

**VOLT CARBON TECHNOLOGIES INC.**

**Condensed Consolidated Interim Financial Statements**

**(Unaudited – presented in Canadian Dollars)**

**for the period ending July 31, 2023**

**Notice of No Auditor Review**

Pursuant to National Instrument 51-102, Part 4, subsection 4.3(3)(a), the accompanying unaudited condensed consolidated interim financial statements have been prepared by and are the responsibility of the Company's management. The Company's independent auditors have not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

## MANAGEMENT'S REPORT TO THE SHAREHOLDERS

The accompanying unaudited condensed consolidated interim financial statements have been prepared by management and approved by the Board of Directors of the Company. Management is responsible for the information and representations contained in these unaudited condensed consolidated interim financial statements and the accompanying Management's Discussion and Analysis. The unaudited condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

To assist management in discharging these responsibilities, the Company maintains a system of procedures and internal controls which are designed to provide reasonable assurance that its assets are safeguarded, that transactions are executed in accordance with management's authorization, and that the financial records form a reliable base for preparation of accurate and timely financial information.

The Board of Directors ensures that management fulfills its responsibilities for financial reporting and internal control. The Board of Directors exercises this responsibility through an Audit Committee. The Audit Committee has reviewed and discussed the unaudited condensed consolidated interim financial statements, including the notes thereto, with management. The unaudited condensed consolidated interim financial statements have been approved by the Board of Directors on the recommendation of the Audit Committee.

"V-Bond Lee"  
V-Bond Lee  
Chief Executive Officer

"Carmelo Marrelli"  
Carmelo Marrelli  
Chief Financial Officer

VOLT CARBON TECHNOLOGIES INC. (FORMERLY SAINT JEAN CARBON INC.)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Unaudited - Expressed in Canadian Dollars)

	As at July 31, 2023	As at October 31, 2022
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 100,964	\$ 72,088
Accounts receivable (Note 6)	16,020	38,790
Prepaid expenses	7,342	22,660
	<u>124,326</u>	<u>133,538</u>
<b>Term deposits</b> (Note 15)	61,280	61,209
<b>Equipment</b> (Note 7)	907,848	957,357
<b>Mineral exploration and evaluation assets</b> (Note 8)	954,869	954,869
<b>Right-of-use assets</b> (Note 9)	953,832	1,030,201
<b>Intangible asset</b> (Note 10)	1,433,200	1,425,887
	<u>\$ 4,435,355</u>	<u>\$ 4,563,061</u>
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities (Note 11)	\$ 719,579	\$ 973,847
Notes payable (Note 12)	72,000	574,948
Current portion of lease liabilities (Note 9)	129,827	108,665
Interest payable	-	61,448
	<u>921,406</u>	<u>1,718,908</u>
<b>Lease liabilities</b> (Note 9)	892,628	958,881
	<u>1,814,034</u>	<u>2,677,789</u>
<b>SHAREHOLDERS' EQUITY</b>		
Share capital (Note 13)	28,845,117	26,852,937
Warrants (Note 13)	67,125	-
Contributed surplus	3,051,624	3,165,923
Deficit	(29,342,545)	(28,133,588)
	<u>2,621,321</u>	<u>1,885,272</u>
	<u>\$ 4,435,355</u>	<u>\$ 4,563,061</u>

**Going concern** (Note 2(a))

**Contingency** (Note 19)

**Subsequent events** (Note 20)

See accompanying notes

On behalf of the Board of Directors:

**"V-Bond Lee"**

Director

**"Glen Nursey"**

Director

**VOLT CARBON TECHNOLOGIES INC. (FORMERLY SAINT JEAN CARBON INC.)**  
**CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS**  
*(Unaudited - Expressed in Canadian Dollars)*

	Three months ended July 31, 2023	Three months ended July 31, 2022	Nine months ended July 31, 2023	Nine months ended July 31, 2022
<b>Revenue</b>	\$ 15,000	\$ -	\$ 65,000	\$ -
<b>Expenses</b>				
Amortization on equipment (Note 7)	\$ 39,913	\$ 34,406	\$ 118,564	\$ 82,196
Amortization on right-of-use assets (Note 9)	45,159	32,785	126,682	90,379
Consulting fees	162,230	127,798	478,258	430,026
Exploration	-	-	14,040	-
Gain on settlement of accounts payable (Note 19)	(258,248)	-	(258,248)	-
Interest on lease liabilities (Note 9)	15,654	16,291	46,899	49,249
Investor relations	13,395	26,595	25,775	73,324
Loan interest and bank charges	1,594	13,755	6,772	50,768
Loss on foreign exchange	-	56	659	5,574
Office and general	72,304	130,060	223,074	374,514
Professional fees	38,720	154,929	150,473	306,607
Regulatory and filing fees	6,391	2,464	54,681	61,315
Rent and occupancy expenses (recovery)	21,294	25,265	61,986	68,275
Research expenses	7,447	51,988	83,484	144,899
Stock-based compensation (Note 13)	18,930	31,153	140,858	390,591
	184,783	647,545	1,273,957	2,127,717
<b>Loss and comprehensive loss</b>	\$ (169,783)	\$ (647,545)	\$ (1,208,957)	\$ (2,127,717)
<b>Loss per share - basic and diluted</b> (Note 13(b))	\$ (0.001)	\$ (0.004)	\$ (0.007)	\$ (0.015)
<b>Weighted average number of shares outstanding - basic and diluted</b>	174,973,538	153,377,532	170,128,943	142,754,244

See accompanying notes

**VOLT CARBON TECHNOLOGIES INC. (FORMERLY SAINT JEAN CARBON INC.)**  
**CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
*(Unaudited - Expressed in Canadian Dollars)*

