



# **D2 LITHIUM CORP.**

## **CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**NINE MONTHS ENDED AUGUST 31, 2024**

**(Stated in Canadian Dollars)**

**(Unaudited – Prepared by Management)**

---

UNAUDITED FINANCIAL STATEMENTS: In accordance with National Instrument 51-102 of the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the unaudited financial statements for the nine months ended August 31, 2024 and 2023.

---

**D2 LITHIUM CORP.**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**AUGUST 31, 2024 AND NOVEMBER 30, 2023**  
**(Stated in Canadian dollars)**  
**(Unaudited – Prepared by Management)**

Note	August 31, 2024 \$	November 30, 2023 \$
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	662	20,116
Receivables	12,679	23,889
Prepaid expenses	<u>31,372</u>	<u>11,934</u>
	44,712	55,939
Resource property costs	6 275,562	3,782,553
Reclamation bonds	397,812	281,905
Investment in Dajin Resources S.A.	5 <u>65,510</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<b>783,596</b>	<b>4,120,397</b>
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	8 553,943	936,980
Loans payable	8,9 1,088,064	678,842
CEBA loan payable	10 <u>-</u>	<u>40,000</u>
<b>TOTAL LIABILITIES</b>	<b><u>1,642,007</u></b>	<b><u>1,655,822</u></b>
<b>SHAREHOLDERS' EQUITY</b>		
Share capital	7 44,050,687	44,050,687
Contributed surplus	7 9,107,363	9,107,363
Accumulated deficit	<u>(54,016,461)</u>	<u>(50,693,475)</u>
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b><u>(858,411)</u></b>	<b><u>2,464,575</u></b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>783,596</b>	<b>4,120,397</b>

Subsequent Events – Notes 5, 8 and 15

Approved on behalf of the Board of Directors:

“Brian Findlay”  
Director

“Bob Verhelst”  
Director

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

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

	Note	For the Three Months Ended		For the Nine Months Ended	
		2024	August 31, 2023	2024	August 31, 2023
		\$	\$	\$	\$
<b>EXPENSES</b>					
Accounting and audit fees		14,813	4,346	22,313	40,746
Administration fees	8	7,250	7,250	21,750	21,750
Bank charges and interest		280	(12)	1,101	1,699
Consulting fees		34,701	289	34,701	51,114
Foreign exchange loss (recovery)		31,983	2,700	18,735	1,363
Insurance		-	1,156	-	1,156
Legal and professional fees		47,877	58,990	91,299	145,624
Listing, filing and transfer agent fees		4,020	20,086	13,270	51,314
Marketing and advertising		-	-	3,842	26,026
Office administration and general		7,057	11,523	21,259	30,261
Rent	8	5,207	4,987	15,230	43,859
Travel, conferences and promotion		-	-	-	7,868
Wages and benefits	8	16,616	15,927	50,236	53,005
<b>LOSS FROM OPERATIONS</b>		<b>(169,903)</b>	<b>(127,242)</b>	<b>(293,734)</b>	<b>(475,785)</b>
<b>OTHER INCOME (LOSS):</b>					
Gain on forgiveness of CEBA loan payable	10	-	-	10,000	-
Write-off of accounts payable in dispute	8	550,000	-	550,000	-
Write-down resource property costs	6	(161,876)	9,167	(3,579,004)	9,167
Write-off (up) of loans receivable		(140)	10	(10,248)	(2,421)
<b>NET INCOME (LOSS) AND COMPREHENSIVE LOSS FOR THE PERIOD</b>		<b>218,181</b>	<b>(118,065)</b>	<b>(3,322,986)</b>	<b>(469,039)</b>
<b>BASIC AND DILUTED LOSS PER SHARE</b>		<b>(0.00)</b>	<b>(0.00)</b>	<b>(0.09)</b>	<b>(0.00)</b>
<b>WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING</b>		<b>36,231,804</b>	<b>36,231,804</b>	<b>36,231,804</b>	<b>36,231,804</b>

