

**VOLT CARBON TECHNOLOGIES INC.**

**Condensed Consolidated Interim Financial Statements**

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

**for the period ending July 31, 2024**

**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.**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
*(Expressed in Canadian Dollars)*

	<b>As at July 31, 2024</b>	<b>As at October 31, 2023</b>
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 44,355	\$ 72,690
Accounts receivable (Note 6)	31,275	16,629
Prepaid expenses	7,122	4,875
Marketable securities (Note 11)	96,000	-
	178,752	94,194
<b>Term deposits</b> (Note 17)	62,574	62,854
<b>Equipment</b> (Note 7)	801,653	873,805
<b>Mineral exploration and evaluation assets</b> (Note 8)	1,073,861	954,869
<b>Right-of-use assets</b> (Note 9)	796,716	912,457
<b>Intangible asset</b> (Note 10)	1,451,215	1,437,468
	\$ 4,364,771	\$ 4,335,647
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities (Note 12)	\$ 716,346	\$ 719,881
Current portion of notes payable (Note 13)	44,535	237,000
Current portion of lease liabilities (Note 9)	96,644	119,696
Deferred revenue	-	75,000
Other liabilities (Note 14)	91,212	-
	948,737	1,151,577
<b>Notes payable</b> (Note 13)	216,849	-
<b>Lease liabilities</b> (Note 9)	795,984	869,081
	1,961,570	2,020,658
<b>SHAREHOLDERS' EQUITY</b>		
Share capital (Note 15)	30,094,002	28,920,117
Warrants (Note 15)	94,305	67,125
Contributed surplus	3,325,836	3,051,624
Deficit	(31,110,942)	(29,723,877)
	2,403,201	2,314,989
	\$ 4,364,771	\$ 4,335,647
<b>Going concern</b> (Note 2(a))		
<b>Commitments</b> (Note 21)		
<b>Subsequent events</b> (Note 22)		

*See accompanying notes*

On behalf of the Board of Directors:

**"V-Bond Lee"**

Director

**"Glen Nursey"**

Director

**VOLT CARBON TECHNOLOGIES INC.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS**  
*(Expressed in Canadian Dollars)*

	Three months ended July 31, 2024	Three months ended July 31, 2023	Nine months ended July 31, 2024	Nine months ended July 31, 2023
<b>Revenue</b>	\$ -	\$ 15,000	\$ 75,000	\$ 65,000
	-	15,000	75,000	65,000
<b>Expenses</b>				
Amortization on equipment (Note 7)	\$ 41,390	\$ 39,913	\$ 118,121	\$ 118,564
Amortization on right-of-use assets (Note 9)	32,990	45,159	115,741	126,682
Consulting fees	122,985	162,230	379,215	478,258
Exploration	-	-	-	14,040
Gain on reversal of accrued payable	-	-	(27,355)	-
Gain on settlement of accounts payable	-	(258,248)	-	(258,248)
Interest on lease liabilities (Note 9)	13,650	15,654	42,745	46,899
Investor relations	5,105	13,395	13,005	25,775
Loan interest and bank charges	6,359	1,594	11,927	6,772
Loss on foreign exchange	-	-	-	659
Loss (gain) on marketable securities	32,000	-	-	-
Office and general	44,442	25,385	113,299	113,742
Professional fees	19,988	38,720	56,789	150,473
Regulatory and filing fees	5,771	6,391	61,344	54,681
Rent and occupancy	36,934	21,294	105,713	61,986
Research expenses	32,186	7,447	90,572	83,484
Salaries and benefits	24,920	46,919	101,623	109,332
Stock-based compensation (Note 15)	213,572	18,930	303,214	140,858
	632,292	184,783	1,485,953	1,273,957
<b>Loss before income tax recovery</b>	(632,292)	(169,783)	(1,410,953)	(1,208,957)
<b>Income tax recovery</b>	23,888	-	23,888	-
<b>Loss and comprehensive loss</b>	\$ (608,404)	\$ (169,783)	\$ (1,387,065)	\$ (1,208,957)
<b>Loss per share - basic and diluted</b> (Note 15(a))	\$ (0.003)	\$ (0.001)	\$ (0.007)	\$ (0.007)
<b>Weighted average number of shares outstanding - basic and diluted</b>	195,579,284	174,973,538	190,398,347	170,128,943