	Number of shares	Share Capital	Warrants	Contributed Surplus	Deficit	Total
<b>Balance at November 1, 2021</b>	129,393,782	\$ 24,206,052	-	\$ 2,891,392	\$ (25,577,676)	\$ 1,519,768
Private Placements	20,000,000	2,500,000	-	-	-	2,500,000
Shares issued due to exercise of warrants	3,183,750	159,188	-	-	-	159,188
Shares issued due to exercise of options	800,000	100,000	-	-	-	100,000
Share issuance costs	-	(213,941)	-	-	-	(213,941)
Stock-based compensation	-	-	-	390,591	-	390,591
Loss and comprehensive loss	-	-	-	-	(2,127,717)	(2,127,717)
<b>Balance, July 31, 2022</b>	<b>153,377,532</b>	<b>\$ 26,751,299</b>	<b>-</b>	<b>\$ 3,281,983</b>	<b>\$ (27,705,393)</b>	<b>\$ 2,327,889</b>
<b>Balance at November 1, 2022</b>	<b>153,377,532</b>	<b>\$ 26,852,937</b>	<b>-</b>	<b>\$ 3,165,923</b>	<b>\$ (28,133,588)</b>	<b>\$ 1,885,272</b>
Private placements	16,712,499	1,169,875	67,125	-	-	1,237,000
Shares issued due to exercise of warrants	2,952,500	147,625	-	-	-	147,625
Shares issued due to exercise of options	1,880,000	522,457	-	(255,157)	-	267,300
Shares issued due to shares for debt exchange	2,843,371	241,686	-	-	-	241,686
Share issuance costs	-	(89,463)	-	-	-	(89,463)
Stock-based compensation	-	-	-	140,858	-	140,858
Loss and comprehensive loss	-	-	-	-	(1,208,957)	(1,208,957)
<b>Balance, July 31, 2023</b>	<b>177,765,902</b>	<b>\$ 28,845,117</b>	<b>67,125</b>	<b>\$ 3,051,624</b>	<b>\$ (29,342,545)</b>	<b>\$ 2,621,321</b>

See accompanying notes

**VOLT CARBON TECHNOLOGIES INC. (FORMERLY SAINT JEAN CARBON INC.)**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
*(Unaudited - Expressed in Canadian Dollars)*

	Year to date July 31, 2023	Year to date July 31, 2022
<b>Cash flows used in operating activities</b>		
Loss and comprehensive loss	\$ (1,208,957)	\$ (2,127,717)
Items not involving cash:		
Amortization on capital assets	118,564	82,196
Amortization on right-of-use assets	126,682	90,379
Stock-based compensation	140,858	390,591
Interest on lease liabilities	46,899	49,249
Write off of other assets	-	610
	(775,954)	(1,514,692)
<b>Changes in non-cash working capital items:</b>		
Accounts receivable	22,770	(61,021)
Prepaid expenses	15,318	133,364
Accounts payable and accrued liabilities	(254,268)	(203,092)
Interest payable	(5,709)	3,002
	(997,843)	(1,642,439)
<b>Cash flows used in investing activities</b>		
Purchase of capital assets	(69,055)	(545,525)
Acquisition of intangible asset	(7,313)	(18,935)
	(76,368)	(564,460)
<b>Cash flows from financing activities</b>		
Issuance of share capital	1,237,000	2,500,000
Exercise of warrants	147,625	159,188
Exercise of options	267,300	100,000
Share issuance costs	(89,463)	(213,941)
Proceeds of notes payable	122,000	486,496
Repayment of note payable	(439,000)	(540,000)
Restricted cash	(71)	(20,000)
Decrease of lease liability obligation	(142,304)	(106,988)
	1,103,087	2,364,755
<b>Increase in cash</b>	28,876	157,856
<b>Cash, beginning of period</b>	72,088	141,996
<b>Cash, end of period</b>	\$ 100,964	\$ 299,852

*See accompanying notes*

# VOLT CARBON TECHNOLOGIES INC.

## Notes to the condensed consolidated interim financial statements

(Unaudited - Expressed in Canadian Dollars)

July 31, 2023 and July 31, 2022

---

### 1. CORPORATE INFORMATION AND NATURE OF OPERATIONS

Volt Carbon Technologies Inc. (the “Company”) is incorporated provincially in Alberta, and extra provincially in Saskatchewan, Manitoba, Quebec and British Columbia has shares listed on the TSX Venture Exchange (“TSX-V”). The Company’s registered office is located at 117 – 70 Country Hills Landing NW, Calgary, Alberta T3K 2L2.

The Company’s operations are focused on exploring mineral properties and developing its air classifier technology. Volt Carbon Technologies Inc.’s wholly-owned subsidiary, Solid Ultrabattery Inc. is focused on developing its battery technology.

### 2. BASIS OF PRESENTATION AND GOING CONCERN

#### Statement of compliance

These unaudited condensed consolidated interim financial statements were approved by the Board of Directors on September 19, 2023.

The unaudited condensed consolidated interim financial statements were prepared using the same accounting policies and methods as those used in the Corporation’s financial statements for the year ended October 31, 2022. The unaudited condensed consolidated interim financial statements are in compliance with International Accounting Standard 34, Interim Financial Reporting (“IAS 34”). Accordingly, certain information and disclosure normally included in annual financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”), has been omitted or condensed. The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Accounts that require significant judgments, estimates and assumptions as the basis for determining the stated amounts are consistent with those applied and disclosed in the Corporation’s financial statements for the year ended October 31, 2022.

These unaudited condensed consolidated interim financial statements should be read in conjunction with the Corporation’s financial statements for the year ended October 31, 2022 which were prepared in accordance with IFRS.

#### a) Going concern

These unaudited condensed consolidated interim financial statements have been prepared on a going-concern basis which assumes that the Company will be able to realize assets and discharge liabilities in the normal course of business for the foreseeable future. Accordingly, it does not give effect to adjustments, if any, that would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and liquidate its liabilities in other than normal course of business and at amounts which may differ from those shown in the unaudited condensed consolidated interim financial statements.

