilities, which may be required should the Company be unable to continue as a going concern

NOTE 2 – SUMMARY OF MATERIAL ACCOUNTING POLICIES

The consolidated financial statements were authorized for issue on February 28, 2025, by the Directors of the Company. The accounting policies have been applied consistently to all years presented in these consolidated financial statements.

(a) Basis of presentation and consolidation

The consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and the interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, Ultra Lithium (USA) Inc. ("ULI USA"), Ultra Argentina S.R.L. ("UAL") Ultra Minerals S.A. ("ULM"), and North Canada Lithium Corp. ("NCLC"). On April 11, 2022, the Company incorporated NCLC to act as a holding company for the Georgia Lake and Forgan Lake properties. All intercompany balances and transactions are eliminated on consolidation.

NOTE 2 – SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(b) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of the Company's consolidated entities are measured using the currency of the primary economic environment in which the entity operates.

The consolidated financial statements are presented in Canadian dollars which is the functional currency of the Company. The functional currency of ULI USA and UAL is the US dollar, and the functional currency of NCLC is the Canadian dollar.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of transaction. Foreign currency gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are included in profit or loss.

(iii) Consolidated entities

The results and financial position of consolidated entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Shareholder's equity is translated at historical rates of exchange at the reporting date;
- Assets and liabilities are translated at the closing rate at the reporting date;
- Income and expenses are translated at average exchange rates for the year; and
- All resulting exchange differences are recognized in other comprehensive income as cumulative translation adjustments.

(c) Cash and Cash Equivalents

Cash and cash equivalents consists of cash balances and short-term highly liquid investments which are readily convertible into cash and that are subject to an insignificant risk of change in value.

(d) Exploration and Evaluation Assets

These assets relate to mineral rights acquired and exploration and evaluation expenditures capitalized in respect of projects that are in the exploration or pre-development stage.

Exploration and evaluation activity begins when the Company obtains legal rights to explore a specific area and involves the search for mineral reserves, the determination of technical feasibility and the assessment of commercial viability of an identified mineral resource. Expenditures incurred in the exploration and evaluation phase include the cost of acquiring interests in mineral rights, licenses and properties, and the costs of the Company's exploration activities, such as researching and analyzing existing exploration data, gathering data through geological studies, exploratory drilling, trenching, sampling, and certain feasibility studies.

NOTE 2 – SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(d) Exploration and Evaluation Assets (continued)

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

(e) Decommissioning Obligations

A liability for a decommissioning obligation, such as site reclamation costs, is recorded when a legal or constructive obligation exists and is recognized in the period in which it is incurred. The Company records the estimated present value of future cash flows associated with decommissioning as a liability when the liability is incurred and increases the carrying value of the related assets for that amount. Subsequently, these capitalized decommissioning costs will be amortized to expense over the life of the related assets using the units-of-production method. The liability is accreted to reflect the passage of time and adjusted to reflect changes in the timing and amount of estimated future cash flows. As at October 31, 2024 and 2023, the Company does not have material decommissioning obligations.

(f) Impairment of Non-Financial Assets

The carrying amount of the Company's non-financial assets (which include exploration and evaluation assets) is reviewed at each financial reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized when the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in profit or loss for the period.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years. An impairment loss with respect to goodwill is never reversed. Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

NOTE 2 – SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(g) Share Capital

The Company engages in equity financing transactions to obtain the funds necessary to continue operations and explore and evaluate exploration and evaluation assets. These equity financing transactions may involve issuance of common shares or units. Each unit comprises a certain number of shares and a certain number of warrants. Depending on the terms and conditions of each equity financing transaction, the warrants are exercisable into additional common shares at a price prior to expiry as stipulated by the transaction. Warrants that are part of units are assigned a value based on the residual value, if any, and included in reserves. Warrants that are issued as payment for agency fees or other transaction costs (Finder's Warrants) are assigned a value based on the Black- Scholes pricing model and included in reserves.

Under Canadian income tax legislation, a company is permitted to issue flow-through shares whereby the Company agrees to incur qualifying expenditures and renounce the related income tax deductions to the investors. The Company allocates the proceeds from the issuance of these shares between the offering of shares and the sale of tax benefits. The allocation is made based on the difference between the quoted price of the shares and the amount the investor pays for the shares. A deferred flow-through premium liability is recognized for the difference. The liability is reversed when the expenditures are made and is recorded in other income. The spending also gives rise to a deferred tax timing difference between the carrying value and tax value of the qualifying expenditure.

Transaction costs directly attributable to the issuance of common shares are recognized as a deduction from equity. The proceeds from the exercise of stock options or warrants together with amounts previously recorded in reserves over the vesting period are recorded as share capital. Share capital issued for non-monetary consideration is recorded at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured.

(h) Share-Based Payments

The Company has a stock option plan. Share-based payments to employees are measured at the fair value of the instruments issued and amortized to expense over the vesting periods.

Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the share-based payment reserve.

The fair value of options is determined using the Black–Scholes Option Pricing Model. The number of options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest. Amounts recorded for forfeited or expired unexercised options are transferred to deficit in the year of forfeiture or expiry.

Upon the exercise of stock options, consideration received on the exercise of these equity instruments is recorded as share capital and the related share-based payment reserve is transferred to share capital.

NOTE 2 – SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(i) Loss Per Share

The Company calculates basic loss per share using the weighted average number of common shares outstanding during the period. Diluted loss per share is calculated by adjusting the weighted average number of common shares outstanding by an amount that assumes that the proceeds to be received on the exercise of dilutive stock options and warrants are applied to repurchase common shares at the average market price for the period in calculating the net dilution impact. Stock options and warrants are dilutive when the Company has income from continuing operations and the average market price of the common shares during the period exceeds the exercise price of the options and warrants.

All potential dilutive common shares are anti-dilutive for the years presented.

(j) Income Taxes

Tax expense recognized in profit or loss comprises the sum of current and deferred taxes not recognized in other comprehensive income or directly in equity.

(i) Current Income Tax

Current income tax assets and/or liabilities comprise those claims from, or obligations to, fiscal authorities relating to the current or prior reporting periods that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

(ii) Deferred Income Tax

Deferred income taxes are calculated using the balance sheet method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided they are enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognized to the extent that it is probable that they will be able to be utilized against future taxable income. Deferred tax assets and liabilities are offset only when the Company has a right and intention to offset current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognized as a component of tax income or expense in profit or loss, except where they relate to items that are recognized in other comprehensive income or directly in equity, in which case the related deferred tax is also recognized in other comprehensive income or equity, respectively. Deferred income tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination, that affects neither accounting nor taxable earnings or loss and that at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.

(k) Financial Instruments

<u>Financial assets</u>

The classification of financial assets depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income.

NOTE 2 – SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(k) Financial Instruments (continued)

The Company classifies its financial assets into one of the following categories as follows:

(i) Amortized cost

The Company classifies its financial assets at amortized cost only if both of the following conditions are met:
- the financial asset is held within a business model with the objective of collecting the contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The financial assets are measured at fair value plus directly attributable transaction costs at initial recognition and are subsequently measured at amortized costs using effective interest method less any provisions for impairment.

(ii) Fair value through other comprehensive income ("FVOCI")

The Company classifies its equity investments at FVOCI for which are not held for trading and the Company has made an irrevocable election at initial recognition to recognize changes in fair value through other comprehensive income rather than profit or loss as these are strategic investments. Upon disposal of these equity investments, any balance within the other comprehensive income reserve for these equity investments is reclassified to retained earnings/deficit and is not reclassified to profit or loss. In addition, the other comprehensive income reserve for an impaired equity investment is not reclassified to profit or loss.

(iii) Fair value through profit or loss ("FVPL")

The Company classifies the following financial assets at FVPL:
- equity investments that are held for trading;
- equity investments for which the Company has not elected to recognize fair value gains and losses through other comprehensive income;
- debt investments that do not qualify for measurement at either amortized cost or at FVOCI; and
- derivative financial instruments.

The Company has classified its cash and cash equivalents and amounts receivables, exclusive of sales tax receivable, as amortized cost. The Company has no assets classified as fair value through other comprehensive income.

<u>Financial Liabilities</u>

The Company classifies its financial liabilities as subsequently measured at amortized cost or FVPL. Financial liabilities are subsequently measured at amortized cost, except for those at FVPL such as derivative financial instruments and contingent consideration payables. The FVPL option can be elected for financial liabilities if:
- it eliminates or significantly reduces an accounting mismatch;
- the financial liability is part of a portfolio that is managed and evaluated on a fair value basis, in accordance with a documented risk management or investment strategy; or
- there is an embedded derivative in the financial or non-financial host contract and the derivative is not closely related to the host contract.

NOTE 2 – SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(k) Financial Instruments (continued)

This irrevocable election is made at initial recognition and these financial liabilities cannot be reclassified out of the category while they are held or issued. Financial liabilities measured at FVPL will recognize changes in fair value attributable to the Company's own credit risk in other comprehensive income instead of profit or loss, unless this would create an accounting mismatch.

The Company's non-derivative financial liabilities include its trades payable and accrued liabilities, promissory notes, loan payable and advance payables, which are designated as amortized cost. The Company has determined its loans payable is a derivative liability and has classified it as FVPL in the year ended October 31, 2023.

Impairment of Financial Assets

The Company assesses on a forward-looking basis the expected credit losses associated with its financial assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Company applies the simplified approach permitted by IFRS 9 (5.5.15), which requires expected lifetime losses to be recognized from initial recognition of the financial assets.