See accompanying notes

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

	Number of shares	Share Capital	Warrants	Contributed Surplus	Deficit	Total
<b>Balance at November 1, 2022</b>	153,377,532	\$ 26,852,937	\$ -	\$ 3,165,923	\$ (28,133,588)	\$ 1,885,272
Private placements of common shares	9,999,999	700,000	-	-	-	700,000
Private placements of units	6,712,500	469,875	67,125	-	-	-
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>\$ 2,084,321</b>
<b>Balance at November 1, 2023</b>	<b>179,265,902</b>	<b>\$ 28,920,117</b>	<b>\$ 67,125</b>	<b>\$ 3,051,624</b>	<b>\$ (29,723,877)</b>	<b>\$ 2,314,989</b>
Private placements of units	16,339,730	1,346,801	27,180	-	-	1,373,981
Shares issued due to exercise of options	750,000	66,502	-	(29,002)	-	37,500
Flow-through share premium (Note 14)	-	(115,100)	-	-	-	(115,100)
Share issuance costs	-	(124,318)	-	-	-	(124,318)
Stock-based compensation	-	-	-	303,214	-	303,214
Loss and comprehensive loss	-	-	-	-	(1,387,065)	(1,387,065)
<b>Balance, July 31, 2024</b>	<b>196,355,632</b>	<b>\$ 30,094,002</b>	<b>\$ 94,305</b>	<b>\$ 3,325,836</b>	<b>\$ (31,110,942)</b>	<b>\$ 2,403,201</b>

See accompanying notes

**VOLT CARBON TECHNOLOGIES INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
*(Expressed in Canadian Dollars)*

	Nine months ended July 31, 2024	Nine months ended July 31, 2023
<b>Cash flows used in operating activities</b>		
Loss and comprehensive loss	\$ (1,387,065)	\$ (1,208,957)
Items not involving cash:		
Amortization on capital assets	118,121	118,564
Amortization on right-of-use assets	115,741	126,682
Gain on marketable securities	-	-
Income tax recovery	(23,888)	-
Stock-based compensation	303,214	140,858
Interest on lease liabilities	42,745	46,899
	(831,132)	(775,954)
<b>Changes in non-cash working capital items:</b>		
Accounts receivable	(14,646)	22,770
Prepaid expenses	(2,247)	15,318
Accounts payable and accrued liabilities	(3,535)	(254,268)
Interest payable	-	(5,709)
Deferred revenue	(75,000)	-
	(926,560)	(997,843)
<b>Cash flows used in investing activities</b>		
Purchase of capital assets	(45,969)	(69,055)
Acquisition of exploration and evaluation assets	(214,992)	-
Purchase of intangible assets	(13,746)	(7,313)
	(274,707)	(76,368)
<b>Cash flows from financing activities</b>		
Issuance of units, net of flow-through liability	1,373,981	1,237,000
Exercise of warrants	-	147,625
Exercise of options	37,500	267,300
Share issuance costs	(124,318)	(89,463)
Proceeds of notes payable	170,000	122,000
Repayment of notes payable	(145,616)	(439,000)
Restricted cash	280	(71)
Payments on lease liability obligation	(138,895)	(142,304)
	1,172,932	1,103,087
<b>Increase in cash</b>	(28,335)	28,876
<b>Cash, beginning of period</b>	72,690	72,088
<b>Cash, end of period</b>	\$ 44,355	\$ 100,964

See accompanying notes

# VOLT CARBON TECHNOLOGIES INC.

## Notes to the condensed consolidated interim financial statements

(Unaudited - Expressed in Canadian Dollars)

July 31, 2024 and July 31, 2023

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### 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 24, 2024.

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, 2023. 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, 2023.