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

**D2 LITHIUM CORP.**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE NINE MONTHS ENDED AUGUST 31, 2024 AND NOVEMBER 30, 2023**  
**(Stated in Canadian Dollars)**  
**(Unaudited – Prepared by Management)**

	Common Stock		Contributed Surplus \$	Accumulated Deficit \$	Total \$
	Issued Shares	Amount \$			
Balance, November 30, 2022	36,231,804	44,050,687	9,107,363	(49,224,211)	3,933,839
Net loss for the period	-	-	-	(469,039)	(469,039)
Balance, August 31, 2023	36,231,804	44,050,687	9,107,363	(49,693,250)	3,464,800
Balance, November 30, 2023	36,231,804	44,050,687	9,107,363	(50,693,475)	2,464,575
Net loss for the period	-	-	-	(3,322,986)	(3,322,986)
Balance, August 31, 2024	36,231,804	44,050,687	9,107,363	(54,016,461)	(858,411)

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

**D2 LITHIUM CORP.**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE NINE MONTHS ENDED AUGUST 31, 2024 AND 2023**  
**(Stated in Canadian Dollars)**  
**(Unaudited – Prepared by Management)**

	<b>For the Nine Months Ended</b>	
	<b>2024</b>	<b>August, 31</b>
	<b>\$</b>	<b>2023</b>
		<b>\$</b>
<b>OPERATING ACTIVITIES</b>		
Net and comprehensive loss for the period	(3,322,986)	(469,039)
Add items not affecting cash:		
Unrealized foreign exchange loss	(2,646)	1,407
Write-off (up) of accounts payable	-	2,421
Gain on forgiveness of CEBA loan payable	(10,000)	-
Write-down resource property costs	3,579,004	-
Write-off of loans receivable	10,248	-
Net change in non-cash working capital:		
Receivables	11,210	(1,209)
Loan receivable	(10,248)	-
Prepaid expenses	(19,438)	5,688
Accounts payable and accrued liabilities	(381,448)	(224,327)
Net cash used in operating activities	<u>(146,304)</u>	<u>(685,059)</u>
<b>FINANCING ACTIVITIES</b>		
Repayment of CEBA loan payable	(30,000)	-
Advances from loans payable	409,222	457,127
Net cash provided by financing activities	<u>379,222</u>	<u>457,127</u>
<b>INVESTING ACTIVITIES</b>		
Resource property additions, net	(72,012)	(135,689)
Contribution to Dajin S.A.	(65,510)	(363,597)
Reclamation bonds	(114,850)	-
Net cash used in (provided by) investing activities	<u>(252,372)</u>	<u>(499,286)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS DURING THE PERIOD	(19,454)	(727,218)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	20,116	742,546
CASH AND CASH EQUIVALENTS, END OF PERIOD	<u>662</u>	<u>15,328</u>
<b>CASH AND CASH EQUIVALENTS CONSIST OF:</b>		
CASH	15,328	15,328
GUARANTEE INVESTMENT CERTIFICATE	-	-
CASH AND CASH EQUIVALENTS	<u>15,328</u>	<u>15,328</u>

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

**D2 LITHIUM CORP.**  
**CONDENSED INTERIM CONSOLIDATED SCHEDULE OF RESOURCE PROPERTY COSTS**  
**FOR THE NINE MONTHS ENDED AUGUST 31, 2024 AND 2023**  
**(Stated in Canadian Dollars)**  
**(Unaudited – Prepared by Management)**

	USA Nevada \$	Canada Alberta \$	TOTAL \$
<b>ACQUISITION COSTS</b>			
Balance, November 30, 2022	1,040,603	1	1,040,603
Staking and filing fees	134,341	-	134,341
Write-down	-	(1)	(1)
Balance, November 30, 2023	1,174,944	-	1,174,944
Staking and filing fees	69,328	-	69,328
Write-down	(971,394)	-	(971,394)
Balance, August 31, 2024	272,878	-	272,878
<b>DEFERRED EXPLORATION AND DEVELOPMENT COSTS</b>			
Balance, November 30, 2022	2,593,931	-	2,593,931
Consulting	6,245	-	6,245
Environment reporting/permitting	7,180	-	7,180
Supplies	253	-	253
Balance, November 30, 2023	2,607,609	-	2,607,609
Consulting	2,684	-	2,684
Write-down	(2,607,609)	-	(2,607,609)
Balance, August 31, 2024	2,684	-	2,684
<b>TOTAL RESOURCE PROPERTY COSTS</b>			
As at November 30, 2023	3,782,553	-	3,782,553
As at August 31, 2024	275,562	-	275,562