## VOLT CARBON TECHNOLOGIES INC.

### Notes to the condensed consolidated interim financial statements

(Unaudited - Expressed in Canadian Dollars)

July 31, 2023 and July 31, 2022

---

#### 2. BASIS OF PRESENTATION AND GOING CONCERN (continued)

As at July 31, 2023, the Company has incurred a loss from operations of \$1,208,957, has a working capital deficit of \$797,080, negative cash flow from operations of \$997,843 and an accumulated deficit of \$29,342,545. As the Company currently has no significant revenue generating activity, it is dependent upon obtaining additional equity and debt financing to fund its research activities and continue as a going concern. During the period, the Company raised proceeds of \$1,237,000 through the issuance of shares through private placement, \$147,625 from exercise of warrants and \$267,300 from the exercise of stock options.

This condition, along with other matters as set forth in the above paragraph, indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

##### b) Measurement basis

These unaudited condensed consolidated interim financial statements are prepared on the historical cost basis except for certain financial instruments, which are measured at fair value. The Company's presentation and functional currency is Canadian dollars.

##### c) Basis of consolidation

Subsidiaries consist of entities over which the Company has rights, or is exposed, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiary's financial statements are included in the consolidated financial statements from the date that control commences until the date that control ceases. Control is established when the Company has the power to govern the financial and operating policy decisions of the entity so as to obtain benefits from the entity's activities, and generally exists where more than 50% of the voting power of the entity is held by the Company. The subsidiary's year end and accounting policies are aligned with those adopted by the Company.

These unaudited condensed consolidated interim financial statements include the accounts of the Corporation and its wholly-owned subsidiary Solid UltraBattery Inc. All inter-company balances and transactions have been eliminated on consolidation.

#### 3. SIGNIFICANT ACCOUNTING POLICIES

The unaudited condensed consolidated interim financial statements were prepared using the same accounting policies and methods as those used in the Company's financial statements for the year ended October 31, 2022.

## VOLT CARBON TECHNOLOGIES INC.

### Notes to the condensed consolidated interim financial statements

(Unaudited - Expressed in Canadian Dollars)

July 31, 2023 and July 31, 2022

---

#### 4. RECENT ACCOUNTING PRONOUNCEMENTS

At the date of authorization of these unaudited condensed consolidated interim financial statements, the IASB and IFRIC have issued the following new and revised standards, amendments and interpretations which are not yet effective during the period ended July 31, 2023. The following new or amended standards are effective for year-ends starting after January 1, 2023 and have not yet been adopted by the Company.

- (a) IAS1 "Presentation of financial statements" – amendments to the classification of liabilities as current. The objectives of the amendments are to provide clarification on the classification of liabilities and state explicitly than a company classifies a liability as current when it does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.
- (b) IAS8 "Accounting Policies, Changes in Accounting Estimates and Errors" – amendment. The amendment provides a definition of accounting estimates and provides clarifications to help distinguish between accounting policies and accounting estimates. Accounting estimates are defined as monetary amounts that are subject to measurement uncertainty.

The Company does not anticipate that adoption of the above standards will have significant financial reporting implications.

#### 5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

Information about critical judgments in applying accounting policies that have the most significant risk to cause material adjustment to the carrying amounts of assets and liabilities recognized in these unaudited condensed consolidated interim financial statements within the next financial year are discussed below:

##### **Impairment of non-financial assets**

The impairment assessment requires estimates and assumptions such as discount rates, exchange rates, commodity prices, future capital requirements and future operating performance.

**VOLT CARBON TECHNOLOGIES INC.****Notes to the condensed consolidated interim financial statements****(Unaudited - Expressed in Canadian Dollars)****July 31, 2023 and July 31, 2022****5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)****Fair value of options**

The fair value of equity instruments is subject to the limitations of the Black-Scholes option pricing model, as well as other pricing models that incorporate market data and involves uncertainty in estimates used by management in the assumptions. Because option pricing models require inputs of highly subjective assumptions, including the volatility of share prices, changes in subjective input assumptions can materially affect the fair value estimate.

**Business acquisitions**

Management determines whether assets acquired, and liabilities assumed constitute a business. A business consists of inputs and processes applied to those inputs to create outputs of measurable value. The Company completed the acquisition of Solid Ultrabattery Inc. on May 27, 2021 which was deemed not to be a business in accordance with IFRS 3, so the transaction has been treated as an asset acquisition.

**Title to mineral property interests**

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.

**6. ACCOUNTS RECEIVABLE**

	July 31, 2023	Oct. 31, 2022
Other receivables	\$ 1,574	\$ 592
GST receivable	14,446	38,198
	<b>\$ 16,020</b>	<b>\$ 38,790</b>

**7. EQUIPMENT**

Cost	Plant equipment	Leasehold improvements	Furniture, fixtures and office equipment	Total
At November 1, 2021	\$ 629,991	\$ 136,189	\$ 18,387	\$ 784,567
Additions	270,432	338,765	31,266	640,463
Disposals	-	-	-	-
At October 31, 2022	\$ 900,423	\$ 474,954	\$ 49,653	\$ 1,425,030
Additions	52,136	9,698	7,221	69,055
Disposals	-	-	-	-
At July 31, 2023	\$ 952,559	\$ 484,652	\$ 56,874	\$ 1,494,085