These unaudited condensed consolidated interim financial statements should be read in conjunction with the Corporation’s financial statements for the year ended October 31, 2023 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, 2024 and July 31, 2023

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

As at July 31, 2024, the Company has incurred a loss before income tax recovery of \$1,387,065, has a working capital deficit of \$769,985, negative cash flow from operations of \$926,560 and an accumulated deficit of \$31,110,942. As the Company currently has limited 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 \$1,373,981 through private placements of units.

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.

The accounting policies set out below have been applied consistently to all years presented in these unaudited condensed consolidated interim financial statements.

#### 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 unaudited condensed consolidated interim 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. SUMMARY OF 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, 2023.

## VOLT CARBON TECHNOLOGIES INC.

### Notes to the condensed consolidated interim financial statements

(Unaudited - Expressed in Canadian Dollars)

July 31, 2024 and July 31, 2023

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#### 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 effective during the period ended July 31, 2024. The following new or amended standards are effective for year-ends starting after January 1, 2023 and have been adopted by the Company commencing November 1, 2023.

- (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 adoption of the above standards did not 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 assessment of indicators of impairment 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, 2024 and July 31, 2023**

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**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.

**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**

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	July 31, 2024	Oct. 31, 2023
Other receivables	\$ -	\$ 747
GST receivable	31,375	15,882
	<b>\$ 31,375</b>	<b>\$ 16,629</b>

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**7. EQUIPMENT**

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Cost	Plant equipment	Leasehold improvements	Furniture, fixtures and other	Total
			equipment	
At November 1, 2022	\$ 900,423	\$ 474,954	\$ 49,653	\$1,425,030
Additions	58,223	9,698	7,221	75,142
Disposals	-	-	-	-
At October 31, 2023	\$ 958,646	\$ 484,652	\$ 56,874	\$1,500,172
Additions	38,236	-	7,733	45,969
Disposals	-	-	-	-
At July 31, 2024	\$ 996,882	\$ 484,652	\$ 64,607	\$1,546,141

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VOLT CARBON TECHNOLOGIES INC.

Notes to the condensed consolidated interim financial statements

(Unaudited - Expressed in Canadian Dollars)

July 31, 2024 and July 31, 2023

7. EQUIPMENT (continued)

Accumulated amortization	Plant equipment	Leasehold improvements	Furniture, fixtures and other equipment	Total
At November 1, 2022	\$ 414,079	\$ 35,891	\$ 17,703	\$ 467,673
Disposals	-	-	-	-
Amortization	93,294	53,311	12,089	158,694
At October 31, 2023	\$ 507,373	\$ 89,202	\$ 29,792	\$ 626,367
Disposals	-	-	-	-
Amortization	70,558	40,710	6,853	118,121
At July 31, 2024	\$ 577,931	\$ 129,912	\$ 36,645	\$ 744,488

Net book value	Plant equipment	Leasehold improvements	Furniture, fixtures and other equipment	Total
At October 31, 2023	\$ 451,273	\$ 395,450	\$ 27,082	\$ 873,805
At July 31, 2024	\$ 418,951	\$ 354,740	\$ 27,962	\$ 801,653

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:

	Red Bird (a)	Mount Copeland (b)	Lochaber (c)	Tetepisca (d)	Total
At November 1, 2022	\$140,000	\$221,186	\$ 90,000	\$ -	\$451,186
Additions	-	-	-	-	-
At October 31, 2023	\$140,000	\$221,186	\$ 90,000	\$ -	\$451,186
Additions	-	-	-	-	-
At July 31, 2024	\$140,000	\$221,186	\$ 90,000	\$ -	\$451,186

VOLT CARBON TECHNOLOGIES INC.

