



HELIOSX LITHIUM & TECHNOLOGIES CORP.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NINE MONTHS ENDED AUGUST 31, 2022

(Stated in Canadian Dollars)

(Unaudited – Prepared by Management)

UNAUDITED FINANCIAL STATEMENTS: In accordance with National Instrument 51-102 of the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the unaudited financial statements for the nine months ended August 31, 2022 and August 31, 2021.

HELIOSX LITHIUM & TECHNOLOGIES CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
FOR THE NINE MONTHS ENDED AUGUST 31, 2022 AND 2021
(Stated in Canadian Dollars)
(Unaudited – Prepared by Management)

	Note	August 31, 2022 \$	November 30, 2021 \$
CURRENT ASSETS			
Cash and cash equivalents		1,059,552	1,759
Receivables		19,654	5,653
Loan receivable		-	10,000
Due from Associated Companies	5	138,179	-
Prepaid expenses		-	7,248
		1,217,384	24,660
Resource property costs	6	3,699,792	3,508,063
Reclamation bonds		276,959	269,110
Investment in Dajin Resources S.A.	5	421,996	272,663
		5,616,132	4,074,496
CURRENT LIABILITIES			
Accounts payable and accrued liabilities	8	324,581	310,855
Loans payable	10	114,397	470,653
		438,978	781,508
CEBA loan payable	9	40,000	40,000
		478,978	821,508
SHAREHOLDERS' EQUITY			
Share capital	7	31,192,901	28,722,801
Contributed surplus	7	4,690,040	3,392,962
Accumulated deficit		(30,745,787)	(28,862,775)
TOTAL SHAREHOLDERS' EQUITY		5,137,154	3,252,988
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		5,616,132	4,074,496

Approved on behalf of the Board of Directors:

“Christopher Brown”
Director & CEO

“Sameer Uplenchwar”
Director & CFO

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

HELIOSX LITHIUM & TECHNOLOGIES CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
FOR THE NINE MONTHS ENDED AUGUST 31, 2022 AND 2021
(Stated in Canadian Dollars)
(Unaudited – Prepared by Management)

	Note	For the Three Months Ended August 31		For the Nine Months Ended August 31	
		2022 \$	2021 \$	2022 \$	2021 \$
Interest Income		6,004	-	6,004	-
EXPENSES					
Accounting and audit fees		16,620	7,559	31,840	17,959
Bank charges and interest		121	786	886	1,092
Consulting fees		55,376	-	144,976	-
Foreign exchange (gain) loss		(86,923)	(12,128)	(91,118)	3,511
Legal and professional fees		(3,548)	3,003	64,787	11,120
Listing, filing and transfer agent fees		19,434	10,796	71,502	28,198
Marketing and advertising		25,095	50	74,758	880
Office administration and general		19,920	4,170	60,452	20,257
Office equipment		9,529	-	61,491	-
Rent, parking and other		42,005	5,000	72,550	11,000
Share-based compensation	7	-	-	1,298,100	-
Travel, conferences, and promotion		20,337	1,441	36,475	4,159
Wages and benefits		24,387	16,465	58,002	40,920
TOTAL EXPENSES		142,354	37,142	1,884,701	139,096
OTHER INCOME (LOSS):					
Write-off of accounts payable	10	-	-	(7,505)	-
Realized gain (loss) on marketable securities		-	-	-	10,988
NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD		136,350	37,142	1,871,193	128,108
BASIC AND DILUTED LOSS PER SHARE		(0.004)	(0.002)	(0.057)	(0.008)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING		36,231,804	16,427,550	33,047,867	16,347,634

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

HELIOSX LITHIUM & TECHNOLOGIES CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED AUGUST 31, 2022 AND 2021
(Stated in Canadian Dollars)
(Unaudited – Prepared by Management)

	Common Stock		Contributed Surplus \$	Accumulated Deficit \$	Total \$
	Issued Shares (Note 7)	Amount \$			
Balance, November 30, 2020	16,137,546	28,480,581	3,452,682	(28,538,363)	3,394,900
On exercise of share purchase options - \$0.50	215,000	107,500	-	-	107,500
On exercise of share purchase options - \$1.00	75,000	75,000	-	-	75,000
Allocation of options exercised *	-	59,720	(59,720)	-	-
Net loss for the period	-	-	-	(90,966)	(90,966)
Balance, August 31, 2021	16,427,546	28,722,801	3,392,962	(28,629,329)	3,486,434
Net loss for the period	-	-	-	(233,446)	(233,446)
Balance, November 30, 2021	16,427,546	28,722,801	3,392,962	(28,862,775)	3,252,988
Shares issued for cash:					
On exercise of share purchase options - \$0.50	62,000	31,000	-	-	31,000
Shares issued: HeliosX acquisition & private placement	19,742,258	2,488,102	-	-	2,488,102
Share issue costs		(50,156)			(50,156)
Allocation of options exercised *	-	1,022	(1,022)	-	-
Share based compensation	-	-	1,298,100	-	1,298,100
Foreign exchange adjustment for the period	-	132	-	(11,819)	(11,687)
Net loss for the period	-	-	-	(1,871,193)	(1,871,193)
Balance, August 31, 2022	36,231,804	31,192,901	4,690,040	(30,745,787)	5,137,154

On August 27, 2021, the Company consolidated its share capital on a 10 old for 1 new basis (10:1 basis). All references to number of shares and per share amounts have been retroactively restated to reflect the consolidation.