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

**D2 LITHIUM CORP.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED AUGUST 31, 2024 AND 2023**  
**(Stated in Canadian Dollars)**  
**(Unaudited – Prepared by Management)**

NOTE 1 NATURE OF OPERATIONS

D2 Lithium Corp. (the “Company”) is a junior mineral exploration company. The principal business of the Company is the identification, evaluation and acquisition of mineral properties, as well as exploration of mineral properties once acquired. The Company is an exploration stage company and is in the process of acquiring and exploring its mineral property interests. The Company’s shares trade on the TSX Venture Exchange under the symbol DTWO, and on the OTCQB Market under the symbol DTWOF. The Company is a Reporting Issuer in the provinces of British Columbia and Alberta.

As at August 31, 2024, the Company’s principal mineral interests were located in Argentina, Canada and the United States and it has not yet been determined whether these properties contain reserves that are economically recoverable. The recoverability of amounts shown for the Company and resource property costs is dependent upon the discovery of economically recoverable reserves, confirmation of the Company’s interest in the underlying claims, the ability of the Company to obtain necessary financing to complete the development of the resource properties and upon future profitable production or proceeds from the disposition thereof.

On September 27, 2024 the Company sold its 49% interest in Dajin Resources S.A. for cash consideration of \$3,037,275 (US\$2,250,000).

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

NOTE 2 BASIS OF PRESENTATION

a) Statement of Compliance

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

These condensed interim consolidated financial statements do not include all of the information and disclosures required to be included in annual consolidated financial statements prepared in accordance with IFRS. These condensed interim consolidated financial statements should be read in conjunction with the Company’s audited annual consolidated financial statements for the year ended November 30, 2023.

The condensed interim consolidated financial statements were authorized for issue by the Board of Directors on October 30, 2024.

**D2 LITHIUM CORP.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED AUGUST 31, 2024 AND 2023**  
**(Stated in Canadian Dollars)**  
**(Unaudited – Prepared by Management)**

NOTE 2 BASIS OF PRESENTATION – (cont'd)

b) Going Concern

These condensed interim consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company was not expected to continue operations for the foreseeable future. As at August 31, 2024, the Company had not advanced its resource properties to commercial production. At August 31, 2024, the Company has not achieved profitable operations, has accumulated losses of \$54,016,461 since inception and expects to incur further losses in the development of its business, all of which casts significant doubt about the Company's ability to continue as a going concern. The Company's continuation as a going concern is dependent upon successful results from its exploration and evaluation activities, its ability to attain profitable operations to generate funds and/or its ability to raise equity capital or borrowings sufficient to meet its current and future obligations. Although the Company has been successful in the past in raising funds to continue operations, there is no assurance it will be able to do so in the future.

On September 27, 2024 the Company sold its 49% interest in Dajin Resources S.A. for cash consideration of \$3,037,275 (US\$2,250,000).

c) Basis of Measurement

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

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, revenues and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods. See Note 4 for use of estimates and judgments made by management in the application of IFRS.

NOTE 3 SIGNIFICANT ACCOUNTING POLICIES

These condensed interim consolidated financial statements have been prepared using accounting policies consistent with those used in the preparation of the Company's annual audited consolidated financial statements for the year ended November 30, 2023.

The Company's significant accounting policies are disclosed in Note 4 to the annual financial statements and these condensed interim consolidated financial statements should be read in conjunction with the Company's annual audited consolidated financial statements for the year ended November 30, 2023.