Notes to the condensed consolidated interim financial statements

(Unaudited - Expressed in Canadian Dollars)

July 31, 2024 and July 31, 2023

8. MINERAL EXPLORATION AND EVALUATION ASSETS (continued)

Deferred exploration costs:

	Red Bird (a)	Mount Copeland (b)	Lochaber (c)	Tetepisca (d)	Total
At November 1, 2022	\$ 16,681	\$461,715	\$ 25,287	\$ -	\$503,683
Additions	-	-	-	-	-
At October 31, 2023	\$ 16,681	\$461,715	\$ 25,287	\$ -	\$503,683
Additions	-	-	-	214,992	214,992
Recovery	-	-	-	(96,000)	(96,000)
At July 31, 2024	\$ 16,681	\$461,715	\$ 25,287	\$118,992	\$622,675

Total costs:

	Red Bird (a)	Mount Copeland (b)	Lochaber (c)	Tetepisca (d)	Total
At October 31, 2023	\$156,681	\$682,901	\$115,287	\$ -	\$ 954,869
At July 31, 2024	\$156,681	\$682,901	\$115,287	\$118,992	\$1,073,861

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 Southwestern Quebec.

d) Tetepisca

On January 31, 2024, the Company entered into an agreement with E-Power Resources Inc. ("EPR") to earn an option to acquire an interest in the Tetepisca Graphite Project located in Northern Quebec. Under the terms of the agreement, the Company has committed to spend \$680,000 on the project prior to December 15, 2024. Upon expending the required capital, the Company will be issued 6,600,000 EPR shares (1,600,000 EPR shares received) and EPR will grant an option to the Company to acquire an undivided 5% interest in the property that is exercisable until December 31, 2025. The option is exercisable for a cash payment of \$1,500,000.

## VOLT CARBON TECHNOLOGIES INC.

### Notes to the condensed consolidated interim financial statements

(Unaudited - Expressed in Canadian Dollars)

July 31, 2024 and July 31, 2023

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#### 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 was derecognized during the current period.

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

<b>Cost</b>	
Balance, November 1, 2022	\$ 1,190,138
Additions during the period	50,313
Derecognition of right-of-use asset	(47,858)
<b>Balance, October 31, 2023</b>	<b>\$ 1,192,593</b>
Additions during the period	-
Derecognition of right-of-use asset	(50,313)
<b>Balance, July 31, 2024</b>	<b>\$ 1,142,280</b>
<b>Accumulated amortization</b>	
Balance, November 1, 2022	\$ 159,937
Amortization during the period	168,057
Derecognition of right-of-use asset	(47,858)
<b>Balance, October 31, 2023</b>	<b>\$ 280,136</b>
Amortization during the period	115,741
Derecognition of right-of-use asset	(50,313)
<b>Balance, July 31, 2024</b>	<b>\$ 345,564</b>
<b>Net book value</b>	
October 31, 2023	\$ 912,457
July 31, 2024	\$ 796,716

VOLT CARBON TECHNOLOGIES INC.

Notes to the condensed consolidated interim financial statements

(Unaudited - Expressed in Canadian Dollars)

July 31, 2024 and July 31, 2023

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

b) Lease liabilities

Balance, November 1, 2022	\$ 1,067,546
Additions during the period	50,314
Lease finance expense	62,354
Repayments during the period	(191,437)
<b>Balance, October 31, 2023</b>	<b>\$ 988,777</b>
Lease finance expense	42,745
Repayments during the period	(138,894)
<b>Balance, July 31, 2024</b>	<b>\$ 892,628</b>
Current	\$ 96,644
Long-term	795,984
<b>Total discounted lease liabilities</b>	<b>\$ 892,628</b>

Under the premises leases, the Company is committed to the following lease payments:

2024	\$ 147,581
2025	151,235
2026	154,991
2027	158,857
2028	162,908
After	323,612
	<b>\$ 1,099,184</b>

10. INTANGIBLE ASSET

	Intellectual property	Patents	Total
<b>At November 1, 2022</b>	<b>\$ 1,373,057</b>	<b>\$ 52,830</b>	<b>\$ 1,425,887</b>
Additions	-	11,581	11,581
<b>At October 31, 2023</b>	<b>\$ 1,373,057</b>	<b>\$ 64,411</b>	<b>\$ 1,437,468</b>
Additions	-	13,747	13,747
<b>At July 31, 2024</b>	<b>\$ 1,373,057</b>	<b>\$ 78,158</b>	<b>\$ 1,451,215</b>

VOLT CARBON TECHNOLOGIES INC.