**VOLT CARBON TECHNOLOGIES INC.**

**Notes to the condensed consolidated interim financial statements**

**(Unaudited - Expressed in Canadian Dollars)**

**July 31, 2023 and July 31, 2022**

**7. EQUIPMENT (continued)**

<b>Accumulated amortization</b>	<b>Plant equipment</b>	<b>Leasehold improvements</b>	<b>Furniture, fixtures and office equipment</b>	<b>Total</b>
<b>At November 1, 2021</b>	<b>\$ 339,455</b>	<b>\$ -</b>	<b>\$ 7,254</b>	<b>\$ 346,709</b>
Disposals	-	-	-	-
Amortization	74,624	35,891	10,449	120,964
<b>At October 31, 2022</b>	<b>\$ 414,079</b>	<b>\$ 35,891</b>	<b>\$ 17,703</b>	<b>\$ 467,673</b>
Disposals	-	-	-	-
Amortization	69,514	39,983	9,067	118,564
<b>At July 31, 2023</b>	<b>\$ 483,593</b>	<b>\$ 75,874</b>	<b>\$ 26,770</b>	<b>\$ 586,237</b>

<b>Net book value</b>	<b>Plant equipment</b>	<b>Leasehold improvements</b>	<b>Furniture, fixtures and office equipment</b>	<b>Total</b>
<b>At October 31, 2022</b>	<b>\$ 486,344</b>	<b>\$ 439,063</b>	<b>\$ 31,950</b>	<b>\$ 957,357</b>
<b>At July 31, 2023</b>	<b>\$ 468,966</b>	<b>\$ 408,778</b>	<b>\$ 30,104</b>	<b>\$ 907,848</b>

**8. MINERAL EXPLORATION AND EVALUATION ASSETS**

The Company has acquired certain mineral properties and rights. Mineral exploration and evaluation assets include property acquisition costs and deferred exploration costs.

**Property acquisition costs:**

	<b>Mount</b>			<b>Total</b>
	<b>Red Bird (a)</b>	<b>Copeland (b)</b>	<b>Lochaber (c)</b>	
<b>At November 1, 2021</b>	<b>\$ 140,000</b>	<b>\$ 221,186</b>	<b>\$ -</b>	<b>\$ 361,186</b>
Additions	-	-	-	-
Reversal of impairment	-	-	90,000	90,000
<b>At October 31, 2022</b>	<b>\$ 140,000</b>	<b>\$ 221,186</b>	<b>\$ 90,000</b>	<b>\$ 451,186</b>
Additions	-	-	-	-
<b>At July 31, 2023</b>	<b>\$ 140,000</b>	<b>\$ 221,186</b>	<b>\$ 90,000</b>	<b>\$ 451,186</b>

## VOLT CARBON TECHNOLOGIES INC.

### Notes to the condensed consolidated interim financial statements

(Unaudited - Expressed in Canadian Dollars)

July 31, 2023 and July 31, 2022

#### 8. MINERAL EXPLORATION AND EVALUATION ASSETS (continued)

##### Deferred exploration costs:

	Mount			Total
	Red Bird (a)	Copeland (b)	Lochaber (c)	
At November 1, 2021	\$ 16,681	\$ 461,715	\$ 15,287	\$ 493,683
Additions	-	-	-	-
Reversal of impairment	-	-	10,000	10,000
At October 31, 2022	\$ 16,681	\$ 461,715	\$ 25,287	\$ 503,683
Additions	-	-	-	-
At July 31, 2023	\$ 16,681	\$ 461,715	\$ 25,287	\$ 503,683

##### Total costs:

	Mount			Total
	Red Bird (a)	Copeland (b)	Lochaber (c)	
At October 31, 2022	\$ 156,681	\$ 682,901	\$ 115,287	\$ 954,869
At July 31, 2023	\$ 156,681	\$ 682,901	\$ 115,287	\$ 954,869

##### a) Red Bird

The Red Bird molybdenum property consists of three mineral claims situated in the Skeena Mining Division of west central British Columbia. The Company holds a 25% undivided interest in the property.

##### b) Mount Copeland

The Mount Copeland molybdenum property is situated in British Columbia. The Company holds a 100% interest in the Mount Copeland property.

##### c) Lochaber

In May 2018, the Company acquired a 100% ownership of the historical graphite mining property known as the Lochaber claims located in South Western Quebec.

#### 9. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

On July 15, 2021, the Company entered into a lease agreement for its premises to house its research activities. A 6% discount rate was used to fair value the lease liability over its 10-year lease term. On November 28, 2022, the Company negotiated an amendment to the lease agreement to include a termination clause. The Company has the ability to terminate the lease with one year notice and payment of three years rent.

On June 15, 2022, the Company entered into a new lease agreement for its premises to house additional research activities. A 6% discount rate was used to fair value the lease liability over its one-year lease term. This lease and was derecognized during the current period.

VOLT CARBON TECHNOLOGIES INC.

Notes to the condensed consolidated interim financial statements

(Unaudited - Expressed in Canadian Dollars)

July 31, 2023 and July 31, 2022

9. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

On June 15, 2023, the Company entered into a lease renewal agreement for its premises to house additional research activities. A 9% discount rate was used to fair value the lease liability over its one-year lease term.

a) Right-of-use assets

**Cost**

Balance, November 1, 2021	\$ 1,142,280
Additions during the year	47,858
<b>Balance, October 31, 2022</b>	<b>\$ 1,190,138</b>
Additions during the period	50,313
Derecognition of right-of-use asset	(47,858)
<b>Balance, July 31, 2023</b>	<b>\$ 1,192,593</b>

**Accumulated amortization**

Balance, November 1, 2021	\$ 28,797
Amortization during the year	131,140
<b>Balance, October 31, 2022</b>	<b>\$ 159,937</b>
Amortization during the period	126,682
Derecognition of right-of-use asset	(47,858)
<b>Balance, July 31, 2023</b>	<b>\$ 238,761</b>

**Net book value**

October 31, 2022	\$ 1,030,201
July 31, 2023	\$ 953,832

b) Lease liabilities

Balance, November 1, 2021	\$ 1,113,329
Additions during the year	42,708
Lease finance expense	65,570
Repayments during the year	(154,061)
<b>Balance, October 31, 2022</b>	<b>\$ 1,067,546</b>
Additions during the period	50,314
Lease finance expense	46,899
Repayments during the period	(142,304)
<b>Balance, July 31, 2023</b>	<b>\$ 1,022,455</b>