The criteria used to determine risk of default and to estimate expected credit losses include:
- delinquencies in payments;
- significant financial difficulty of the debtor;
- it becomes probable that the debtor will enter bankruptcy; or
- significant changes in macroeconomic factors that indicate future defaults will vary and measurable changes in estimated future cash flows will result, provided that such information is observable and available without undue cost or effort.

(l) Use of estimates and judgments

The preparation of financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the year in which the estimates are revised.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting years include the recoverability of the carrying value of exploration and evaluation assets, fair value measurements for financial instruments, the recoverability and measurement of deferred tax assets, provisions for restoration and environmental obligations and contingent liabilities.

(i) Share-based payments

Share-based payments, as measured with respect to stock options granted and finders warrants issued and re-priced, are estimated by reference to the Black-Scholes pricing model; a detailed discussion of management's estimates with respect to the pricing model is found in Note 7.

(ii) Valuation of derivative liability

The fair value of the derivative liability at the reporting date is estimated by reference to the Black-Scholes pricing model. A detailed discussion of management's estimates with respect to the pricing model is found in Note 6.

NOTE 2 – SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(l) Use of estimates and judgments (continued)

(iii) Recoverability of exploration and evaluation assets

Recorded costs of exploration and evaluation assets and deferred exploration and evaluation costs are not intended to reflect present or future values of these properties. The recorded costs are subject to measurement uncertainty and it is reasonably possible, based on existing knowledge, that change in future conditions could require a material change in the recognized amount. Management is required, at each reporting date, to review its exploration and evaluation assets for signs of impairment. This is highly subjective process taking into consideration exploration results, metal prices, economics, financing prospects and sale or option prospects. Management makes these judgements based on information available, but there is no certainty that a property is or is not impaired. Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

(iv) Going concern

These consolidated financial statements have been prepared on a going concern basis. Management has applied judgment in the assessment of the Company's ability to continue as a going concern, considering all available information, and concluded that the going concern assumption is appropriate for a period of at least twelve months following the end of the reporting period. Given the judgment involved, actual results may lead to a materiality different outcome.

(v) Deferred income tax amounts

The determination of deferred income tax assets or liabilities requires subjective assumptions regarding future income tax rates and the likelihood of utilizing tax carry forwards. Changes in these assumptions could significantly affect the recorded amounts, and therefore do not necessarily provide certainty as to their recorded values.

(vi) Functional currency

The determination of the functional currency of the Company and its subsidiaries requires judgment in assessing the primary economic environment in which each of the entities operate in.

(m) New Accounting Pronouncements

A number of new standards and amendments to standards and interpretations, are not yet effective for the year ended October 31, 2024, and have not been applied in preparing these financial statements. The new standards are either not applicable or are not expected to have a significant impact on the Company's financial statements.

NOTE 3 – AMOUNTS RECEIVABLE

As at October 31, 2024, amounts receivable is comprised of GST receivable of $17,013 (October 31, 2023 - $422,462) and other receivable of $56,099 (October 31, 2023 - $633).

NOTE 4 – EXPLORATION AND EVALUATION ASSETS

Exploration and evaluation assets are comprised of:

	Georgia Lake, Ontario	Forgan Lake, Ontario	Laguna Verde, Antofagasta, Argentina	La Rioja, Argentina	La Borita, Argentina	Antigua, Argentina	Cordoba, Argentina	Salta, Argentina	Big Smoky Valley, Nevada	Total
	(a) $	(b) $	(c) $	(d) $	(e) $	(f) $	(g) $	(h) $	(i) $	$
Balance, October 31, 2022	1,114,497	1,761,428	5,283,614	562,386	150,657	-	-	-	39,046	8,911,628
Acquisition costs	-	-	741,881	-	134,887	67,444	39,712	-	-	983,924
Exploration and evaluation expenditures	48,155	1,003,911	2,307,927	111,649	11,183	10,027	5,104	7,545	23,885	3,529,386
Impairment	-	-	(741,881)	-	-	(77,486)	-	-	-	(819,367)
Foreign exchange	-	-	153,072	12,381	5,450	15	823	139	1,156	173,036
Subtotal	48,155	1,003,911	2,460,999	124,030	151,520	-	45,639	7,684	25,041	3,866,979
Balance, October 31, 2023	**1,162,652**	**2,765,339**	**7,744,613**	**686,416**	**302,177**	**-**	**45,639**	**7,684**	**64,087**	**12,778,607**
Acquisition costs	-	-	-	-	68,062	-	-	-	-	68,062
Exploration and evaluation expenditures	36,000	84,770	380,200	37,470	212	-	-	8,649	247	547,548
Recoveries	-	-	-	(388,394)	-	-	-	-	-	(388,394)
Impairment	(974,761)	(2,317,753)	-	-	(365,936)	-	-	-	(63,290)	(3,721,740)
Foreign exchange	-	-	31,601	3,415	(4,515)	-	-	719	(1,044)	30,176
Subtotal	(938,761)	(2,232,983)	411,801	(347,509)	(302,177)	-	-	9,368	(64,087)	(3,464,348)
Balance, October 31, 2024	**223,891**	**532,356**	**8,156,414**	**338,907**	**-**	**-**	**45,639**	**17,052**	**-**	**9,314,259**