Notes to the condensed consolidated interim financial statements

(Unaudited - Expressed in Canadian Dollars)

July 31, 2024 and July 31, 2023

11. MARKETABLE SECURITIES

	July 31, 2024	Oct. 31, 2023
Balance, beginning of period	\$ -	\$ -
Additions	96,000	-
Unrealized gain	-	-
<b>Balance, end of period</b>	<b>\$ 96,000</b>	<b>\$ -</b>

During the period ended July 31, 2024, the Company had unrealized gains or losses on marketable securities of \$nil.

12. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	July 31, 2024	Oct. 31, 2023
Trade payables	\$ 241,954	\$ 340,939
Trade payables – related parties	474,392	378,942
	<b>\$ 716,346</b>	<b>\$ 719,881</b>

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, 2024	Oct. 31, 2023
Private corporation	Key Management personnel	\$318,867	\$223,591
Private corporation	Key Management personnel	147,000	147,000
Private corporation	Key Management personnel	6,300	6,869
Private corporation	Key Management personnel	2,225	1,482
		<b>\$474,392</b>	<b>\$378,942</b>

13. NOTES PAYABLE

	July 31, 2024	Oct. 31, 2023
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 advances payable to an unrelated party, due upon demand, non-interest bearing.	-	217,000
Unsecured advances payable to an unrelated party, repayable with monthly payments of \$5,434 including interest at prime plus 2%.	261,384	-
	<b>\$ 261,384</b>	<b>\$ 237,000</b>
<b>Less: current portion of notes payable</b>	<b>44,535</b>	<b>237,000</b>
<b>Long term notes payable</b>	<b>\$ 216,849</b>	<b>\$ -</b>

## VOLT CARBON TECHNOLOGIES INC.

### Notes to the condensed consolidated interim financial statements

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#### 13. NOTES PAYABLE (continued)

On January 15, 2024, the Company repaid an earlier advance to a related company controlled by a director and senior officer of the Company.

During the period, an unrelated party advanced various advances totaling \$170,000 to the Company and the Company repaid \$125,000 of the earlier advances. The remaining balance of \$262,000 was converted to a loan repayable with monthly payment of \$5,434 including interest of prime plus 2%.

#### 14. OTHER LIABILITIES

Other liabilities include the premium between the quoted price of Company's shares and the amount paid by investors for the flow-through shares. The following is a continuity schedule of the liability portion of the flow-through share issuances:

<b>Balance, October 31, 2022 and October 31, 2023</b>	<b>\$ -</b>
Liability incurred on flow-through shares issued	115,100
Settlement of flow-through share liability on incurring expenditures	(23,888)
<b>Balance, July 31, 2024</b>	<b>\$ 91,212</b>

The flow-through shares issued in the private placement completed in December 2023 were issued at a premium to the market price in recognition of the tax benefits accruing to subscribers. The flow-through premium was calculated to be \$115,100.

#### 15. SHARE CAPITAL

##### a) Common shares

###### 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.

###### 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 13,650,000 options (October 31, 2023 - 9,900,000) and 18,824,080 warrants (October 31, 2023 - 16,712,500) as they are anti-dilutive.

## VOLT CARBON TECHNOLOGIES INC.

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#### 15. SHARE CAPITAL (continued)

##### Share Issuances:

###### *Private placements*

On December 21, 2023, the Company closed a private placement of 11,510,000 units at a price of \$0.09 per unit for gross proceeds of \$1,035,900. Each unit is comprised of one common share of the Company issued on a flow-through basis pursuant to the provisions of the Tax Act and one half of a common share purchase warrant. Each whole share purchase warrant entitles the holder to acquire one additional common share at an exercise price of \$0.135 per share purchase warrant for a period of 24 months from closing. Total cash finders fees related to the private placement was \$91,611.