* *Representative of the fair value of share-based payment amounts originally recorded in contributed surplus.*

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

HELIOSX LITHIUM & TECHNOLOGIES CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED AUGUST 31, 2022 AND 2021
(Stated in Canadian Dollars)
(Unaudited – Prepared by Management)

	For the Nine Months Ended August 31,	
	2022	2021
	\$	\$
OPERATING ACTIVITIES		
Net and comprehensive loss for the year	(1,871,193)	(128,108)
Add items not affecting cash:		
Unrealized foreign exchange loss	(87,391)	6,604
Write-off of accounts payable	(7,505)	-
Stock based compensation	1,298,100	-
Net change in non-cash working capital related to operating activities	(38,637)	(23,319)
Net cash used in operating activities	<u>(629,352)</u>	<u>(132,492)</u>
FINANCING ACTIVITIES		
Proceeds from issuance of common shares – net of share issue costs	1,888,963	182,500
Proceeds from issuance of loans payable	-	135,656
Repayment of loans payable	-	(32,000)
Net cash provided by financing activities	<u>1,888,963</u>	<u>286,156</u>
INVESTING ACTIVITIES		
Cash acquired on acquisition of HeliosX	202,500	-
Resource property additions, net	(121,771)	(120,361)
Contribution to Dajin S.A.	(149,333)	-
Proceeds from sale of marketable securities	-	13,804
Due from related parties	(133,214)	-
Net cash used in investing activities	<u>(201,818)</u>	<u>(106,557)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS DURING THE PERIOD	1,057,793	23,788
CASH AND CASH EQUIVALENTS BEGINNING OF PERIOD	1,759	645
CASH AND CASH EQUIVALENTS, END OF PERIOD	1,059,552	24,433
CASH AND CASH EQUIVALENTS CONSIST OF:		
CASH	204,267	24,433
GUARANTEE INVESTMENT CERTIFICATE	855,285	-
CASH AND CASH EQUIVALENTS	1,059,552	24,433

Non-Cash Transactions – Note 13

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

HELIOSX LITHIUM & TECHNOLOGIES CORP.
CONDENSED INTERIM CONSOLIDATED SCHEDULE OF RESOURCE PROPERTY COSTS
FOR THE NINE MONTHS ENDED AUGUST 31, 2022 AND YEAR ENDED NOVEMBER 30, 2021
(Stated in Canadian Dollars)
(Unaudited – Prepared by Management)

	Note	USA Nevada \$
ACQUISITION COSTS		
Balance November 30, 2020		821,655
Staking and filing fees		89,642
Balance, November 30, 2021		911,297
Staking and filing fees		121,771
Foreign exchange adjustment		69,958
Balance at August 31, 2022		1,103,026
DEFERRED EXPLORATION AND DEVELOPMENT COSTS		
Balance, November 30, 2020		2,564,399
Assay		768
Geological consulting		31,599
Balance, November 30, 2021 and August 31, 2022		2,596,766
TOTAL RESOURCE PROPERTY COSTS		
As at November 30, 2021		3,508,063
As at August 31, 2022		3,699,792

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

HELIOSX LITHIUM & TECHNOLOGIES CORP.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED AUGUST 31, 2022 AND 2021
(Stated in Canadian Dollars)
(Unaudited – Prepared by Management)

NOTE 1 NATURE OF OPERATIONS

HeliosX Lithium & Technologies Corp. (HeliosX or the “Company”) is a junior mining company. The principal business of the Company is the identification, evaluation and acquisition of mineral properties, as well as exploration of mineral properties once acquired. The Company is an exploration stage company and is in the process of acquiring and exploring its mineral property interests. The Company’s shares trade on the TSX Venture Exchange under the symbol HX, and OTCQB Market under the symbol HXLTF. The Company is the Reporting Issuer in the provinces of British Columbia and Alberta.

HeliosX was incorporated under the British Columbia Company Act on August 5, 1987. On January 13, 2022, Dajin Lithium Corp. (“Dajin”) (TSXV: DJI) and HeliosX Technologies Corp. (“HX Tech”) announced the completion of a plan of arrangement under Division 5 of Part 9 of the Business Corporations Act (British Columbia) involving Dajin, HX Tech, ESG Technologies Inc. and Helios Infrastructure Corp. (the “Arrangement”). Dajin also received final approval of the Arrangement from the TSX Venture Exchange (“TSXV”) and approval to list the common shares of the resulting issuer on the TSXV. Pursuant to this arrangement agreement among Dajin, HX Tech, ESG Technologies Inc. (“ESG”) and Helios Infrastructure Corp. (“HI”), Dajin and HX Tech have amalgamated to form an amalgamated company now called “HeliosX Lithium & Technologies Corp.”

HeliosX Corp. (“HX Corp.”) was incorporated pursuant to the ABCA on January 11, 2021, and subsequently continued as HX Tech pursuant to the BCBCA on November 4, 2021. The Company resulted from Amalgamation followed by the Plan of Arrangement into HX Tech, which subsequently changed its name to HeliosX Lithium & Technologies Corp. on February 1, 2022.