NOTE 4 – EXPLORATION AND EVALUATION ASSETS (continued)

Exploration and evaluation costs were as follows:

	Georgia Lake, Ontario (a)	Forgan Lake, Ontario (b)	Laguna Verde, Antofagasta, Argentina (c)	La Rioja, Argentina (d)	La Borita, Argentina (e)	Antigua, Argentina (f)	Cordoba, Argentina (g)	Salta, Argentina (h)	Big Smoky Valley, Nevada (i)	Total
	$	$	$	$	$	$	$	$	$	$
For the year ended October 31, 2023										
Assays and laboratory	-	43,612	20,826	169	-	310	-	-	-	64,917
Drilling	-	304,441	680,852	-	-	-	-	-	-	985,293
Exploration expense	6,503	195,710	1,095,095	37,495	11,183	-	1,616	5,216	-	1,352,818
Geology and geophysics	34,180	228,880	42,574	30,864	-	2,208	-	-	-	338,706
Licenses, permits, claim fees and taxes	-	140,616	5,412	1,281	-	-	-	1,285	23,885	172,479
Local office and administration	7,472	22,363	73,319	10,737	-	-	243	7	-	114,141
Travel, transport, and storage	-	68,289	389,849	31,103	-	7,509	3,245	1,037	-	501,032
Total	48,155	1,003,911	2,307,927	111,649	11,183	10,027	5,104	7,545	23,885	3,529,386
For the year ended October 31, 2024										
Exploration expense	-	-	246,993	5,944	212	-	-	6,708	-	259,857
Geology and geophysics	24,000	72,770	34,068	14,679	-	-	-	1,303	-	146,820
Licenses, permits, claim fees and taxes	-	-	3,127	914	-	-	-	-	247	4,288
Local office and administration	12,000	12,000	22,898	202	-	-	-	242	-	47,342
Travel, transport, and storage	-	-	73,114	15,731	-	-	-	396	-	89,241
Total	36,000	84,770	380,200	37,470	212	-	-	8,649	247	547,548

NOTE 4 – EXPLORATION AND EVALUATION ASSETS (continued)

(a) Georgia Lake Property, Ontario

The Company holds certain claims staked in Ontario. During the year ended October 31, 2024, the Company recorded an impairment of exploration and evaluation asset of $974,761.

(b) Forgan Lake Property, Ontario

The Forgan Lake Lithium property is wholly owned by the Company. The property is located in the Thunder Bay Mining District in Northwestern Ontario, Canada, and is subject to 1.5% NSR with an option for the Company to purchase 1% NSR for $1,000,000. During the year ended October 31, 2024, the Company recorded an impairment of exploration and evaluation asset of $2,317,753.

(c) Laguna Verde, Antofagasta, Argentina

On June 28, 2019, the Company entered into an option agreement to acquire a 100% interest in one lithium brine property located in the Antofagasta region, Province of Catamarca in Argentina. Under the terms of agreement, the Company paid $500,000 USD in five equal bi-annual payments to acquire 100% rights to the property. The property is subject to a 2.5% royalty. During the year ended October 31, 2023, the Company completed the acquisition of the Laguna Verde Property.

On September 8, 2022, the Company entered into a purchase agreement to acquire 100% interest in three mining concessions located in the Antofagasta region. Under the terms of agreement, the Company may acquire a 100% interest in the concessions by paying $100,000 USD upon signing of the agreement (paid), a second payment of $450,000 USD on December 24, 2022 (paid) a final payment of $450,000 USD on June 24, 2023. The property was subject to a 2.5% royalty. During the year ended October 31, 2023, the Company relinquished the right to acquire the three mining concessions and recorded an impairment loss of $741,881.

The Laguna Verde project also consists certain claims staked in Archivarca, Argentina.

(d) La Rioja, Argentina

The Company holds certain claims (the “ULTRA” claims) in La Rioja, Argentina. On June 24, 2019, the Company acquired thirteen gold mining licenses in Chepes Area, La Rioja Province, Argentina (the “Chepes licences”). The Company will pay the vendor 10% of the profit from any future production from the Chepes licences. The Company also agreed to pay the vendor 5% of the profit from any future production from its ULTRA claims which are in the vicinity of the newly acquired Chepes licences.