In connection with the December 2023 unit issuance and pursuant to a finders fee agreement dated December 14, 2023, the Company agreed to pay a cash finders fee of \$86,400 and issue finders options equivalent to 9% of the number of units sold under the offering. Each finders option, entitles the finder to purchase a unit for \$0.09 per unit for a period up to two years. Each unit is comprised of one common share of the Company and one half of a common share purchase warrant. Each whole share purchase warrant entitles the holder to acquire one additional common share at an exercise price of \$0.135 per share purchase warrant for a period of years from closing. 1,017,900 finders options were issued to the finders on December 21, 2023.

The flow-through share premium was calculated as \$115,100. Share issuance costs of \$105,665 were incurred related to the issuance of units.

On April 18, 2024, the Company closed a private placement of 3,470,730 units at a price of \$0.07 per unit for gross proceeds of \$242,951. Each unit is comprised of one common share of the Company and one common share purchase warrant, which entitles the holder to acquire one additional common share at an exercise price of \$0.12 per share purchase warrant for a period of 36 months from closing. Total cash finders fees related to the private placement was \$1,120.

On June 5, 2024, the Company closed a private placement of 1,359,000 units at a price of \$0.07 per unit for gross proceeds of \$95,130. Each unit is comprised of one common share of the Company and one common share purchase warrant, which entitles the holder to acquire one additional common share at an exercise price of \$0.12 per share purchase warrant for a period of 36 months from closing.

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15. SHARE CAPITAL (continued)

b) Share purchase warrants

	Number of Warrants	Weighted Average Exercise Price
Balance, November 1, 2022	18,152,500	\$0.20
Granted	6,712,500	\$0.16
Expired	(3,700,000)	\$0.24
Exercised	(4,452,500)	\$0.05
<b>Balance October 31, 2023</b>	<b>16,712,500</b>	<b>\$0.21</b>
Granted	12,111,580	\$0.13
Expired	(10,000,000)	\$0.25
Exercised	-	\$0.05
<b>Balance July 31, 2024</b>	<b>18,824,080</b>	<b>\$0.14</b>

As at July 31, 2024, the Company had the following warrants exercisable and outstanding:

Number of Warrants	Exercise Price	Expiry Date
3,050,000	\$0.160	March 29, 2026
2,750,000	\$0.160	April 23, 2026
912,500	\$0.160	June 12, 2026
5,755,000	\$0.135	December 21, 2025
1,017,900	\$0.090	December 21, 2025
508,950	\$0.135	December 21, 2027
3,470,730	\$0.120	April 18, 2027
1,359,000	\$0.120	June 5, 2027
<u>18,824,080</u>		

c) 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.

**VOLT CARBON TECHNOLOGIES INC.**

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**15. SHARE CAPITAL (continued)**

A summary of the status of the Company's incentive stock option plan as at July 31, 2024 and October 31, 2023 is as follows:

	Number of options	Weighted Average Exercise Price
Balance November 1, 2022	9,980,000	\$0.12
Granted	2,100,000	\$0.11
Expired	(300,000)	\$0.12
Exercised	(1,880,000)	\$0.14
<b>Balance October 31, 2023</b>	<b>9,900,000</b>	<b>\$0.11</b>
Granted	5,250,000	\$0.08
Expired	(750,000)	\$0.15
Exercised	(750,000)	\$0.05
<b>Balance July 31, 2024</b>	<b>13,650,000</b>	<b>\$0.11</b>

*Options Granted*

On December 4, 2023, the Company granted 1,750,000 stock options to consultants of the Company. Each stock option vests immediately, is exercisable at \$0.08 per option for a period before February 28, 2026.

On May 9, 2024, the Company granted the following:

- 3,000,000 options to current directors of the Company with an exercise price of \$0.12 per option.
- 500,000 options to certain current employees and consultants of the Company, exercisable a \$0.08 per option.

These options vest immediately and expire on May 9, 2029.

On May 30, 2024, 750,000 options were exercised for total proceeds of \$37,500.