**D2 LITHIUM CORP.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED AUGUST 31, 2024 AND 2023**  
**(Stated in Canadian Dollars)**  
**(Unaudited – Prepared by Management)**

NOTE 3 SIGNIFICANT ACCOUNTING POLICIES – (cont'd)

Accounting standards and amendments

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

NOTE 4 USE OF ESTIMATES AND JUDGEMENTS

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

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

a) Resource property expenditures

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

b) Impairment

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

c) Going concern

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

**D2 LITHIUM CORP.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED AUGUST 31, 2024 AND 2023**  
**(Stated in Canadian Dollars)**  
**(Unaudited – Prepared by Management)**

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

d) Investment in Dajin Resources S.A.

The accounting for investments in other companies can vary depending on the degree of control and influence over those other companies. Management is required to assess at each reporting date the Company's control and influence over these other companies. Management has used its judgment to determine which companies are controlled and require consolidation and those which are significantly influenced and require equity accounting. The Company has diluted its interest in its previously wholly-owned subsidiary Dajin Resources S.A. ("Dajin S.A.") to less than 50%, therefore it does not have the current ability to control the key operating activities of the company. Pursuant to the Shareholders and Operating Agreements entered into by the companies, Lithium S Holding Corporation ("Lithium H"), a wholly-owned subsidiary of LSC Lithium Corporation ("LSC"), was appointed operator for the earn-in period and the board of directors of Dajin S.A. is comprised of two directors appointed by Lithium H and one director appointed by the Company. As at August 31, 2024, management has determined that the Company did have significant influence over Dajin S.A. Accordingly, the investment in Dajin S.A. was accounted for as an investment in associate.

On September 27, 2024 the Company sold its 49% interest in Dajin Resources S.A. for cash consideration of \$3,037,275 (US\$2,250,000).

NOTE 5 INVESTMENT IN DAJIN RESOURCES S.A.

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

	\$
Balance, November 30, 2022	305,743
Contributions to Dajin S.A.	415,329
Share of net loss of Dajin Resources S.A.	(721,072)
Balance, November 30, 2023	-
Contributions to Dajin S.A.	65,510
Balance, August 31, 2024	65,510

On September 27, 2024 the Company sold its 49% interest in Dajin S.A. for cash consideration of \$3,037,275 (US\$2,250,000).

NOTE 6 RESOURCE PROPERTY COSTS

*Teels Marsh Valley Lithium Project – State of Nevada, USA*

As at August 31, 2024 and November 30, 2023, the Company held a 100% interest in 403 placer claims in the Teels Marsh valley of Mineral County Nevada. The Company's 100% interest in these placer claims is held by Dajin US.

As at August 31, 2024, the Company had posted \$397,812 (US\$294,872) (November 30, 2023 - \$281,905 [US\$209,801]) in reclamation bonds with the U.S. Bureau of Land Management concerning its interest in the Teels Marsh Project.

**D2 LITHIUM CORP.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED AUGUST 31, 2024 AND 2023**  
**(Stated in Canadian Dollars)**  
**(Unaudited – Prepared by Management)**

NOTE 6 RESOURCE PROPERTY COSTS – (cont'd)

*Teels Marsh Valley Lithium Project – State of Nevada, USA*

As at May 31, 2024, the Company made the decision to write down the carrying value to \$203,550 (US\$150,000). As a result, the Company recorded a write-down of resource property costs of \$3,417,128 on the consolidated statement of comprehensive loss.

*Alkali Springs Valley Lithium Project – State of Nevada, USA*

As at August 31, 2024, the Company through its wholly-owned subsidiary Dajin Resources (U.S.) Corp. holds a 100% interest in 139 placer claims in the Alkali Springs Valley of Esmeralda County, Nevada. These claims were not renewed on September 1, 2024. As a result, the Company recorded a write-down of resource property costs of \$161,876 on the consolidated statement of comprehensive loss.

*Fox Creek Lithium Project – Province of Alberta, Canada*

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

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

Subsequent to November 30, 2023, the Government of Alberta cancelled the permit blocks comprising the property. As a result, the Company wrote off the remaining \$1 of resource property costs on the consolidated statement of comprehensive loss during the year ended November 30, 2023.