The principal regulator of the Company is the British Columbia Securities Commission. The Company’s registered office and records office is located at Suite 202, 8661 – 201 Street Langley, BC V2Y 0G9. The head office of the Company is located at 205, 1170 Kensington Cres, NW, Calgary, Alberta T2N 1X6.

The Company’s principal business activities include acquiring and developing mineral properties. At August 31, 2022, the Company’s principal mineral interests are located in Argentina, Canada and the United States and it has not yet been determined whether these properties contain reserves that are economically recoverable. The recoverability of amounts shown for the Company and resource property costs is dependent upon the discovery of economically recoverable reserves, confirmation of the Company’s interest in the underlying claims, the ability of the Company to obtain necessary financing to complete the development of the resource properties and upon future profitable production or proceeds from the disposition thereof.

DAJIN RESOURCES (US) CORP.

Dajin Resources (US) Corp. (“Dajin US”) was incorporated in the State of Nevada on August 1, 2014, as “Any Legal Purpose Company” and is a wholly owned subsidiary of the Company. All the issued shares of Dajin US were subsequently registered in the name of the Company in April 12, 2022. The office of Dajin US is located at 6121 Lakeside Drive, Suite 260, Reno, Nevada 89511.

HELIOSX LITHIUM & TECHNOLOGIES CORP.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED AUGUST 31, 2022 AND 2021
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(Unaudited – Prepared by Management)

NOTE 1 NATURE OF OPERATIONS– (cont'd)

FOX CREEK LITHIUM CORP.

Fox Creek Corp. was incorporated as a wholly owned subsidiary of HX Corp. on February 25, 2021 pursuant to ABCA. The shares of Fox Creek Corp. were subsequently transferred into the name of the Company in January 2022. Fox Creek Corp's registered office and records office is located at 205, 1170 Kensington Cres NW, Calgary, Alberta T2N 1X6.

NOTE 2 BASIS OF PRESENTATION

a) Statement of Compliance

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and in accordance with International Accounting Standards ("IAS") IAS 34 "Interim Financial Reporting".

These condensed interim consolidated financial statements do not include all of the information and disclosures required to be included in annual consolidated financial statements prepared in accordance with IFRS. These condensed interim consolidated financial statements should be read in conjunction with the Company's audited annual consolidated financial statements for the year ended November 30, 2021.

The condensed interim consolidated financial statements were authorized for issue by the Board of Directors on October 21, 2022.

b) Going Concern

These condensed interim consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company was not expected to continue operations for the foreseeable future. As at August 31, 2022, the Company had not advanced its resource properties to commercial production. At August 31, 2022, the Company has not achieved profitable operations, has accumulated losses of \$30,745,787 since inception and expects to incur further losses in the development of its business, all of which casts significant doubt about the Company's ability to continue as a going concern. The Company's continuation as a going concern is dependent upon successful results from its exploration and evaluation activities, its ability to attain profitable operations to generate funds and/or its ability to raise equity capital or borrowings sufficient to meet its current and future obligations. Although the Company has been successful in the past in raising funds to continue operations, there is no assurance it will be able to do so in the future.

HELIOSX LITHIUM & TECHNOLOGIES CORP.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED AUGUST 31, 2022 AND 2021
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(Unaudited – Prepared by Management)

NOTE 2 BASIS OF PRESENTATION – (cont'd)

Basis of Measurement

These consolidated financial statements have been prepared on a historical cost basis in Canadian dollars, which is the Company's functional currency.

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, revenues and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, 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 results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods. See Note 4 for use of estimates and judgments made by management in the application of IFRS.

NOTE 3 SIGNIFICANT ACCOUNTING POLICIES

These condensed interim consolidated financial statements have been prepared using accounting policies consistent with those used in the preparation of the Company's annual audited consolidated financial statements for the year ended November 30, 2021.

The Company's significant accounting policies are disclosed in Note 3 to the annual financial statements and these condensed interim consolidated financial statements should be read in conjunction with the Company's annual audited consolidated financial statements for the year ended November 30, 2021.

Accounting standard issued but not yet applied

The following new standards and interpretations are not yet effective and have not been applied in preparing these consolidated financial statements.

- *Presentation of financial statements*

An amendment to IAS 1 was issued in January 2020 and applies to annual reporting periods beginning on or after January 1, 2023. The amendment clarifies the criterion for classifying a liability as non-current relating to the right to defer settlement of a liability for at least 12 months after the reporting period.

The Company anticipates that there will be no material changes to the consolidated financial statements upon adoption.

HELIOSX LITHIUM & TECHNOLOGIES CORP.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED AUGUST 31, 2022 AND 2021
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NOTE 4 USE OF ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Information about critical judgments and estimates in applying accounting policies that have the most significant effect on the amounts recognized in these consolidated financial statements are as follows:

a) Resource property expenditures

The application of the Company's accounting policy for resource property expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after an expenditure is capitalized, information becomes available suggesting that the recovery of the expenditure is unlikely, the amount capitalized is written off in the statement of comprehensive loss in the period the new information becomes available.

b) Impairment

At each reporting period, assets, specifically resource property costs and investment in Dajin S.A., are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts exceed their recoverable amounts. The assessment of the carrying amount often requires estimates and assumptions such as discount rates, exchange rates, commodity prices, future capital requirements and future operating performance.

c) Going concern

The Company uses judgment in determining its ability to continue as a going concern in order to discharge its current liabilities via raising additional financing.

d) Investment in Dajin Resources S.A.