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

	Dividend Yield	Volatility	Risk free interest rate	Forfeiture rate	Expected life	Fair value (per option)
Options granted February 16, 2022	0%	185.88%	1.80%	0%	5 years	\$0.15
Options granted March 16, 2022	0%	172.32%	2.02%	0%	5 years	\$0.11
Options granted May 4, 2022	0%	169.97%	2.74%	0%	5 years	\$0.10
Options granted February 15, 2023	0%	174.24%	3.39%	0%	5 years	\$0.07
Options granted February 15, 2023	0%	174.24%	3.39%	0%	5 years	\$0.07
Options granted June 12, 2023	0%	169.07%	3.64%	0%	5 years	\$0.08
Options granted December 4, 2023	0%	118.12%	4.12%	0%	2 years	\$0.05
Options granted May 9, 2024	0%	142.62%	3.68%	0%	5 years	\$0.06

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**15. SHARE CAPITAL (continued)**

*Stock options outstanding and exercisable*

As at July 31, 2024, the following stock options were exercisable:

Number of Options	Exercise Price	Expiry Date
1,700,000	\$0.05	December 14, 2025
1,600,000	\$0.15	July 26, 2026
1,000,000	\$0.16	August 11, 2026
400,000	\$0.15	October 6, 2026
600,000	\$0.125	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
1,750,000	\$0.08	February 28, 2026
500,000	\$0.08	May 9, 2029
3,000,000	\$0.12	May 9, 2029
13,650,000		

As at July 31, 2024, the weighted-average life of the options outstanding was 2.90 years.

**16. RELATED PARTY TRANSACTIONS**

	Nine months ended July 31,	
<b>Management and consulting fees</b>	2024	2023
Company controlled by a former director	\$ -	\$ 80,000
Company controlled by a director and senior officer	135,000	135,000
Company controlled by a director and senior officer	148,100	138,740
Company controlled by a senior officer	45,745	12,725
Business controlled by a relative of a director	13,500	13,500
	\$ 342,345	\$ 379,965

**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.

## VOLT CARBON TECHNOLOGIES INC.

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

	Nine months ended	
	2024	July 31, 2023
Management and consulting fees	\$ 180,745	\$ 227,725
Stock based compensation	207,962	98,643
	<u>\$ 338,707</u>	<u>\$ 326,368</u>

#### 17. TERM DEPOSITS

Term deposits of \$36,000 (October 31, 2023 – \$36,000) 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 \$26,574 (October 31, 2023 – \$26,854) has been pledged as security to the Scotia Bank to secure the Company credit cards.

#### 18. 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).
- Level 3: Valuation techniques with unobservable market inputs (involves assumptions and estimates by management).

Marketable securities is classified as Level 1.

The carrying amount of cash, term deposits, accounts payable and accrued liabilities, notes payable and interest payable approximates its fair value due to the short-term maturities of these items.

## VOLT CARBON TECHNOLOGIES INC.

### Notes to the condensed consolidated interim financial statements

(Unaudited - Expressed in Canadian Dollars)

July 31, 2024 and July 31, 2023

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

##### 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, 2024 relate to its cash and term deposits. 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.

##### 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 business. The Company coordinates this planning and budgeting process with its financing activities through the capital management process described in *Note 18 – Management of capital*, 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 expected cash outflows related to the Company's contractual obligations:

	Contractual cash flows	Less than one year	Greater than one year
Accounts payable and accrued liabilities	\$ 716,346	\$ 716,346	\$ -
Notes payable	261,384	44,535	216,849
Lease liabilities	892,628	96,644	795,984
Other liabilities	91,212	91,212	-
	<u>\$ 1,961,570</u>	<u>\$ 948,737</u>	<u>\$ 1,012,833</u>

##### 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.

# VOLT CARBON TECHNOLOGIES INC.

## Notes to the condensed consolidated interim financial statements

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

- Interest rate risk

The Company has no significant exposure at July 31, 2024 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, 2024, to exchange rate risk through its financial instruments.