Current	\$ 129,827
Long-term	892,628
<b>Total discounted lease liabilities</b>	<b>\$ 1,022,455</b>

**VOLT CARBON TECHNOLOGIES INC.**

**Notes to the condensed consolidated interim financial statements**

**(Unaudited - Expressed in Canadian Dollars)**

**July 31, 2023 and July 31, 2022**

**9. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)**

Under the premise's lease, the Company is committed to the following lease payments:

2023	\$ 188,028
2024	147,581
2025	151,235
2026	154,991
After	645,377
	<u>\$ 1,287,212</u>

**10. INTANGIBLE ASSET**

	Intellectual property	Patents	Total
At November 1, 2021	\$ 1,373,057	\$ -	\$ 1,373,057
Additions	-	52,830	52,830
At October 31, 2022	\$ 1,373,057	\$ 52,830	\$ 1,425,887
Additions	-	7,313	7,313
At July 31, 2023	\$ 1,373,057	\$ 60,143	\$ 1,433,200

**11. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	July 31, 2023	Oct. 31, 2022
Trade payables	\$ 391,367	\$ 753,290
Trade payables – related parties	328,212	220,557
	<u>\$ 719,579</u>	<u>\$ 973,847</u>

Included in accounts payable are amounts due to related parties relating to management fees and expenses incurred as follows:

Amounts due to	Nature of relationship	July 31, 2023	Oct. 31, 2022
Private corporation	Key Management personnel	\$174,912	\$ 64,553
Private corporation	Key Management personnel	147,000	63,000
Private corporation	Key Management personnel	6,300	7,004
Unincorporated business	Key Management personnel	-	84,000
Unincorporated business	Website consulting	-	2,000
		<u>\$328,212</u>	<u>\$220,557</u>

## VOLT CARBON TECHNOLOGIES INC.

### Notes to the condensed consolidated interim financial statements

(Unaudited - Expressed in Canadian Dollars)

July 31, 2023 and July 31, 2022

#### 12. NOTES PAYABLE

	July 31, 2023	Oct. 31, 2022
Unsecured advances payable to a senior officer and director of the Company, due upon demand, non-interest bearing.	\$ -	\$ 134,000
Unsecured promissory notes payable to a senior officer and director of the Company, due October 11, 2023, bearing interest at 2% per annum.	-	255,000
Unsecured promissory note payable to a company controlled by a senior officer and director of the Company, due October 31, 2023, and non-interest bearing.	20,000	-
Unsecured loan payable of \$145,000 USD, bears interest at 12% per annum with no fixed terms of repayment.	-	185,948
Unsecured advances payable to an unrelated party, due upon demand, non-interest bearing.	52,000	-
	<b>\$ 72,000</b>	<b>\$ 574,948</b>

On November 17, 2022, the unsecured loan of \$145,000 USD and accrued interest was converted to 2,843,371 common shares for an agreed amount of \$241,687 CAD. All other notes and advances were repaid during the period.

On February 13 and 28, 2023, a related company controlled by a director and senior officer of the Company advanced \$70,000 to the Company by way of a promissory note, of which \$20,000 was repaid on April 15, 2023 and \$30,000 was repaid on July 10, 2023.

On May 31, 2023 and July 27, 2023, an unrelated party advanced \$20,000 and \$32,000, respectively, to the Company.

#### 13. SHARE CAPITAL

a) Authorized:

The authorized share capital of the Company is:

An unlimited number of voting common shares without par value.

An unlimited number of non-voting first preferred shares.

An unlimited number of non-voting second preferred shares.

**VOLT CARBON TECHNOLOGIES INC.**  
**Notes to the condensed consolidated interim financial statements**  
**(Unaudited - Expressed in Canadian Dollars)**  
**July 31, 2023 and July 31, 2022**

---

**13. SHARE CAPITAL (continued)**

b) Issued and outstanding:

See the Statement of Changes in Shareholders' Equity. The number of the shares outstanding presented in the statements of changes in shareholders' equity refers only to voting common shares. Diluted loss per share did not include the effect of 9,900,000 options (9,980,000 – October 31, 2022) and 18,412,500 warrants (18,152,500 – October 31, 2022) as they are anti-dilutive.

c) Share issuances:

*Private placements*

On November 10, 2022 the Company received a subscription for a private placement of 9,999,999 shares at a price of \$0.07 per share for gross proceeds of \$700,000.

On March 29, 2023 the Company received a subscription for a private placement of 3,050,000 shares at a price of \$0.08 per share for gross proceeds of \$244,000, with \$30,500 allocated to warrants. A company controlled by a director and officer subscribed for 625,000 of these shares.

On April 21, 2023 the Company received a subscription for a private placement of 2,750,000 shares at a price of \$0.08 per share for gross proceeds of \$220,000, with \$27,500 allocated to warrants. A director and officer subscribed for 250,000 of these shares.

On June 13, 2023 the Company received a subscription for a private placement of 912,500 shares at a price of \$0.08 per share for gross proceeds of \$73,000, with \$9,125 allocated to warrants. A company controlled by a director and officer subscribed for 125,000 of these shares and a relative of a director and officer subscribed for 100,000 of these shares.

*Exercise of options*

On November 28, 2022 the Company issued 1,880,000 common shares in the capital of the Company due to exercise of options at exercise prices of \$0.115, \$0.15 and \$0.16 per share for gross proceeds of \$267,300.

*Exercise of warrants*

On June 20, 2023 the Company issued 100,000 common shares in the capital of the Company due to exercise of warrants at exercise price of \$0.05 per share for gross proceeds of \$5,000.

