



D2 LITHIUM CORP.

(formerly HELIOSX LITHIUM & TECHNOLOGIES CORP.)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NINE MONTHS ENDED AUGUST 31, 2023

(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, 2023 and 2022.

D2 LITHIUM CORP.
(formerly HELIOSX LITHIUM & TECHNOLOGIES CORP.)
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AUGUST 31, 2023 AND NOVEMBER 30, 2022
(Stated in Canadian dollars)
(Unaudited – Prepared by Management)

	Note	August 31, 2023 \$	November 30, 2022 \$
CURRENT ASSETS			
Cash and cash equivalents		15,328	742,546
Receivables		56,221	55,012
Prepaid expenses		<u>24,120</u>	<u>29,808</u>
		95,669	827,366
Resource property costs	6	3,780,246	3,634,535
Reclamation bonds		281,905	281,905
Investment in Dajin Resources S.A.	5	<u>669,340</u>	<u>305,743</u>
TOTAL ASSETS		4,827,160	5,049,549
CURRENT LIABILITIES			
Accounts payable and accrued liabilities	8	200,836	411,313
Accrued liabilities in dispute	8	550,000	550,000
Loans payable	8,9	571,524	114,397
CEBA loan payable	10	<u>40,000</u>	<u>40,000</u>
TOTAL LIABILITIES		<u>1,362,360</u>	<u>1,115,710</u>
SHAREHOLDERS' EQUITY			
Share capital	7	44,050,687	44,050,687
Contributed surplus	7	9,107,363	9,107,363
Accumulated deficit		<u>(49,693,250)</u>	<u>(49,224,211)</u>
TOTAL SHAREHOLDERS' EQUITY		<u>3,464,800</u>	<u>3,933,839</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		4,827,160	5,049,549

Approved on behalf of the Board of Directors:

“Brian Findlay”
Director

“Bob Verhelst”
Director

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

D2 LITHIUM CORP.
(formerly HELIOSX LITHIUM & TECHNOLOGIES CORP.)
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
FOR THE NINE MONTHS ENDED AUGUST 31, 2023 AND 2022
(Stated in Canadian Dollars)
(Unaudited – Prepared by Management)

	Note	For the Three Months Ended		For the Nine Months Ended	
		2023	August 31,	2023	August 31,
		\$	2022	\$	2022
		\$	\$	\$	\$
EXPENSES					
Accounting and audit fees		4,346	16,620	40,746	31,840
Administration fees	8	7,250	-	21,750	-
Bank charges and interest		(12)	122	1,699	886
Consulting fees		289	55,376	51,114	144,976
Foreign exchange loss (recovery)		2,700	(86,923)	1,363	(91,118)
Insurance		1,156	-	1,156	-
Legal and professional fees		58,990	(3,548)	145,624	64,787
Listing, filing and transfer agent fees		20,086	19,434	51,314	71,502
Marketing and advertising		-	25,095	26,026	74,758
Office administration and general		11,523	19,920	30,261	60,452
Office equipment		-	9,529	-	61,491
Rent	8	4,987	42,005	43,859	72,550
Share-based compensation	8	-	-	-	1,298,100
Travel, conferences and promotion		-	20,337	7,868	36,475
Wages and benefits		15,927	24,387	53,005	58,002
LOSS FROM OPERATIONS		(127,242)	(142,354)	(475,785)	(1,884,701)
OTHER INCOME (LOSS):					
Interest income		-	6,004	-	6,004
Recovery of resource property costs		9,167	-	9,167	-
Write-off (up) of accounts payable		10	-	(2,421)	(7,505)
NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD		(118,065)	(136,350)	(469,039)	(1,871,193)
BASIC AND DILUTED LOSS PER SHARE		(0.00)	(0.00)	(0.01)	(0.05)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING		36,231,804	36,231,804	36,231,804	33,047,867

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

D2 LITHIUM CORP.
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CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED AUGUST 31, 2023 AND NOVEMBER 30, 2022
(Stated in Canadian Dollars)
(Unaudited – Prepared by Management)