NOTE 7 SHARE CAPITAL

*Authorized:*

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

*Issued:*

There were no shares issued during the nine months ended August 31, 2024 and during the year ended November 30, 2023.

**D2 LITHIUM CORP.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED AUGUST 31, 2024 AND 2023**  
**(Stated in Canadian Dollars)**  
**(Unaudited – Prepared by Management)**

NOTE 7 SHARE CAPITAL – (cont'd)

*Nature and Purpose of Equity and Reserves:*

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

*Commitments:*

Share-Based Compensation Plan

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

A summary of the status of the stock option plan as of August 31, 2024 and as at November 30, 2023 is presented below:

	August 31,		November 30,	
	Shares	2024 Weighted Average Exercise Price \$	Shares	2023 Weighted Average Exercise Price \$
Outstanding, at beginning of period	1,045,000	0.61	3,385,000	0.70
Expired/cancelled	-	-	(2,340,000)	0.74
Outstanding, at end of period	1,045,000	0.61	1,045,000	0.61
Options exercisable at end of the period	1,045,000	0.61	1,045,000	0.61
Weighted-average remaining life, in years		1.72		2.47

At August 31, 2024, the Company has 1,045,000 share purchase options outstanding entitling the holders thereof the right to purchase one common share for each option held as follows:

Number	Exercise Price	Expiry Date
235,000	\$0.50	February 28, 2025
110,000	\$0.50	July 6, 2025
100,000	\$0.50	July 31, 2025
600,000	\$0.70	February 28, 2027
<u>1,045,000</u>		

**D2 LITHIUM CORP.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED AUGUST 31, 2024 AND 2023**  
**(Stated in Canadian Dollars)**  
**(Unaudited – Prepared by Management)**

NOTE 8 RELATED PARTY TRANSACTIONS

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

	Three Months Ended		Nine Months Ended	
	August 31, 2024 \$	August 31, 2023 \$	August 31, 2024 \$	August 31, 2023 \$
Wages and benefits	16,190	13,500	45,859	40,500
	16,190	13,500	45,859	40,500
Key management compensation				
Administration fees	7,250	7,250	21,750	21,750
Rent reimbursement	5,130	4,988	15,153	13,159
	12,380	12,238	36,903	34,909
	28,570	25,738	82,762	75,409

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

Included in August 31, 2024 accounts payable and accrued liabilities is \$81,016 (November 30, 2023: \$615,440) owing to related party individuals consisting of current and former directors and officers of the Company and companies with common officers and directors for unpaid fees and expense reimbursements of which \$550,000 was under dispute as detailed in the Statement of Claim filed in the Alberta Courts on March 30, 2023. Subsequent to August 31, 2024, the former directors acknowledged that they did not comply with the reporting of these contracts with the regulatory authorities as required for validity, and as a result, the Company takes the position that those contracts are not valid. As at August 31, 2024 these amounts have been written off.

Included in August 31, 2024 loans payable is \$109,397 (November 30, 2023: \$109,397) owing to a director of the Company (Note 9).

**D2 LITHIUM CORP.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED AUGUST 31, 2024 AND 2023**  
**(Stated in Canadian Dollars)**  
**(Unaudited – Prepared by Management)**

NOTE 9 LOANS PAYABLE

At August 31, 2024, the Company has a loans payable balance of \$1,088 064 (November 30, 2023: \$678,842).

	August 31, 2024 \$	November 30, 2023 \$
Demand loan, bearing 12% interest per annum compounding monthly, unsecured. The lender waived any and all interest charges from December 1, 2023	885,558	550,336
Demand loan, bearing 12% interest per annum compounding monthly, unsecured.	50,000	-
Demand loans, non-interest bearing, unsecured	43,109	19,109
Demand loan, non-interest bearing, unsecured due to a director of the Company	109,397	109,397
	<u>1,088,064</u>	<u>678,842</u>

NOTE 10 CEBA LOAN PAYABLE

On April 7, 2020, the Company received, through its bank, a \$40,000 Canada Emergency Business Account (“CEBA”) loan (“Principal”). During the initial term expiring on December 31, 2023 which was extended to January 18, 2024, the Company was not required to repay any portion of the loan and no interest charged. On January 18, 2024, the Company repaid \$30,000 of the loan with the balance owing forgiven as per the terms of the loan. The loan was repaid without penalty.