The accounting for investments in other companies can vary depending on the degree of control and influence over those other companies. Management is required to assess at each reporting date the Company's control and influence over these other companies. Management has used its judgment to determine which companies are controlled and require consolidation and those which are significantly influenced and require equity accounting. As at November 30, 2021, management determined that the Company did have significant influence over Dajin S.A. Accordingly, the investment in Dajin S.A. was accounted for as an investment in associate.

HELIOSX LITHIUM & TECHNOLOGIES CORP.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED AUGUST 31, 2022 AND 2021
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NOTE 5 ASSET ACQUISITION

On January 13, 2022, pursuant to an arrangement agreement (the “Arrangement”) among the Company, HeliosX Technologies Corp. (“HX Tech”), ESG Technologies Inc. (“ESG”) and Helios Infrastructure Corp. (“HI”), the Company was amalgamated with Dajin Lithium Corp to form HeliosX Lithium & Technologies Corp. (the “Amalco”).

Pursuant to the Arrangement, the issued and outstanding securities of each of the Company and HX Tech were converted or exchanged as follows:

- each share of Dajin (“Dajin Share”) outstanding was cancelled and, in consideration therefor, the holder of such Dajin Share received one (1) fully paid and non-assessable share of Amalco (“Amalco Share”) for every one (1) Dajin Share held by such Dajin shareholder;
- each option to purchase Dajin Shares (“Dajin Options”) was cancelled and, in consideration therefor, the holder of such Dajin Option received one (1) option to purchase Amalco Shares for every one (1) Dajin Option held;
- each share of HX Tech (“HX Tech Common Share”) outstanding was cancelled and, in consideration therefor, the holder of such HX Tech Common Share received 0.63 of one (1) fully paid and non-assessable Amalco Share issued by Amalco for every one (1) HX Tech Common Share held by such HX Tech shareholder; and
- each warrant to purchase HX Tech Common Shares (a “HX Tech Warrant”) was cancelled and, in consideration therefor, the holder of such HX Tech Warrant received 0.63 of one (1) warrant to purchase Amalco Shares for every one (1) HX Tech Warrant held;

Following the completion of the Arrangement and the financing, there were 36,181,804 Amalco common shares issued and outstanding.

From an accounting perspective the transaction is reported as an acquisition of the identifiable net assets of HeliosX by the Company. The Company will therefore remain the continuing entity for accounting and reporting purposes.

INVESTMENT IN DAJIN RESOURCES S.A.

During the year ended November 30, 2020, management was not able to determine the fair value of its investment in Dajin S.A., defined as the price that the Company would receive by selling it in an orderly transaction, and therefore the carrying amount was written down to a nominal amount of \$1.

During the year ended November 30, 2021, the Company contributed \$272,662 towards its portion of operating costs of Dajin S.A. Of this amount, \$53,756 was recorded as Prepaid capital contribution on the statement of financial position as at November 30, 2020.

HELIOSX LITHIUM & TECHNOLOGIES CORP.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 5 ASSET ACQUISITION – (con'd)

The carrying amount of the investment in Dajin S.A. is summarized as follows:

	\$
Balance, November 30, 2019	584,426
Write-down of investment	(584,425)
Balance, November 30, 2020	1
Contributions to Dajin S.A.	272,662
Balance, November 30, 2021	272,663
Contributions to Dajin S.A.	149,333
Balance August 31, 2022	421,996

INVESTMENT IN ESG TECHNOLOGIES INC. AND HELIOS INFRASTRUCTURE INC.

During the period ended Feb 28, 2022 ESG and HI were incorporated during the amalgamation process. Refer to Note 7 for additional information about the amalgamation process.

During the three month period ended August 31, 2022 the Company contributed \$20,476 to the associated companies.

The carrying amount of the investment is summarized below.

	ESG \$	HI \$
Balance, November 30, 2021	-	-
Contributions in the period	66,957	66,710
Balance August 31, 2022	66,957	66,710

NOTE 6 RESOURCE PROPERTY COSTS

TEELS MARSH VALLEY LITHIUM PROJECT - STATE OF NEVADA, USA

The Teels Marsh Valley property is located within Mineral County, Nevada, USA approximately 85 km (53 miles) north of Clayton Valley, Nevada. The geographic center of the property is about 38° 12' 37" north latitude and 118° 21' 10" west longitude. The northeast part of the property is accessible by 13 km (8 miles) of gravel road which runs west from Nevada state highway #360 to the historic mining town of Marietta.

On July 27, 2021 Dajin Resources (US) Corp. received an extension to May 24, 2024, from the Division of Water Resources, in Carson City, Nevada for the water rights to the Teels Marsh project. All permits for a large diameter production size drill program at the Teels Marsh project have been received. Due to the soft surface of the Teels Marsh engineered access roads have been constructed and two (2) large drill pads completed in preparation for drilling.