	Common Stock		Contributed Surplus \$	Accumulated Deficit \$	Total \$
	Issued Shares (Note 7)	Amount \$			
Balance, November 30, 2021	16,427,546	28,722,801	3,392,962	(28,862,775)	3,252,988
On exercise of share purchase options - \$0.50	62,000	31,000	-	-	31,000
Shares issued: HX Tech amalgamation	17,010,000	13,437,900	-	-	13,437,900
Shares issued: private placement	2,732,258	1,908,120	-	-	1,908,120
Share issue costs	-	(50,156)	-	-	(50,156)
Allocation of options exercised*	-	1,022	(1,022)	-	-
Share-based payments	-	-	1,380,922	-	1,380,922
Warrants issued upon amalgamation with HX Tech	-	-	4,334,501	-	4,334,501
Net loss for the year	-	-	-	(20,361,436)	(20,361,436)
Balance, November 30, 2022	36,231,804	44,050,687	9,107,363	(49,224,211)	3,933,839
Net loss for the period	-	-	-	(469,039)	(469,039)
Balance, August 31, 2023	36,231,804	44,050,687	9,107,363	(49,693,250)	3,464,800

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

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D2 LITHIUM CORP.
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CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED AUGUST 31, 2023 AND 2022
(Stated in Canadian Dollars)
(Unaudited – Prepared by Management)

	For the Nine Months Ended	
	2023	August, 31
	\$	2022
		\$
OPERATING ACTIVITIES		
Net and comprehensive loss for the period	(469,039)	(1,871,193)
Add items not affecting cash:		
Unrealized foreign exchange loss	1,407	(87,391)
Write-off (up) of accounts payable	2,421	(7,505)
Share-based compensation	-	1,298,100
Net change in non-cash working capital:		
Receivables	(1,209)	(14,021)
Loan receivable	-	10,000
Prepaid expenses	5,688	7,248
Accounts payable and accrued liabilities	(224,327)	35,610
Net cash used in operating activities	<u>(685,059)</u>	<u>(629,352)</u>
FINANCING ACTIVITIES		
Proceeds from issuance of common shares	-	1,888,963
Advances of loans payable	457,127	-
Net cash provided by financing activities	<u>457,127</u>	<u>1,888,963</u>
INVESTING ACTIVITIES		
Cash acquired on acquisition of HeliosX	-	202,500
Resource property additions, net	(135,689)	(121,771)
Contribution to Dajin S.A.	(363,597)	(149,333)
Due from related parties	-	(133,214)
Net cash used in (provided by) investing activities	<u>(499,286)</u>	<u>(201,818)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS DURING THE PERIOD	(727,218)	1,057,793
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	742,546	1,759
CASH AND CASH EQUIVALENTS, END OF PERIOD	15,328	1,059,552
CASH AND CASH EQUIVALENTS CONSIST OF:		
CASH	15,328	204,267
GUARANTEE INVESTMENT CERTIFICATE	-	855,285
CASH AND CASH EQUIVALENTS	15,328	1,059,552

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

D2 LITHIUM CORP.
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CONDENSED INTERIM CONSOLIDATED SCHEDULE OF RESOURCE PROPERTY COSTS
FOR THE NINE MONTHS ENDED AUGUST 31, 2023 AND 2022
(Stated in Canadian Dollars)
(Unaudited – Prepared by Management)

	USA Nevada \$	Canada Alberta \$	TOTAL \$
ACQUISITION COSTS			
Balance, November 30, 2021	911,297	-	911,297
Acquired upon amalgamation with HX Tech	-	17,354,060	17,354,060
Staking and filing fees	129,306	8,262	137,568
Write-down	-	(17,362,321)	(17,362,321)
Balance, November 30, 2022	1,040,603	1	1,040,604
Staking and filing fees	133,873	-	133,873
Balance, August 31, 2023	1,174,476	1	1,174,477
DEFERRED EXPLORATION AND DEVELOPMENT COSTS			
Balance, November 30, 2021	2,596,766	-	2,564,399
Environment reporting/permitting	2,525	-	2,525
Recoveries	(5,360)	-	(5,360)
Balance, November 30, 2022	2,593,931	-	2,593,931
Consulting	6,223	-	6,223
Environment reporting/permitting	5,363	-	5,363
Supplies	252	-	252
Balance, August 31, 2023	2,605,769	-	2,605,769
TOTAL RESOURCE PROPERTY COSTS			
As at November 30, 2022	3,634,534	1	3,634,535
As at August 31, 2023	3,780,245	1	3,780,246

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

D2 LITHIUM CORP.
(formerly HELIOSX LITHIUM & TECHNOLOGIES CORP.)
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED AUGUST 31, 2023 AND 2022
(Stated in Canadian Dollars)
(Unaudited – Prepared by Management)

NOTE 1 NATURE OF OPERATIONS

D2 Lithium Corp. (formerly HeliosX Lithium & Technologies Corp.) (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 DTWO, and on the OTCQB Market under the symbol DTWOF. The Company is a Reporting Issuer in the provinces of British Columbia and Alberta.