On August 22, 2024, the Company signed an agreement to form a joint venture entity in Argentina in which the Company will hold 35% interest and the joint venture partner will hold a 65% interest. Per the terms of the agreement, the Company shall establish a company that serves as joint venture and to contribute the licenses, local connections and its expertise in venture exploration for the 35% interest. Pursuant to the aforesaid agreement, the Company will receive US$500,000 as one-time compensation for its previous mining and license related expenditures, of which, the first payment of US$280,000 will be made within one week of the signing of the agreement and the remaining US$220,000 will be paid within one week of the incorporation of the joint venture entity.

During the year ended October 31, 2024, the Company has received US$202,600 (CA$279,534) from the partner company (Refer note 13) which the Company has recorded as recovery against the properties to be contributed to the joint venture. As of October 31, 2024, the Company has not yet formed a joint venture entity with its partner company.

NOTE 4 – EXPLORATION AND EVALUATION ASSETS (continued)

(e) La Borita, Argentina

In February 2022, the Company entered into a purchase agreement to obtain 100% of the La Borita mining concessions. The Company may acquire 100% interest in the concessions by paying purchase consideration totalling $300,000 USD payable as follows:

March 25, 2022	$50,000 USD (paid)
September 25, 2022	$50,000 USD (paid)
March 25, 2023	$50,000 USD (paid)
September 25, 2023	$50,000 USD (paid)
March 25, 2024	$50,000 USD (paid)
September 25, 2024	$50,000 USD

The property is subject to 2% NSR. As of October 31, 2024, the Company has paid $250,000 USD (October 31, 2023 - $200,000 USD) in instalments as the purchase consideration. During the year ended October 31, 2024, the recorded an impairment of exploration and evaluation asset of $365,936.

(f) Antigua, Argentina

On November 2, 2022, the Company entered into a purchase agreement to acquire the Antigua property located in La Rioja, Argentina. As consideration for the mining rights, the Company agreed to make payments in the amount of $20,000 USD on the date of signing of the agreement (paid), and $45,000 USD payable in three (3) equal instalments on December 1, 2022, January 1, 2023 and February 1, 2023. During 2022 and 2023, the Company paid $50,000 USD purchase consideration for the Antigua Property.

In 2023, the La Rioja government established a new critical minerals policy and suspended all lithium licences. Consequently, the Company recorded an impairment loss of $77,486 during the year ended October 31, 2023.

(g) Cordoba, Argentina

During 2023, the Company staked certain claims in Cordoba, Argentina. The Company paid $39,712 in staking fees for these claims.

(h) Salta, Argentina

The Company holds certain claims in Salta, Argentina.

(i) Big Smoky Valley, Nevada

The Company held certain claims in Big Smoky Valley, Nevada. During the year ended October 31, 2024, the recorded an impairment of exploration and evaluation asset of $63,290.

NOTE 5 – PROMISSORY NOTES

In January 2024, the Company issued a promissory note in the principal amount of $10,000 to a director and officer of the Company. The note is unsecured, payable on demand, and bears interest at a rate of 12% per annum. During the year ended October 31, 2024, the Company recorded interest expense of $967 (2023 - $nil) on the promissory note.

In March 2024, the Company issued a promissory note in the principal amount of $50,000 USD ($67,225) to a director and officer of the Company. The note is unsecured, payable one year from the date of issuance, and bears interest at a rate of 12% per annum. During the year ended October 31, 2024, the Company recorded interest expense of $5,390 (2023 - $nil) on the promissory note.

In August 2024, the Company issued a promissory note in the principal amount of $65,750 to a director and officer of the Company. The note is unsecured, payable on demand from the date of issuance, and bears interest at a rate of 12% per annum. During the year ended October 31, 2024, the Company recorded interest expense of $1,686 (2023 - $nil) on the promissory note.

In September 2024, the Company issued a promissory note in the principal amount of US$28,000 ($38,965) to an arms-length party. The note is unsecured, payable one year from the date of issuance, and bears interest at a rate of 10% per annum. During the year ended October 31, 2024, the Company recorded interest expense of $386 (2023 - $nil) on the promissory note.

NOTE 6 – LOAN PAYABLE

On May 12, 2023, the Company received a secured demand loan of AUD $1,130,000 ($1,018,077) that bears interest at 10% per annum. The lender has a right to demand settlement of the loan in shares until June 30, 2024, and either in shares or cash thereafter. The loan is secured by a general security agreement.

The number of shares that are issuable upon conversion of the demand loan is calculated at a variable price based on the ratio of the Company's share price on the date of the loan and Company's share price on the date of notice of conversion, subject to TSXV policies. If the lender demands repayment, the loan principal is a variable amount based on the ratio of the Company's share price on the date of the loan and Company's share price on the date of the notice of repayment.

The Company determined that the loan payable is a derivate liability. The derivate liability is recorded at fair value and re-measured each period with movements being recorded as a gain or loss on the condensed interim consolidated statement of loss and comprehensive loss. The fair value of the loan approximated its face value at inception as the share price and conversion price were the same on the inception date. At October 31, 2023, the fair value of the derivative liability was determined to be $1,264,759 using the Black-Scholes option pricing model. The Company recorded a loss of $403,241 as changes in fair value of the derivative liability for the year ended October 31, 2023.