### 19. 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 business.

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, 2024	October 31, 2023
Share capital	30,094,002	28,920,117
Warrants	94,305	67,125
Contributed surplus	3,325,836	3,051,624
Deficit	(31,110,942)	(29,723,877)
	2,403,201	2,314,989

**VOLT CARBON TECHNOLOGIES INC.****Notes to the condensed consolidated interim financial statements****(Unaudited - Expressed in Canadian Dollars)****July 31, 2024 and July 31, 2023****20. 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 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.

Segmented information for the period ended July 31, 2024 and as at July 31, 2024 is as follows:

<b>For the period ended July 31, 2024</b>	<b>Research &amp; Development</b>	<b>Mineral Exploration</b>	<b>Corporate</b>	<b>Total</b>
Revenue	\$ 75,000	\$ -	\$ -	\$ 75,000
Amortization on capital assets	113,465	-	4,656	118,121
Amortization on right-of-use assets	115,741	-	-	115,741
Consulting fees	232,720	2,750	143,745	379,215
Gain on reversal of accrued payable	-	(27,355)	-	(27,355)
Interest on lease liabilities	42,745	-	-	42,745
Investor relations	-	-	13,005	13,005
Loan interest and bank charges	-	-	11,927	11,927
Office and general	30,843	-	82,456	113,299
Professional fees	-	-	56,789	56,789
Regulatory and filing fees	-	-	61,344	61,344
Rent and occupancy expenses	105,713	-	-	105,713
Research expenses	90,572	-	-	90,572
Salaries and benefits	101,623	-	-	101,623
Stock-based compensation	31,222	-	271,992	303,214
Income tax recovery	-	(23,888)	-	(23,888)
Total expenses (recovery)	864,644	(48,493)	645,914	1,462,065
Net income (loss) for the period	\$ (789,644)	\$ 48,493	\$ (645,914)	\$(1,387,065)

<b>As at July 31, 2024</b>	<b>Research &amp; Development</b>	<b>Exploration</b>	<b>Corporate</b>	<b>Total</b>
Total assets	\$ 3,043,595	\$ 1,205,861	\$ 115,315	\$ 4,364,771
Capital expenditures	\$ 56,794	\$ 118,992	\$ 2,921	\$ 178,707

**VOLT CARBON TECHNOLOGIES INC.**

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

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**20. SEGMENTED INFORMATION (continued)**

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

For the period ended July 31, 2023	Research & Development	Mineral Exploration	Corporate	Total
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
Total expenses	938,531	23,565	311,861	1,273,957
Loss for the period	\$ (873,531)	\$ (23,565)	\$ (311,861)	\$(1,208,957)

As at July 31, 2023	Research & Development	Mineral Exploration	Corporate	Total
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**

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#### **21. COMMITMENTS**

Pursuant to the terms of flow-through share agreement, the Company is in the process of complying with its flow-through contractual obligations to subscribers with respect to the Income Tax Act (Canada) requirements for flow-through shares. As at July 31, 2024, the Company is committed to incurring approximately \$821,000 in Canadian Exploration Expenditures (as such term is defined in the Income Tax Act (Canada)) by December 31, 2024 arising from the flow-through offerings.

#### **22. SUBSEQUENT EVENTS**

On August 7, 2024, the Company closed a private placement of 4,445,000 shares at a price of \$0.045 per unit for gross proceeds of \$200,025. Each share is issued on a flow-through basis pursuant to the provisions of the Income Tax Act. The flow-through share premium was calculated as \$22,225.

On September 20, 2024, the Company closed a private placement of 1,111,112 shares at a price of \$0.045 per unit for gross proceeds of \$50,000. Each share is issued on a flow-through basis pursuant to the provisions of the Income Tax Act. The flow-through share premium was calculated as \$22,222.

In connection with the August 2024 share issuance and pursuant to a finders fee agreement dated July 22, 2024, the Company agreed to pay a cash finders fee of \$14,002 and issue 311,150 finders options equivalent to 7% of the number of shares sold under the offering. Each finders option, entitles the finder to purchase a unit for \$0.05 per unit for a period up to two years.