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NOTE 6 RESOURCE PROPERTY COSTS – (cont'd)

THE ALKALI SPRING VALLEY LITHIUM PROJECT – STATE OF NEVADA, USA

The Alkali Spring valley (also known as Alkali Lake) Lithium project is similar to the Clayton Valley geology with a classic fault bound closed basin. There is an active geothermal system, Alkali Hot Springs, along the southern margin of the basin. Just as with circulating basin water, deep fluids, particularly hot ones associated with the geothermal resource, dissolved rocks, liberate Boron, Lithium and other elements such as sodium chloride. These minerals are brought to the surface as springs emanating from the faults bounding the playa (dry lakebed). The association of a closed basin with an arid environment, a geothermal system and plentiful sources of Lithium suggest that Alkali Lake may host significant Lithium rich brine.

On October 9, 2020, Dajin Resources (US) Corp. (“Dajin US”), a wholly owned subsidiary of the Company, entered into an Earn-In Agreement (the “Earn-In Agreement”) with a Lone Mountain Resources (“LMR”). Pursuant to the terms of the Earn-In Agreement, LMR made an initial one-time payment of US\$25,000 to Dajin US and agreed to spend project related expenditures of at least US\$200,000 prior to August 31, 2022 to acquire up to 75% ownership interest in all of Dajin US's Alkali Spring claims. LMR agreed to commence an initial work plan that consisted of additional surface sampling and geoscience work to define the optimal surface location for an exploration well, expected to be drilled to a depth of 1,500 feet to assess rock and brine properties.

This Project is located 11 kilometers (7 miles) east of Albemarle's Silver Peak mine in Clayton Valley, the only producing Lithium brine operation in the USA.

On February 17, 2022 the Company was advised that LMR had filed an application permit with the Nevada Bureau of Land Management for drilling an initial well on the property. In June LMR began drilling as per the application permit. The well results are classified as “tight hole” by the operator. The “tight hole” classification means that information about the well is restricted for security, strategic and/or competitive reasons.

Prior to the end of August, 2022 the Company received notification from LMR of their intention to terminate the Earn-In Agreement between the Company and LMR. Under the terms of the Earn-In Agreement, LMR has not earned any ownership in the Alkali Spring Valley Lithium exploration project. Accordingly, Dajin Resources (U.S.) Corp. now holds a 100% ownership in the property. Additionally, LMR was required to return any new data it may have gathered up to the termination date. The Company has paid the yearly maintenance fees for all of Alkali Spring claims through 2023.

FOX CREEK LITHIUM PROJECT – PROVINCE OF ALBERTA, CANADA

The Company, through its wholly-owned subsidiary Fox Creek Lithium Corp., holds 311,902 acres of lithium brine rights in Alberta. The Fox Creek Property is in west-central Alberta, Canada. The Property consists of four separate permit blocks: Areas 1 and 2 are located north and east of the town of Hinton, Area 3 near the town of Grande Cache, and Area 4 east of the town of Fox Creek. These permit blocks are located 220 to 350 km west northwest of Edmonton. The Government of Alberta issued Mineral Agreements June 25, 2021 and expire June 25, 2035.

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NOTE 6 RESOURCE PROPERTY COSTS – (cont'd)

As the lithium brine assets were recently acquired, no exploration work has been conducted to date on the assets. There are no mineral resources or mineral reserves assigned to the properties.

The Company expects to complete an exploration program over the next two years to determine a potential focus area to evaluate for a future detailed mineral resource assessment. The minimum requirements for assessment work to maintain permits are:

- \$5 per hectare for the first 2-year work period
- \$10 per hectare for each of the second and third 2-year work periods
- \$15 per hectare for each of the fourth, fifth, sixth and seventh 2-year work periods

To maintain the property (eighteen current permits with a combined area of approximately 126K hectares or 311K acres, a total of at least \$631,621 must be spent over the first 2-year work period. A statement of intent to file must be submitted within 30 days of the end of the assessment period for any permit or permit group. A supporting assessment report must be filed not later than 60 days after the end of the assessment period. Contiguous permits may be grouped upon application, usually at the submission of the statement of intent to file. Expenditure costs for work performed on any permit(s) in the permit group may be attributed to any other permit within the group. Payment in lieu may be made. The regulation also allows for conversion of permits to Metallic Minerals Leases once a mineral deposit has been identified. Leases are granted for a renewable term of 15 years and require annual payments of \$3.50/ha for rent to maintain them in good standing. There are no work requirements for the maintenance of leases, and they confer rights to minerals.

For additional information, please refer to the Company's Annual Information Form on Sedar.

NOTE 7 SHARE CAPITAL

Authorized:

Unlimited common shares without par value.
Unlimited preferred shares without par value.

Issued:

During the nine months ended August 31, 2022:

On April 8, 2022, pursuant to the exercise of stock options, the Company issued 50,000 common shares at a price of \$0.50 for total proceeds of \$25,000.

On December 30, 2021, pursuant to the exercise of stock options, the Company issued 12,000 common shares at a price of \$0.50 for total proceeds of \$6,000.