Dajin Lithium Corp. (“Dajin”) was incorporated under the British Columbia Company Act on August 5, 1987. On January 13, 2022, Dajin and HeliosX Technologies Corp. (“HX Tech”) completed a plan of arrangement under Division 5 of Part 9 of the British Columbia Business Corporations Act (“BCBCA”) involving Dajin, HX Tech, HX Tech subsidiary Fox Creek Lithium Corp., ESG Technologies Inc. (“ESG”) and Helios Infrastructure Corp. (“Helios Infrastructure”) (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 the Arrangement, Dajin and HX Tech have amalgamated to form an amalgamated company now called HeliosX Lithium & Technologies Corp. and ESG and Helios Infrastructure were spun out as separate reporting issuers.

As at August 31, 2023, the Company’s principal mineral interests were 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.

On June 14, 2023, the Company changed its name to D2 Lithium Corp.

The address of the Company’s corporate office and principal place of business is Suite 202, 8661 – 201 Street, Langley, BC V2Y 0G9.

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 Standard (“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, 2022.

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FOR THE NINE MONTHS ENDED AUGUST 31, 2023 AND 2022
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NOTE 2 BASIS OF PRESENTATION – (cont'd)

a) Statement of Compliance – (cont'd)

The condensed interim consolidated financial statements were authorized for issue by the Board of Directors on October 30, 2023.

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, 2023, the Company had not advanced its resource properties to commercial production. At August 31, 2023, the Company has not achieved profitable operations, has accumulated losses of \$49,693,250 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.

c) Basis of Measurement

These condensed interim 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.

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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, 2022.

The Company's significant accounting policies are disclosed in Note 4 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, 2022.

Accounting standards and amendments

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company has not early adopted any of these standards and is currently evaluating the impact, if any, that these standards might have on its financial statements. Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

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 condensed interim 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.

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NOTE 4 USE OF ESTIMATES AND JUDGEMENTS – (cont'd)

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. The Company has diluted its interest in its previously wholly-owned subsidiary Dajin Resources S.A. ("Dajin S.A.") to less than 50%, therefore it does not have the current ability to control the key operating activities of the company. Pursuant to the Shareholders and Operating Agreements entered into by the companies, Lithium S Holding Corporation ("Lithium H"), a wholly-owned subsidiary of LSC Lithium Corporation ("LSC"), was appointed operator for the earn-in period and the board of directors of Dajin S.A. is comprised of two directors appointed by Lithium H and one director appointed by the Company. As at August 31, 2023, management has 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 (Note 5).

NOTE 5 INVESTMENT IN DAJIN RESOURCES S.A.

The Company holds a 49% interest in Dajin S.A. The carrying amount of the investment in Dajin S.A. is summarized as follows:

	\$
Balance, November 30, 2020	1
Contribution to Dajin S.A.	272,662
Balance, November 30, 2021	272,663
Contributions to Dajin S.A.	229,981
Share of net loss of Dajin Resources S.A.	(196,901)
Balance, November 30, 2022	305,743
Contributions to Dajin S.A.	363,597
Balance, August 31, 2023	669,340

See Note 4.

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NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED AUGUST 31, 2023 AND 2022
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NOTE 6 RESOURCE PROPERTY COSTS

Teels Marsh Valley Lithium Project – State of Nevada, USA

At August 31, 2023, the Company through its wholly-owned subsidiary Dajin Resources (U.S.) Corp. holds a 100% interest in 403 placer claims in the Teels Marsh valley of Mineral County Nevada.

Alkali Springs Valley Lithium Project – State of Nevada, USA

At August 31, 2023, the Company through its wholly-owned subsidiary Dajin Resources (U.S.) Corp. holds a 100% interest in 139 placer claims in the Alkali Springs Valley of Esmeralda County, Nevada.

Fox Creek Lithium Project – Province of Alberta, Canada

The Company, through its wholly-owned subsidiary Fox Creek Lithium Corp. (“FCLC”) holds 581,461 acres of lithium brine rights comprising the Fox Creek Property in west-central Alberta, Canada. The Property consists of five separate Government of Alberta-issued permit blocks, with claims within these blocks expiring June 25, 2035 or October 17, 2036.

As at November 30, 2022, the Company made the determination that the carrying value of the Fox Creek Lithium Project was impaired relative to the value recorded in respect to its acquisition in January 2022. In the absence of evidence to support an alternative fair value for the property, the Company made the decision to write down the carrying value to \$1. As a result, the Company recorded a write-down of resource property costs of \$17,362,321 on the consolidated statement of comprehensive loss.

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, 2023:

No shares were issued during the period.