NOTE 11 CAPITAL MANAGEMENT

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

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

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

There were no changes in the Company's approach to capital management during the period ended August 31, 2024. Neither the Company nor its subsidiary is subject to externally imposed capital requirements.

**D2 LITHIUM CORP.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED AUGUST 31, 2024 AND 2023**  
**(Stated in Canadian Dollars)**  
**(Unaudited – Prepared by Management)**

NOTE 12 FINANCIAL INSTRUMENTS

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

a) Credit risk

Credit risk is the risk of an unexpected loss if a party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to cash and cash equivalents. The Company has no significant concentration of credit risk arising from operations. The Company reduces its credit risk on cash and cash equivalents by placing it with institutions of high credit worthiness. As at August 31, 2024, the Company is not exposed to any significant credit risk.

b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. At August 31, 2024, the Company had cash of \$662 (November 30, 2023: \$20,116) and current liabilities of \$1,642,007 (November 30, 2023: \$1,655,822). All of the Company's accounts payable (\$553,943) have contractual maturities of less than 30 days and are subject to normal trade terms.

c) Interest rate risk

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

d) Price risk

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

**D2 LITHIUM CORP.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED AUGUST 31, 2024 AND 2023**  
**(Stated in Canadian Dollars)**  
**(Unaudited – Prepared by Management)**

NOTE 12 FINANCIAL INSTRUMENTS – (cont'd)

e) Sensitivity analysis

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

Commodity price risk could adversely affect the Company. In particular, the Company's future profitability and viability of development depends upon the world market price of precious metals. Precious metal prices have fluctuated significantly in recent years. There is no assurance that, even as commercial quantities of industrial minerals and precious metals may be produced in the future, a profitable market will exist for them. As of August 31, 2024, the Company was not an industrial mineral or precious metal producer. As a result, commodity price risk largely affects the completion of future equity transactions such as equity offerings and the exercise of stock options and warrants. This may also affect the Company's liquidity and its ability to meet its ongoing obligations.

f) Foreign currency risk

The foreign currency exchange rate risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in foreign exchange rates. The Company's operations are carried out in Canada, the United States and Argentina. As at August 31, 2024, the Company had accounts payable of \$116,414 (November 30, 2023: \$62,970) denominated in US dollars. These factors expose the Company to foreign currency exchange rate risk, which could have an adverse effect on the profitability of the Company. The Company currently does not plan to enter into foreign currency future contracts to mitigate this risk.

NOTE 14 SEGMENTED INFORMATION

The Company operates in one business segment, mineral exploration. As at August 31, 2024, its mineral properties and head office are located in three geographic locations: Canada, Argentina and the United States.

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

	For the Three Months Ended		For the Nine Months Ended	
	August 31 2024 \$	August 31 2023 \$	August 31 2024 \$	August 31 2023 \$
Net (income) loss:				
Canada	(386,007)	114,331	(255,432)	463,348
United States	167,826	3,734	3,578,418	5,691
	(218,181)	118,065	3,322,986	469,039

**D2 LITHIUM CORP.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED AUGUST 31, 2024 AND 2023**  
**(Stated in Canadian Dollars)**  
**(Unaudited – Prepared by Management)**

NOTE 14 SEGMENTED INFORMATION – (cont'd)

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

	August 31, 2024	November 30, 2023
Total Assets:	\$	\$
Canada	44,712	95,668
Argentina	65,510	669,340
United States	673,374	4,062,152
	<u>783,596</u>	<u>4,827,160</u>

NOTE 15 SUBSEQUENT EVENT

On September 27, 2024 the Company sold its 49% interest in Dajin Resources S.A. for cash consideration of \$3,037,275 (US\$2,250,000). These funds will be used to settle the company's loans and for general operating expenses.