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NOTE 7 SHARE CAPITAL – (cont'd)

On January 13, 2022, Dajin Lithium Corp. (“Dajin”) (TSXV: DJI) and HeliosX Technologies Corp. (“HX Tech”) announced the completion of the previously announced plan of arrangement under Division 5 of Part 9 of the Business Corporations Act (British Columbia) involving Dajin, HeliosX, ESG Technologies Inc. and Helios Infrastructure Corp. (the “Arrangement”). Dajin also received final approval of the Arrangement from the TSX Venture Exchange (“TSXV”) and approval to list the common shares of the resulting issuer on the TSXV. Pursuant to this arrangement agreement among Dajin, HX Tech, ESG Technologies Inc. (“ESG”) and Helios Infrastructure Corp. (“HI”), Dajin and HeliosX have amalgamated to form an amalgamated company called “HeliosX Lithium & Technologies Corp.” (“Amalco”) and the following transaction steps occurred:

On the Amalgamation, the issued and outstanding securities of each of Dajin and HX Tech were converted or exchanged as follows:

- each share of Dajin (“Dajin Share”) outstanding was cancelled and, in consideration therefor, the holder of such Dajin Share received one (1) fully paid and non-assessable share of Amalco (“Amalco Share”) for every one (1) Dajin Share held by such Dajin shareholder;
- each option to purchase Dajin Shares (“Dajin Options”) was cancelled and, in consideration therefor, the holder of such Dajin Option received one (1) option to purchase Amalco Shares for every one (1) Dajin Option held;
- each share of HX Tech (“HX Tech Common Share”) outstanding was cancelled and, in consideration therefor, the holder of such HeliosX Common Share received 0.63 of one (1) fully paid and non-assessable Amalco Share issued by Amalco for every one (1) HX Tech Common Share held by such HX Tech shareholder; and
- each warrant to purchase HX Tech Common Shares (a “HX Tech Warrant”) was cancelled and, in consideration therefor, the holder of such HX Tech Warrant received 0.63 of one (1) warrant to purchase Amalco Shares for every one (1) HX Tech Warrant held;
- Amalco reorganized its capital within the meaning of Section 86 of the Tax Act such that each Amalco shareholder disposed of all of the Amalco shareholder’s Amalco Shares to Amalco and in consideration therefor, Amalco issued or distributed to the Amalco shareholder:
- the number of new class “B” common shares of Amalco (“Amalco New Common Shares”) equal to the product of the number of Amalco Shares held;
- the number of shares of ESG equal to the number of Amalco Shares held;
- the number of shares of Helios Infrastructure equal to the number of Amalco Shares held

All securities of ESG and Helios Infrastructure held by Amalco were cancelled for no consideration.

The authorized share structure of Amalco was reorganized and altered by:

- eliminating the Amalco Shares from the authorized share structure of Amalco; and
- changing the identifying name of the issued and unissued Amalco New Common Shares from “Class B Common shares” to “Common shares”

Following the Arrangement and Concurrent Financing (as defined below), there were approximately 36,181,804 Amalco New Common Shares outstanding.

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NOTE 7 SHARE CAPITAL – (cont'd)

Concurrently with the Arrangement, HeliosX, as a private company, completed a non-brokered private placement financing of subscription receipts of HeliosX (“Subscription Receipts”) for gross proceeds of \$1,908,120 at a price of \$0.44 per Subscription Receipt (the “Concurrent Financing”). Each Subscription Receipt entitled the holder thereof to acquire HeliosX Common Share, and each HeliosX Common Share was exchanged 0.63 of one Amalco Share (equivalent to \$0.70 per Amalco share). The proceeds of the Concurrent Financing (after deduction of costs of fees incurred) will be used to integrate the businesses of HX Tech and Dajin and for general corporate purposes and future working capital. Although the Company intends to use the proceeds of the Concurrent Financing as described above, the actual allocation of proceeds may vary from the uses set forth above, depending on future operations or unforeseen events or business opportunities.

During the year ended November 30, 2021, the Company issued 290,000 common shares pursuant to the exercise of share purchase options for gross proceeds of \$182,500.

On March 8, 2022 the Company announced that it granted aggregate of 2,350,000 incentive stock options to directors, officers, employees, and consultants with an exercise price of \$0.70 per share, expiring on February 28, 2027

On March 31, 2022 the Company announced that it granted aggregate of 300,000 incentive stock options to its directors with an exercise price of \$0.70 per share, expiring on February 28, 2027

Nature and Purpose of Equity and Reserves:

The reserves recorded in equity on the Company’s Statement of Financial Position include ‘Contributed Surplus’, and ‘Accumulated Deficit’.

‘Contributed Surplus’ is used to recognize the value of stock option grants and share warrants prior to exercise.

‘Accumulated Deficit’ is used to record the Company’s change in deficit from losses from year to year.

Commitments:

Share-Based Compensation Plan

The Company has granted employees and directors common share purchase options. These options are granted with an exercise price equal to or above the market price of the Company’s stock on the date of the grant.

The Company recorded \$1,298,100 (November 30, 2021 - \$NIL) in share-based compensation expense in the period and a corresponding amount was credited to contributed surplus.