On June 30, 2024, the Company received a demand to pay AUD $1,098,246 (comprised of AUD $980,000 principal and AUD $118,246 interest) in cash within 10 business days. The Company is actively working to arrange the funds required for loan repayment.

At October 31, 2024, the fair value of the derivative liability is $nil as the lender has demanded cash settlement of the loan and the conversion option has expired. The carrying value of the loan payable approximates the aggregate of face value of the debt and accrued interest as of October 31, 2024.

During the year ended October 31, 2023, the Company repaid AUD $150,000 of the loan balance. Interest expense recognized during the year ended October 31, 2024, is $88,233 (2023 - $46,429). As at October 31, 2024 the carrying amount of the loan is $1,033,130 (October 31, 2023 - $1,311,188), which includes interest accrued.

NOTE 6 – LOAN PAYABLE (continued)

The Company used to determine the fair value of the derivative liability using the Black-Scholes model using the following assumptions:

	October 31, 2024	October 31, 2023
Share price	-	$0.06
Conversion price	-	$0.05
Risk-free interest rate	-	5.21%
Expected life	-	0.67 years
Expected volatility	-	99.12%

NOTE 7 – SHARE CAPITAL AND RESERVES

(a) Authorized

Unlimited number of voting common shares without par value.

(b) Issued Share Capital

At October 31, 2024, there were 191,095,351 issued and fully paid common shares (October 31, 2023 – 191,095,351).

(c) Share Issuances

In August 2023, the Company closed a non-brokered private placement comprised of 18,181,818 units at a price of $0.055 per unit for gross proceeds of $1,000,000. Each Unit is comprised of one common share of the Company and one half of one common share purchase warrant. Each whole Warrant entitles the holder thereof to purchase one common share of the Company at $0.11 in the first twelve months following issuance and at $0.25 in the second twelve months following issuance. In connection with this Private Placement the Company paid cash finder's fees of $30,000, issued 545,455 finder's shares to a finder with a fair value of $32,727, and incurred $8,195 of the share issue costs.

In September 2023, the Company closed a non-brokered private placement comprised of 3,636,365 units at a price of $0.055 per unit for gross proceeds of $200,000. Each Unit is comprised of one common share of the Company and one half of one common share purchase warrant. Each whole Warrant entitles the holder thereof to purchase one common share of the Company at $0.11 in the first twelve months following issuance and at $0.25 in the second twelve months following issuance. In connection with this this private placement, the Company incurred share issue costs of $2,565.

NOTE 7 – SHARE CAPITAL AND RESERVES (continued)

(d) Warrants

Each whole warrant entitles the holder to purchase one common share of the Company. A summary of the status of the warrants outstanding follows:

	Warrants	Weighted Average Exercise Price
	#	$
Balance, October 31, 2022	31,716,389	0.25
Issued	10,909,092	0.25
Expired	(30,579,254)	0.25
Balance, October 31, 2023	12,046,227	0.25
Expired	(1,137,135)	0.35
Balance, October 31, 2024	10,909,092	0.25

The following table summarizes the warrants outstanding as at October 31, 2024:

Warrants	Exercise Price	Expiry Date	Weighted Average Remaining Contractual Life
#	$		
9,090,910	0.25**	August 10, 2025	0.78
1,818,182	0.25***	September 6, 2025	0.85
10,909,092			0.79

** the exercise price was $0.11 until August 10, 2024, and $0.25 thereafter
*** the exercise price was $0.11 until September 6, 2024, and $0.25 thereafter

(e) Stock Options

The Company adopted a stock option plan whereby the Company may from time to time in accordance with the Exchange requirements grant to directors, officers, employees and consultants options to purchase common shares of the Company provided that the number of options granted, including all options granted by the Company to date, does not exceed 10% of the Company's common shares issued and outstanding at the time of granting stock options. Options granted under the Option Plan can have a maximum exercise term of 10 years from the date of grant. Vesting terms will be determined at the time of grant by the Board of Directors.