On July 3, 2023 the Company issued 1,652,500 common shares in the capital of the Company due to exercise of warrants at exercise price of \$0.05 per share for gross proceeds of \$82,625.

VOLT CARBON TECHNOLOGIES INC.

Notes to the condensed consolidated interim financial statements

(Unaudited - Expressed in Canadian Dollars)

July 31, 2023 and July 31, 2022

---

13. SHARE CAPITAL (continued)

On July 28, 2023 the Company issued 1,200,000 common shares in the capital of the Company due to exercise of warrants at exercise price of \$0.05 per share for gross proceeds of \$60,000.

*Shares for debt exchange*

On November 17, 2022, the Company issued 2,843,371 common shares to settle \$241,687 of debt. See Note 12.

d) Stock options

The Company has established a stock-based compensation plan pursuant to which options to purchase common shares may be granted to certain officers, directors, and contractors of the Company as well as persons providing ongoing services to the Company. Exercise price of options equals at least the market price of the Company's stock on the date of grant. Stock options are exercisable on the day of grant and are for a two or five-year term in accordance with TSX Venture Exchange policy.

A summary of the status of the Company's incentive stock option plan as at July 31, 2023 and October 31, 2022 is as follows:

---

	Number of options	Weighted Average Exercise Price
Balance November 1, 2021	7,580,000	\$0.12
Granted	3,200,000	\$0.12
Exercised	(800,000)	\$0.125
<b>Balance October 31, 2022</b>	<b>9,980,000</b>	<b>\$0.12</b>
Granted	2,100,000	\$0.11
Expired	(300,000)	\$0.12
Exercised	(1,880,000)	\$0.14
<b>Balance July 31, 2023</b>	<b>9,900,000</b>	<b>\$0.11</b>

---

**VOLT CARBON TECHNOLOGIES INC.**

**Notes to the condensed consolidated interim financial statements**

**(Unaudited - Expressed in Canadian Dollars)**

**July 31, 2023 and July 31, 2022**

**13. SHARE CAPITAL (continued)**

Options Granted

The Black-Scholes option valuation model was used to estimate the fair value of the options with the following assumptions.

	<b>Dividend Yield</b>	<b>Volatility</b>	<b>Risk free interest rate</b>	<b>Expected life</b>	<b>Grant date value (per option)</b>
Options granted December 14, 2020	0%	193.45%	0.99%	5 years	\$0.04
Options granted July 26, 2021	0%	192.10%	0.80%	5 years	\$0.17
Options granted August 11, 2021	0%	192.58%	0.89%	5 years	\$0.16
Options granted October 6, 2021	0%	190.07%	1.09%	5 years	\$0.15
Options granted February 16, 2022	0%	185.88%	1.80%	5 years	\$0.15
Options granted March 16, 2022	0%	172.32%	2.02%	5 years	\$0.11
Options granted May 4, 2022	0%	169.97%	2.74%	5 years	\$0.10
Options granted February 15, 2023	0%	174.24%	3.39%	5 years	\$0.07
Options granted February 15, 2023	0%	174.24%	3.39%	5 years	\$0.07
Options granted June 12, 2023	0%	169.07%	3.64%	5 years	\$0.08

A summary of options granted as at July 31, 2023 is as follows:

<b>Number of Shares Under Option</b>	<b>Exercise Price</b>	<b>Expiry Date</b>
2,450,000	\$0.05	December 14, 2025
2,350,000	\$0.15	July 26, 2026
1,000,000	\$0.16	August 11, 2026
400,000	\$0.15	October 6, 2026
600,000	\$.125	February 15, 2027
1,000,000	\$0.115	March 15, 2027
1,500,000	\$0.12	February 28, 2028
350,000	\$0.08	February 28, 2028
250,000	\$0.08	June 11, 2028
<b>9,900,000</b>		

VOLT CARBON TECHNOLOGIES INC.

Notes to the condensed consolidated interim financial statements

(Unaudited - Expressed in Canadian Dollars)

July 31, 2023 and July 31, 2022

13. SHARE CAPITAL (continued)

e) Share purchase warrants

A summary of outstanding warrants as at July 31, 2023 and October 31, 2022 is as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, November 1, 2021	14,098,750	\$0.13
Granted	10,000,000	\$0.25
Expired	(2,762,500)	\$0.22
Exercised	(3,183,750)	\$0.05
<b>Balance October 31, 2022</b>	<b>18,152,500</b>	<b>\$0.20</b>
Granted	6,712,500	\$0.16
Expired	(3,500,000)	\$0.25
Exercised	(2,952,500)	\$0.05
<b>Balance July 31, 2023</b>	<b>18,412,500</b>	<b>\$0.20</b>

A summary of warrants granted as at July 31, 2023 is as follows:

Number of Warrants	Exercise Price	Expiry Date
1,700,000	\$0.050	October 9, 2023
2,800,000	\$0.250	January 31, 2024
3,200,000	\$0.250	February 28, 2024
4,000,000	\$0.250	March 15, 2024
2,750,000	\$0.160	March 29, 2026
3,050,000	\$0.160	April 23, 2026
912,500	\$0.160	June 12, 2026
<u>18,412,500</u>		

14. RELATED PARTY TRANSACTIONS

	Nine months ended	
	2023	July 31, 2022
<b>Management and consulting fees</b>		
Company controlled by a director	\$ 80,000	\$ 90,000
Company controlled by a director and senior officer	135,000	160,538
Company controlled by a director and senior officer	138,740	89,000
Company controlled by a senior officer	12,725	-
Business controlled by a relative of a director	13,500	9,000
	<u>\$ 379,965</u>	<u>\$ 348,538</u>

## VOLT CARBON TECHNOLOGIES INC.

### Notes to the condensed consolidated interim financial statements

(Unaudited - Expressed in Canadian Dollars)

July 31, 2023 and July 31, 2022

#### 14. RELATED PARTY TRANSACTIONS (continued)

##### Key management compensation

Key management personnel include the board of directors, chief executive officer, chief financial officer, chief operating officer, chief commercialization officer, chief technology officer and president.