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NOTE 7 SHARE CAPITAL – (cont'd)

A summary of the status of the stock option plan as of August 31, 2022 and as at November 30, 2021 is presented below:

	August 31, 2022		November 30, 2021	
	Shares	Weighted Average Exercise Price (\$)	Shares	Weighted Average Exercise Price (\$)
Outstanding, at beginning of period	837,000	0.67	1,257,000	0.70
Expired/cancelled	-		(130,000)	0.85
Granted	2,650,000	0.70	-	-
Exercised	(62,000)	0.50	(290,000)	0.63
Outstanding, at end of period	3,425,000	0.69	837,000	0.67
Options exercisable at end of the period	3,425,000	0.70	837,000	0.67
Weighted-average remaining life, in years		3.92		2.55

At August 31, 2022, the Company has 3,425,000 share purchase options outstanding entitling the holders thereof the right to purchase one common share for each option held as follows:

Number	Exercise Price	Expiry Date
40,000	\$0.50	September 2, 2022
290,000	\$1.00	October 4, 2023
235,000	\$0.50	February 28, 2025
110,000	\$0.50	July 6, 2025
100,000	\$0.50	July 31, 2025
2,650,000	\$0.70	February 28, 2027
3,425,000		

Commitments – (cont'd)

Share-Based Compensation Plan – (cont'd)

Fiscal 2022

On March 7, 2022, the Company granted 2,350,000 share purchase options exercisable at \$0.70 per share expiring on February 28, 2027. On March 31, 2022, the Company granted 300,000 share purchase options exercisable at \$0.70 per share expiring on February 28, 2027. All of these stock options vested on the date of grant.

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NOTE 7 SHARE CAPITAL – (cont'd)

The Company employed the Black-Scholes option-pricing model using the following assumptions:

Risk free interest rate	2.42%-2.64%
Expected life of options in years	2 – 5 years
Expected volatility	113.17% - 113.38%
Dividend per share	-
Forfeiture rate	-

The Black-Scholes option valuation model was developed for use in estimating the fair value of traded options which have no vesting restrictions and are fully transferable. In addition, option valuation models require the input of highly subjective assumptions, including the expected stock price volatility. Since the Company's employee stock options have characteristics significantly different from those of traded options, and because changes in the subjective input assumptions can materially affect the fair value estimate, the existing model may not necessarily provide a reliable measure of the fair value of its stock options.

Share Purchase Warrants

As at August 31, 2022 and November 30, 2021, the Company has the following share purchase warrants outstanding.

	August 31, 2022		November 30, 2021	
	Shares	Weighted Average Exercise Price (\$)	Shares	Weighted Average Exercise Price (\$)
Outstanding, at beginning of period	-	-	-	-
Acquired from HeliosX	10,080,000	0.75	-	-
Outstanding, at end of period	10,080,000	0.75	-	-

At August 31, 2022, the Company has 10,080,000 share purchase options outstanding entitling the holders thereof the right to purchase one common share for each warrant at \$0.75 per share, expiring August 5, 2026. As at November 30, 2021, the Company had no share purchase warrants outstanding.

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NOTE 8 RELATED PARTY TRANSACTIONS

The Company incurred the following charges with directors and officers of the Company and companies controlled by the directors:

	For the Three Months Ended		For the Nine Months Ended	
	August 31,		August 31,	
	2022	2021	2022	2021
	\$	\$	\$	\$
Wages and benefits	13,500	13,500	40,500	31,500
Share-based compensation	-	-	25,950	-
Office and administration expense	-	-	-	8,525
	13,500	13,500	66,450	40,025
Key Management compensation				
Share-based compensation	-	-	156,000	-
Rent & parking reimbursement	5,572	3,000	14,323	9,000
	5,572	3,000	170,323	9,000
	19,072	16,500	236,773	49,025

These charges were measured by the exchange amount that is the amount agreed upon by the transacting parties.

Included in August 31, 2022 accounts payable and accrued liabilities is \$91,891 (November 30, 2021: \$98,372) of reimbursable expenses owing to companies with common officers and directors.

Included in August 31, 2022 loans payable is \$109,397 (November 30, 2021: \$106,897) owing to certain officers and directors of the Company

Amounts due to related parties are non-interest bearing, unsecured and are due on demand.

NOTE 9 CEBA LOAN PAYABLE

On April 7, 2020, the Company received, through its bank, a \$40,000 Canada Emergency Business Account (“CEBA”) loan (“Principal”). During the initial term expiring on December 31, 2023, the Company is not required to repay any portion of the loan and no interest will be paid. The loan can be repaid at any time without penalty. During the extended term starting January 1, 2024 and expiring on December 31, 2025, the Company will pay interest at the rate of 5% on a monthly basis.

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NOTE 10 LOANS PAYABLE

At August 31, 2022, the Company has a loans payable balance of \$114,397 (November 30, 2021: \$470,653).

	August 31, 2022	November 30, 2021
	\$	\$
Demand loans, non-interest bearing, unsecured	114,397	111,897
Demand loan, bearing interest at 10% per annum, unsecured *	-	128,500
Demand loan, bearing interest at 10% per annum, unsecured (US\$180,000) *	-	230,256
	114,397	470,653

* These loans were payable to HeliosX Technologies Corp. and were eliminated upon completion of the arrangement agreement on January 13, 2022.