A summary of the status of the options outstanding follows:

	Options	Weighted Average Exercise Price
	#	$
Balance, October 31, 2022	12,035,000	0.12
Expired/Cancelled	(2,772,500)	0.14
Balance, October 31, 2023	9,262,500	0.11
Expired	(810,000)	0.19
Balance, October 31, 2024	8,452,500	0.11

(e) Stock Options (continued)

The following table summarizes the options outstanding and exercisable as at October 31, 2024:

Shares	Exercise Price Per Share	Expiry Date	Exercisable	Weighted Average Remaining Contractual Life
#	$		#	
2,190,000	0.13	March 8, 2026	2,190,000	1.35
6,262,500	0.10	October 11, 2027	6,262,500	2.95
8,452,500			8,452,500	2.53

NOTE 8 – RELATED PARTY TRANSACTIONS

(a) Related party transactions

During the years ended October 31, 2024 and 2023, the Company incurred the following transactions with a company controlled by the VP exploration:

	Years ended October 31	
	2024	2023
	$	$
Geological fees	144,000	144,000
	144,000	144,000

(b) Compensation of key management personnel

The remuneration of directors and other members of key management personnel were as follows:

	Years ended October 31	
	2024	2023
	$	$
Short-term benefits [(1)]	570,000	570,000
	570,000	570,000

[(1)] Short-term benefits include management fees paid directly to key management and accounting fees paid to a company controlled by the CFO.

(c) Related party balances

Included in the trade payables and accrued liabilities is $752,462 (October 31, 2023 - $261,205) due to the related parties.

As at October 31, 2024, promissory notes with aggregate principal and accrued interest of $153,404 are owed to a director and officer of the Company (October 31, 2023 - $nil) (Note 5).

NOTE 9 – SEGMENTED INFORMATION

The Company operated in the following geographic segments as at:

	Canada	United States	Argentina	Total
	$	$	$	$
Exploration and evaluation assets				
October 31, 2024	756,247	-	8,558,012	9,314,259
October 31, 2023	3,927,991	64,087	8,786,529	12,778,607

NOTE 10 - FINANCIAL RISK EXPOSURE AND RISK MANAGEMENT

(a) Fair Value of Financial Instruments

IFRS requires disclosures about the inputs to fair value measurements for financial assets and liabilities recorded at fair value, including their classification within a hierarchy that prioritizes the inputs to fair value measurement.

The three levels of hierarchy are:

Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 - Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly; and
Level 3 - Inputs for the asset or liability that are not based on observable market data.

The carrying values of cash and cash equivalents, amounts receivable exclusive of sales tax recoverable, trade payables and accrued liabilities and promissory notes approximate their fair values because of their short-term nature. In the prior year, the Company's loan payable was measured using level 3 inputs as disclosed in Note 6. Subsequent to the expiry of the conversion feature, the Company's loan payable is measured using level 1 inputs.

(b) Financial Instruments Risk

The Company is exposed in varying degrees to a variety of financial instrument-related risks. The Board approves and monitors the risk management processes:

(i) Credit Risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company is subject to credit risk on the cash and cash equivalents and amounts receivable. The risk to the Company is managed as its investments are with Schedule 1 banks or equivalent, with the majority of its cash held in Canadian based banking institutions, authorized under the Bank Act to accept deposits, which may be eligible for deposit insurance provided by the Canadian Deposit Insurance Corporation. Cash in Argentina is held at Tier 1 banking institutions. The credit risk from amounts receivable is also minimal as at October 31, 2024, as it consists primarily of GST and amounts due from the joint venture partner.

(ii) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company’s approach to managing liquidity is to ensure that it will have sufficient liquidity to settle obligations and liabilities when due. As at October 31, 2024, the Company had a cash and cash equivalents balance of $298,399 to settle current liabilities of $3,272,792 that are considered short term. Management believes that the Company will be able to obtain financing as required to meet its obligations and commitments for fiscal 2025.

NOTE 10 - FINANCIAL RISK EXPOSURE AND RISK MANAGEMENT (continued)

(iii) Market Risk

a) Currency Risk

Currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. The Company has subsidiaries in the United States, Argentina, and the Republic of Serbia and holds cash in Canadian dollars, United States dollars, Argentina pesos, and Serbian Dinar currencies in line with forecasted expenditures. In addition, the Company's loan payable is denominated in Australian dollars. The Company's main risk is associated with fluctuations in the US dollar, Argentina pesos, Serbian Dinar and Australian dollars. Assets and liabilities are translated based on the foreign currency translation policy described in Note 2.

The Canadian dollar equivalent of the Company's net exposure to the US dollar, Argentina pesos, and Serbian Dinar on financial instruments is as follows:

	October 31, 2024	October 31, 2023
	$	$
US dollar:		
Cash	168,482	134
Trade payable and accrued liabilities	(32,709)	(373)
Promissory notes	(108,545)	-
Net US dollar	27,228	(239)
Argentina pesos:		
Trade payable and accrued liabilities	(48,476)	(13,073)
Net Argentina pesos	(48,476)	(13,073)
Serbian Dinar:		
Amounts receivable	654	633
Trade payable and accrued liabilities	(45,499)	(44,085)
Net Serbian Dinar	(44,845)	(43,452)
Australian dollar:		
Loan payable	(1,033,130)	(907,947)
Net Australian dollar	(1,033,130)	(907,947)

The Company has determined that an effect of a 10% increase or decrease in the US dollar, Argentina pesos, Serbian Dinar and Australian dollar against the Canadian dollar on financial assets and liabilities, as at October 31, 2024, denominated in US dollars, Argentina pesos, Serbian Dinar and Australian dollar would result in an increase or decrease of approximately $109,922 to net loss for the year ended October 31, 2024.