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FOR THE NINE MONTHS ENDED AUGUST 31, 2023 AND 2022
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NOTE 7 SHARE CAPITAL – (cont'd)

During the year ended November 30, 2022, the Company completed the following share capital issuances:

- 62,000 common shares were issued pursuant to the exercise of share purchase options for gross proceeds of \$31,000.
- Pursuant to the Amalgamation, the Company issued 17,010,000 common shares valued at \$13,437,900. The Company incurred cash share issue costs totaling \$50,156 in connection with the Amalgamation.
- Concurrent with the Amalgamation, the Company issued 2,732,258 common shares pursuant to the conversion of subscription receipts raised by HX Tech for gross proceeds of \$1,908,120.

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 the market price of the Company's stock on the date of the grant.

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NOTE 7 SHARE CAPITAL – (cont'd)

Commitments – (cont'd)

Share-Based Compensation Plan – (cont'd)

A summary of the status of the stock option plan as of August 31, 2023 and as at November 30, 2022 is presented below:

	August 31,		November 30,	
	Shares	2023 Weighted Average Exercise Price \$	Shares	2022 Weighted Average Exercise Price \$
Outstanding, at beginning of period	3,385,000	0.70	837,000	0.67
Expired/cancelled	(2,050,000)	0.70	(40,000)	0.50
Granted	-	-	2,650,000	0.70
Exercised	-	-	(62,000)	0.50
Outstanding, at end of period	1,335,000	0.70	3,385,000	0.70
Options exercisable at end of the period	1,335,000	0.70	3,385,000	0.70
Weighted-average remaining life, in years		2.15		3.97

At August 31, 2023, the Company has 1,335,000 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
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
600,000	\$0.70	February 28, 2027
1,335,000		

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FOR THE NINE MONTHS ENDED AUGUST 31, 2023 AND 2022
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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:

	Three Months Ended		Nine Months Ended	
	August 31, 2023 \$	August 31, 2022 \$	August 31, 2023 \$	August 31, 2022 \$
Wages and benefits	13,500	13,500	40,500	40,500
Share-based payments	-	-	-	25,950
	13,500	13,500	40,500	66,450
Key management compensation				
Administration fees	7,250	-	21,750	-
Rent reimbursement	4,988	5,572	13,159	14,323
Share-based payments	-	-	-	156,000
	12,238	5,572	34,909	170,323
	25,738	19,072	75,409	236,773

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

Included in August 31, 2023 accounts payable and accrued liabilities is \$63,192 (November 30, 2022: \$101,341) of reimbursable expenses owing to companies with common officers and directors.

Included in August 31, 2023 loans payable is \$109,397 (November 30, 2022: \$109,397) owing to certain officers and directors of the Company.

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

On March 30, 2023, the Company filed a Statement of Claim in the court of the King's Bench of Alberta against former officers and directors of the Company. The Company has alleged breach of fiduciary duty, breach of duty and care and negligence, resulting in the Company suffering losses and damages in an amount currently estimated to be not less than \$4,413,158, inclusive of amounts currently recorded in accrued liabilities in dispute as at August 31, 2023 and November 30, 2022 aggregating \$550,000.

NOTE 9 LOANS PAYABLE

	August 31, 2023 \$	November 30, 2022 \$
Demand loans, non-interest bearing, unsecured	571,524	114,397
	571,524	114,397

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NOTE 10 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.

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, 2023. Neither the Company nor its subsidiary is subject to externally imposed capital requirements.

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, 2023, the Company is not exposed to any significant credit risk.

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NOTE 13 FINANCIAL INSTRUMENTS – (cont'd)

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, 2023, the Company had cash and cash equivalents of \$15,328 (November 30, 2022 - \$742,546) and current liabilities of \$1,362,360 (November 30, 2022 - \$1,115,710). All of the Company's accounts payable (\$200,836) 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.

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 August 31, 2023, 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.

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NOTE 13 FINANCIAL INSTRUMENTS – (cont'd)

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 the Canada, United States and Argentina. As at August 31, 2023, the Company had accounts payable of \$5,216 (November 30, 2022: \$8,295) 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 14 SEGMENTED INFORMATION

The Company operates in one business segment, mineral exploration. As at November 30, 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 2023 \$	August 31 2022 \$	August 31 2023 \$	August 31 2022 \$
Net loss:				
Canada	114,331	226,210	463,348	1,958,406
United States	3,734	(89,860)	5,691	(87,213)
	118,065	136,350	469,039	1,871,193

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

	August 31, 2023 \$	November 30, 2022 \$
Total Assets:		
Canada	95,668	766,308
Argentina	669,340	305,743
United States	4,062,152	3,977,498
	4,827,160	5,049,549