NOTE 11 CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The board of directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The properties in which the Company currently has an interest are in the exploration stage. As such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the period ended August 31, 2022. Neither the Company nor its subsidiary is subject to externally imposed capital requirements.

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NOTE 12 FINANCIAL INSTRUMENTS

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

a) Credit risk

Credit risk is the risk of an unexpected loss if a party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to cash and cash equivalents. The Company has no significant concentration of credit risk arising from operations. The Company reduces its credit risk on cash and cash equivalents by placing it with institutions of high credit worthiness. As at August 31, 2022, the Company is not exposed to any significant credit risk.

b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. At August 31, 2022, the Company had cash and cash equivalents of \$1,059,552 (November 30, 2021 - \$1,759) and current liabilities of \$438,978 (November 30, 2021 - \$781,508). All of the Company's accounts payable (\$324,581) have contractual maturities of less than 30 days and are subject to normal trade terms.

c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. When excess cash exists, the Company's current policy is to invest the excess cash in short-term deposits with its banking institutions. The Company monitors the investments it makes and is satisfied with the credit ratings of the financial institutions with which they are held.

d) Price risk

The ability of the Company to finance the exploration and development of its properties and the future profitability of the Company is directly related to the commodity prices of industrial minerals (Lithium, Boron and Potassium), and precious and base metals. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. Sensitivity to price risk relative to earnings is remote since the Company has not established any reserves or production. The Company is also exposed to the risk of equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company monitors commodity prices of industrial minerals, precious and base metals, individual equity movements, and the stock market in general to determine the appropriate course of action to be taken.

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NOTE 12 FINANCIAL INSTRUMENTS – (cont'd)

e) Sensitivity analysis

Based on management's knowledge and experience of the financial markets, the Company believes the following is "reasonably possible" during the upcoming financial year:

Commodity price risk could adversely affect the Company. In particular, the Company's future profitability and viability of development depends upon the world market price of precious metals. Precious metal prices have fluctuated significantly in recent years. There is no assurance that, even as commercial quantities of industrial minerals and precious metals may be produced in the future, a profitable market will exist for them. As of May 31, 2022, the Company was not an industrial mineral or precious metal producer. As a result, commodity price risk largely affects the completion of future equity transactions such as equity offerings and the exercise of stock options and warrants. This may also affect the Company's liquidity and its ability to meet its ongoing obligations.

f) Foreign currency risk

Foreign currency exchange rate risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in foreign exchange rates. The Company's operations are carried out in Canada, United States and Argentina. As at August 31, 2022, the Company had accounts payable of \$114,416 (November 30, 2021: \$117,284) denominated in US dollars. These factors expose the Company to foreign currency exchange rate risk, which could have an adverse effect on the profitability of the Company. The Company currently does not plan to enter into foreign currency future contracts to mitigate this risk.

NOTE 13 NON-CASH TRANSACTIONS

The following non-cash investing and financing activities were excluded from the statements of cash flows:

- At August 31, 2022, the Company had \$Nil (August 31, 2021: \$1,541) in accounts payable and accrued liabilities related to resource property costs.

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NOTE 14 SEGMENTED INFORMATION

The Company operates in one business segment, mineral exploration. As at August 31, 2022, its mineral properties and head office are located in three geographic locations: Canada, Argentina and the United States.

The Company's net loss is allocated to the geographic segments as follows:

	For the Three Months Ended		For the Nine Months Ended	
	August 31,		August 31,	
Net loss	2022	2021	2022	2021
	\$	\$	\$	\$
Canada	226,210	45,529	1,958,406	119,346
United States	(89,860)	(8,387)	(87,214)	8,762
	136,350	37,142	1,871,193	128,108

The Company's total assets are allocated to the geographic segments as follows:

	August 31,	November 30,
	2022	2021
Total Assets:	\$	\$
Canada	1,217,385	24,660
Argentina	421,996	272,663
United States	3,976,751	3,777,173
	5,616,132	4,074,496

NOTE 15 SUBSEQUENT EVENTS

Due diligence for the non-brokered private placement financing (the "Private "Placement") of US \$4,708,800 through the issuance of 7,200,000 units (the "Units") at US \$0.654 per unit is ongoing and expected to close by December 31, 2022. Each unit shall be comprised of one common share in the capital of the Company on one fully transferable common share purchase warrant. Each Warrant shall entitle the holder thereof to acquire one Common Share at a price of US \$0.654 per Common Share for a period of 60 months from the date of issuance. Stifel Nicolaus Canada Inc. is acting as an advisor to the Company in connection with the Offering. The closing of the Offering is subject to certain conditions including (a) completion of due diligence to the satisfaction of the Institutional Investor and approval of definitive transaction documentation; (b) receipt of all necessary regulatory and other approvals, including the approval of the TSX Venture Exchange.

On September 9, 2022, the company acquired 5,060 acres in Worsley, Alberta, and 77 new placer mineral claims contiguous to its Alkali Spring Valley, Nevada asset. This will more than double the asset total from 1,240 acres to 2,780 acres in the Alkali Spring Valley. This brings the Alberta acreage total from 310,000 acres to 315,060 acres. The Company is still undertaking a Western Canadian basin Lithium resource identification project that will prioritize high value target acquisitions.