	Nine months ended	
	2023	July 31, 2022
Management and consulting fees	\$ 227,725	\$ 250,538
Stock based compensation	98,643	255,215
	<u>\$ 326,368</u>	<u>\$ 505,753</u>

See Note 11 for amounts owed to related parties.

See Note 12 for notes payable to related parties.

See Note 13(c) for shares issued to related parties.

#### 15. TERM DEPOSITS

Term deposits of \$36,280 have been pledged as security to the Scotia Bank for their irrevocable letter of credit in favor of the Province of British Columbia, Ministry of Energy and Mines. Term deposits totaling \$25,000 (October 31, 2022 – \$25,000) has been pledged as security to the Scotia Bank to secure the Company credit cards.

#### 16. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial assets and financial liabilities are measured on an ongoing basis at fair value or amortized cost. The disclosures in the notes to these unaudited condensed consolidated interim financial statements describe how the categories of financial instruments are measured and how income and expenses, including fair value gains and losses, are recognized.

Financial instruments recognized at fair value on the statements of financial position must classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurement. The fair value hierarchy levels are as follows:

- Level 1: Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2: Valuation techniques based on inputs that are other than Level 1 quoted prices that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices).

**VOLT CARBON TECHNOLOGIES INC.**

**Notes to the condensed consolidated interim financial statements**

**(Unaudited - Expressed in Canadian Dollars)**

**July 31, 2023 and July 31, 2022**

**16. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)**

- Level 3: Valuation techniques with unobservable market inputs (involves assumptions and estimates by management).

As at July 31, 2023, the classification of the financial instruments, as well as their carrying values and fair values, with comparative figures for October 31, 2022 are shown in the table below:

	July 31, 2023		October 31, 2022	
	Fair value	Carrying value	Fair value	Carrying value
<i>Financial assets</i>				
Cash	\$ 100,964	\$ 100,964	\$ 72,088	\$ 72,088
Accounts receivable (1)	1,574	1,574	592	592
<i>Financial liabilities</i>				
Accounts payable and accrued liabilities	719,579	719,579	973,847	973,847
Notes payable	72,000	72,000	574,984	574,984
Interest payable	-	-	61,448	61,448

(1) Excluding taxes receivable

**Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its obligations. The Company's maximum exposure to credit risk as at July 31, 2023 under its financial instruments is summarized as follows:

	July 31, 2023	October 31, 2022
Accounts and other receivables -		
Currently due	\$ 1,574	\$ 592
Past due by 90 days or less, not impaired	-	-
Past due by greater than 90 days, not impaired	-	-
	1,574	592
Cash	100,964	72,088
	\$ 102,538	\$ 72,680

All of the Company's cash is held with major financial institutions in Canada, and management believes the exposure to credit risk with such institutions is not significant. The Company considers the risk of material loss to be significantly mitigated due to the financial strength of the major financial institutions where cash is held. As at July 31, 2023 and October 31, 2022, no material provision has been recorded in respect of impaired receivables. The Company's maximum exposure to credit risk as at July 31, 2023, is the carrying value of its financial assets.

## VOLT CARBON TECHNOLOGIES INC.

### Notes to the condensed consolidated interim financial statements

(Unaudited - Expressed in Canadian Dollars)

July 31, 2023 and July 31, 2022

#### 16. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

##### Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with financial liabilities. The Company has a planning and budgeting process in place by which it anticipates and determines the funds required to support normal operation requirements as well as the growth and development of its mineral property interests. The Company coordinates this planning and budgeting process with its financing activities through the capital management process described in *Note 17*, in normal circumstances. Due to the lack of liquidity, management has increased its focus on liquidity risk given the impact of the current economic climate on the availability of finance. Further information regarding liquidity risk is set out in *Note 2 (a)*.

The following table summarizes the contractual maturities of the Company's financial liabilities at July 31, 2023:

	Contractual cash flows	Less than one year
Accounts payable and accrued liabilities	\$ 719,579	\$ 719,579
	\$ 719,579	\$ 719,579

##### Market risk

The significant market risks to which the Company is exposed include commodity price risk, interest rate risk and currency risk.

- Commodity price risk  
The Company's ability to raise capital to fund exploration or development activities is subject to risk associated with fluctuations in the market prices of graphite, molybdenum, copper and gold and the outlook for these metals, as the Company's ability to raise capital is affected by the commodity that the Company is exploring for on its mineral property interests. The Company does not have any hedging or other derivative contracts respecting its operations.
- Interest rate risk  
The Company has no significant exposure at July 31, 2023, to interest rate risk through its financial instruments.
- Currency risk  
Currency risk relates to the risk that the fair values and future cash flows of the Company's financial instruments will fluctuate as a result of changes in foreign exchange rates. The Company has no significant exposure at July 31, 2023, to exchange rate risk through its financial instruments.

## VOLT CARBON TECHNOLOGIES INC.

### Notes to the condensed consolidated interim financial statements

(Unaudited - Expressed in Canadian Dollars)

July 31, 2023 and July 31, 2022

---

#### 17. MANAGEMENT OF CAPITAL

The Company's objective in managing capital is to maintain adequate levels of funding to safeguard its ability to continue as a going concern in order to pursue the development of its mineral property interests.

The Company considers the items included in shareholders' equity to be capital. The Company relies on equity financing in order to fund future exploration and development and makes adjustments to the Company's capital structure based on financing needs, as well as in response to economic conditions and the risk characteristics of the underlying assets.

Management makes adjustments to its capital structure through share issuances and the acquisition or disposition of assets.

As the Company is in the exploration stage it endeavors to manage its capital structure in a manner that provides sufficient funding for operational activities through funds primarily secured through equity capital obtained in private placements. There can be no assurances that the Company will be able to continue raising capital in this manner.