At October 31, 2024, the Company had no hedging agreements in place with respect to foreign exchange rates. The Company has not entered into any agreements or purchased any instruments to hedge possible currency risks at this time.

NOTE 10 - FINANCIAL RISK EXPOSURE AND RISK MANAGEMENT (continued)

b) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The interest on cash and cash equivalents is typical of Canadian banking rates, which are at present low, however, the conservative investment strategy mitigates the risk of deterioration to the investment. The Company is not exposed to interest rate risk as its loan payable is at a fixed rate of 10% and promissory note is payable at a fixed rate of 12% and 10%.

c) Commodity Price Risk

Commodity price risk is the risk of financial loss resulting from movements in the price of the Company's commodity inputs and outputs. The Company's risk relates primarily to the expected output to be produced at its exploration and evaluation assets described in Note 4 of which production is not expected in the near future.

During the year ended October 31, 2024, there were no changes to the Company's risk exposure or to the Company's policies for risk management.

NOTE 11 – CAPITAL MANAGEMENT

The Company's objectives when managing capital are to ensure that there are adequate capital resources to safeguard the Company's ability to continue as a going concern and maintain adequate levels of funds to support the acquisition, exploration and development of exploration and evaluation assets such that it can continue to provide returns to shareholders and benefits for other stakeholders.

The Company considers the items included in shareholders' equity as capital. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the Company's underlying assets. In order to maintain or adjust its capital structure, the Company may issue new shares or sell assets to settle liabilities. The Company has no long-term debt and is not subject to externally imposed capital requirements.

The properties in which the Company currently has an interest in are in the exploration stage, as such, the Company does not recognize revenue from its exploration properties. The Company's historical sources of capital have consisted of the sale of equity securities, loans, and advances from related parties. In order for the Company to carry out planned exploration and development and pay for administrative costs, the Company will spend its working capital and expects to raise additional amounts externally as needed.

There were no changes in the Company's management of capital during the year ended October 31, 2024.

NOTE 12 – INCOME TAXES

A reconciliation of the expected income tax recovery to the actual income tax recovery is as follows:

	2024	2023
	$	$
Loss before taxes	(4,513,940)	(2,621,417)
Expected income tax recovery at the statutory tax rate	(1,218,764)	(707,783)
Change in statutory, foreign tax, foreign exchange rates and other	(26,189)	(2,596)
Permanent differences	1	(915)
Share issue cost	-	(19,841)
Adjustment to prior years provision versus statutory tax returns	(926)	(177)
Change in unrecognized deductible temporary differences	1,000,801	728,663
Income tax (recovery) expense	(245,077)	(2,649)
Deferred tax		
Deferred tax asset		
Non-capital losses	2,185,830	2,201,734
Deferred tax liability		
Exploration and evaluation assets	(2,185,830)	(2,446,811)
Deferred tax liability	**-**	**(245,077)**
Movement in net deferred tax assets (liabilities) is as follows:		
Balance at the beginning of the year	(245,077)	(247,726)
Recognized in profit or loss – deferred tax recovery (expense)	245,077	2,649
Balance at the end of the year	**-**	**(245,077)**

Income tax expense for the years ended October 31, 2024 and 2023 is allocated as follows:

	2024	2023
Current tax expense	-	-
Deferred tax expense (recovery)	(245,077)	(2,649)
	(245,077)	(2,649)

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

	2024		2023	
	$		$	
Exploration and evaluation assets	7,639,803	No expiry date	5,380,776	No expiry date
Share issue costs	279,084	2024 to 2027	419,896	2024 to 2027
Debt held at FVPL	-	No expiry date	378,016	No expiry date
Allowable capital losses	19,603	No expiry date	19,603	No expiry date
Non-capital losses available for future period	12,160,718	2026 to 2044	10,141,733	2026 to 2043

Tax attributes are subject to review, and potential adjustment, by tax authorities.

NOTE 13 – SUBSEQUENT EVENTS

(i) On December 05, 2024, the Company reached a settlement agreement with Power Minerals Limited ("Power"), with respect to the outstanding loan balance of AUD $1,136,372.60 (Refer note 6). Per the terms of the agreement, in full payment of the outstanding balance, the Company shall:
- pay $50,000 AUD to Power (Paid),
- transfer the Company's Forgan Lake and Georgia Lake claims to Power (Transferred)
- pay $250,000 AUD to Power within 60 days of signing the settlement agreement (extended to March 15, 2025).

(ii) In November, 2024, the Company received US$39,469 (CA$55,445) from the partner company for La Rioja property as a contribution to the joint venture (Refer note 4 d).