The Company facilitates the management of capital through the preparation of annual expenditure budgets and cash forecasts that are updated as necessary. The Company does not have any externally imposed capital requirements.

The Company's managed capital is as follows:

	July 31, 2023	October 31, 2022
Share capital	\$ 28,912,242	\$ 26,852,937
Contributed surplus	3,051,624	3,165,923
Deficit	(29,342,545)	(28,133,588)
	\$ 2,621,321	\$ 1,885,272

#### 18. SEGMENTED INFORMATION

The Company has two operating segments. These two operating segments have been differentiated based on the type of services provided and equipment requirements. The mineral exploration and development segment focuses on the acquisition and exploration of property interests that are considered potential sites of economic mineralization. The research and development segment focuses on the scientific study and technology applications for air classifier and battery development. All transactions not related to the operating segments are considered Corporate. All of the Company's operations are in Canada.

**VOLT CARBON TECHNOLOGIES INC.****Notes to the condensed consolidated interim financial statements****(Unaudited - Expressed in Canadian Dollars)****July 31, 2023 and July 31, 2022****18. SEGMENTED INFORMATION (continued)**

Segmented information for the period ended July 31, 2023 and as at July 31, 2023 is as follows:

<b>For the period ended July 31, 2023</b>	<b>Research &amp; Development</b>	<b>Mineral Exploration</b>	<b>Corporate</b>	<b>Total</b>
Revenue	\$ 65,000	\$ -	\$ -	\$ 65,000
Amortization on capital assets	111,358	-	7,206	118,564
Amortization on right-of-use assets	126,682	-	-	126,682
Consulting fees	346,745	9,525	121,988	478,258
Exploration	-	14,040	-	14,040
Gain on settlement of accounts payable	-	-	(258,248)	(258,248)
Loss on foreign exchange	-	-	659	659
Interest on lease liabilities	46,899	-	-	46,899
Investor relations	-	-	25,775	25,775
Loan interest and bank charges	-	-	6,772	6,772
Office and general	119,162	-	103,912	223,074
Professional fees	-	-	150,473	150,473
Regulatory and filing fees	-	-	54,681	54,681
Rent and occupancy expenses	61,986	-	-	61,986
Research expenses	83,484	-	-	83,484
Stock-based compensation	42,215	-	98,643	140,858
<b>Total expenses</b>	<b>938,531</b>	<b>23,565</b>	<b>311,861</b>	<b>1,273,957</b>
<b>Loss for the period</b>	<b>\$ 873,531</b>	<b>\$ 23,565</b>	<b>\$ 311,861</b>	<b>\$ 1,208,957</b>
<b>As at July 31, 2023</b>	<b>Research &amp; Development</b>	<b>Mineral Exploration</b>	<b>Corporate</b>	<b>Total</b>
Total assets	\$ 3,284,974	\$ 991,149	\$ 159,232	\$ 4,435,355
Capital expenditures	\$ 73,765	\$ -	\$ 2,603	\$ 76,368

**VOLT CARBON TECHNOLOGIES INC.**

**Notes to the condensed consolidated interim financial statements**

**(Unaudited - Expressed in Canadian Dollars)**

**July 31, 2023 and July 31, 2022**

**18. SEGMENTED INFORMATION (continued)**

Segmented information for the period ended July 31, 2022 and as at July 31, 2022 is as follows:

For the period ended July 31, 2022	Research & Development	Mineral Exploration	Corporate	Total
Revenue	\$ -	\$ -	\$ -	\$ -
Amortization on capital assets	76,389	-	5,807	82,196
Amortization on right-of-use assets	90,379	-	-	90,379
Consulting fees	298,269	-	131,757	430,026
Interest on lease liabilities	49,249	-	-	49,249
Investor relations	-	-	73,324	73,324
Loan interest and bank charges	-	-	50,768	50,768
Loss on foreign exchange	-	-	5,574	5,574
Office and general	72,854	-	301,660	374,514
Professional fees	7,265	-	299,342	306,607
Regulatory and filing fees	-	-	61,315	61,315
Rent and occupancy expenses	68,275	-	-	68,275
Research expenses	144,899	-	-	144,899
Stock-based compensation	205,775	-	184,816	390,591
Total expenses	1,013,354	-	1,114,363	2,127,717
Loss for the period	\$ 1,013,354	\$ -	\$ 1,114,363	\$ 2,127,717
As at July 31, 2022	Research & Development	Mineral Exploration	Corporate	Total
Total assets	\$ 3,374,217	\$ 899,372	\$ 450,676	\$ 4,724,265
Capital expenditures	\$ 550,976	\$ -	\$ 13,484	\$ 564,460

**VOLT CARBON TECHNOLOGIES INC.**

**Notes to the condensed consolidated interim financial statements**

**(Unaudited - Expressed in Canadian Dollars)**

**July 31, 2023 and July 31, 2022**

---

**19. CONTINGENCY**

On July 26, 2023, the company announced the amicable settlement of a lawsuit with a former director and officer of the Company. This resulted in the dismissal of the Action and Counterclaim without costs. (The Company had been previously named as a defendant in a statement of claim filed on January 5, 2021 in the Province of Ontario. The plaintiff was seeking \$814,820 for unpaid compensation, and \$1,000,000 for wrongful termination and damages. Management had filed a statement of defense and counterclaim. The counterclaim against the plaintiff and other non-arm's length parties sought damages up to \$3 million, plus further amounts which were to have been particularized prior to a trial, if any.)

The previous consolidated financial statements had included a provision for unpaid compensation of \$291,820. This amount has been reversed in the current period resulting in a gain on settlement of accounts payable of \$258,248.

**20. SUBSEQUENT EVENTS**

Subsequent to July 31, 2023, 600,000 warrants have been exercised for total proceeds of \$30,000.