



# **D2 LITHIUM CORP.**

**(formerly HELIOSX LITHIUM & TECHNOLOGIES CORP.)**

## **CONSOLIDATED FINANCIAL STATEMENTS**

**NOVEMBER 30, 2023 and 2022**

**(Stated in Canadian Dollars)**

## INDEPENDENT AUDITOR'S REPORT

To the Shareholders of D2 Lithium Corp. (formerly HeliosX Lithium & Technologies Corp.)

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the consolidated financial statements of D2 Lithium Corp. (formerly HeliosX Lithium & Technologies Corp.) (the "Company"), which comprise the statements of financial position as at November 30, 2023 and 2022, and the statements of comprehensive loss, changes in equity and cash flows for the years then ended, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at November 30, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

#### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the consolidated financial statements, which indicates that the Company has not achieved profitable operations, has accumulated losses since inception and expects to incur further losses in the development of its business. 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. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined that there is the following key audit matter to communicate in our auditor's report.

Key audit matter:	How our audit addressed the key audit matter:
Assessment of impairment indicators of the Resource property cost assets.	Our approach to addressing the matter included the following procedures, among others:
<i>Refer to note 3 – Accounting policy for Resource property costs, note 4 – Use of estimates and judgements and note 7 Resource property costs</i>	Evaluated the reasonableness of management's assessment of impairment indicators, which included the following:

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Management assesses at each reporting period whether there is an indication that the carrying value of the Resource property cost assets may not be recoverable. Management applies significant judgement in assessing whether indicators of impairment exist that necessitate impairment testing. Internal and external factors, such as (i) a significant decline in the market value of the Company's share price; (ii) changes in the Company's assessment of whether commercially viable quantities of mineral resources exist within the properties; and (iii) changes in metal prices, capital and operating costs, are evaluated by management in determining whether there are any indicators of impairment.

We considered this a key audit matter due to (i) the significance of the Resource property costs balance and (ii) the significant audit effort and subjectivity in applying audit procedures to assess the factors evaluated by management in its assessment of impairment indicators, which required significant management judgement.

- Assessed the Company's market capitalization in comparison to the Company's net assets, which may be an indication of impairment.
- Assessed the completeness of the factors that could be considered indicators of impairment, including consideration of evidence obtained in other areas of the audit.
- Confirmed that the Company's right to explore the properties had not expired.
- Obtained management's written representations regarding the Company's future plans for the Resource property cost assets.
- Assessed the reasonability of the Company's financial statement disclosure regarding their Resource property cost assets.

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## **Other Information**

Management is responsible for the other information. The other information comprises the information included in "Management's Discussion and Analysis" but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is James Roxburgh.

A handwritten signature in black ink that reads "De Visser Gray LLP". The signature is written in a cursive, flowing style.

**Chartered Professional Accountants**

Vancouver, BC, Canada  
April 1, 2024

**D2 LITHIUM CORP.**  
**(formerly HELIOSX LITHIUM & TECHNOLOGIES CORP.)**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**NOVEMBER 30, 2023 AND NOVEMBER 30, 2022**  
**(Stated in Canadian dollars)**

Note	November 30, 2023 \$	November 30, 2022 \$
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	20,116	742,546
Receivables	23,889	55,012
Prepaid expenses	11,934	29,808
	<u>55,939</u>	<u>827,366</u>
Resource property costs	7,9 3,782,553	3,634,535
Reclamation bonds	7 281,905	281,905
Investment in Dajin Resources S.A.	6 -	305,743
	<u>4,120,397</u>	<u>5,049,549</u>
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	9 936,980	961,313
Loans payable	9,10 678,842	114,397
CEBA loan payable	11 40,000	40,000
	<u>1,655,822</u>	<u>1,115,710</u>
<b>TOTAL LIABILITIES</b>	<b>1,655,822</b>	<b>1,115,710</b>
<b>SHAREHOLDERS' EQUITY</b>		
Share capital	5,8 44,050,687	44,050,687
Contributed surplus	8 9,107,363	9,107,363
Accumulated deficit	(50,693,475)	(49,224,211)
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<u>2,464,575</u>	<u>3,933,839</u>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>4,120,397</b>	<b>5,049,549</b>

Approved on behalf of the Board of Directors:

"Brian Findlay"  
Director

"Bob Verhelst"  
Director

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

**D2 LITHIUM CORP.**  
**(formerly HELIOSX LITHIUM & TECHNOLOGIES CORP.)**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS**  
**FOR THE YEARS ENDED NOVEMBER 30, 2023 AND 2022**  
**(Stated in Canadian Dollars)**

		<b>Years Ended November 30,</b>	
	<b>Notes</b>	<b>2023</b>	<b>2022</b>
		<b>\$</b>	<b>\$</b>
<b>EXPENSES</b>			
Accounting and audit fees		76,751	58,740
Bank charges and interest	10	26,492	392
Consulting and management fees	9	97,997	846,062
Foreign exchange (gain) loss		9,779	(16,737)
Legal and professional fees		235,405	46,812
Listing and filing fees		43,376	64,946
Marketing and advertising		-	36,759
Office administration and general	9	42,876	72,648
Office equipment		-	68,204
Rent	9	50,471	105,390
Insurance		11,480	3,441
Share-based payments	8,9	-	1,380,922
Travel, conferences and promotion		13,344	70,158
Wages and benefits		70,303	82,925
<b>LOSS FROM OPERATIONS</b>		<b>(678,274)</b>	<b>(2,820,662)</b>
<b>OTHER INCOME (LOSS)</b>			
Write-down of resource property costs	7	(1)	(17,362,321)
Write-off of receivables	9	(69,917)	-
Write-off of accounts payable		-	7,505
Interest income		-	10,943
Share of net loss of Dajin Resources S.A.	6	(721,072)	(196,901)
<b>NET LOSS AND COMPREHENSIVE LOSS FOR THE YEAR</b>		<b>(1,469,264)</b>	<b>(20,361,436)</b>
<b>BASIC AND DILUTED LOSS PER SHARE</b>		<b>(0.04)</b>	<b>(0.60)</b>
<b>WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING</b>		<b>36,231,804</b>	<b>33,833,532</b>

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

**D2 LITHIUM CORP.**  
**(formerly HELIOSX LITHIUM & TECHNOLOGIES CORP.)**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE YEARS ENDED NOVEMBER 30, 2023 AND 2022**  
**(Stated in Canadian Dollars)**

	Common Stock		Contributed Surplus \$	Accumulated Deficit \$	Total \$
	Issued Shares (Note 8)	Amount \$			
Balance, November 30, 2021	16,427,546	28,722,801	3,392,962	(28,862,775)	3,252,988
On exercise of share purchase options - \$0.50	62,000	31,000	-	-	31,000
Shares issued: HX Tech amalgamation	17,010,000	13,437,900	-	-	13,437,900
Shares issued: private placement	2,732,258	1,908,120	-	-	1,908,120
Share issue costs	-	(50,156)	-	-	(50,156)
Allocation of options exercised*	-	1,022	(1,022)	-	-
Share-based payments	-	-	1,380,922	-	1,380,922
Warrants issued upon amalgamation with HX Tech	-	-	4,334,501	-	4,334,501
Net loss for the year	-	-	-	(20,361,436)	(20,361,436)
Balance, November 30, 2022	36,231,804	44,050,687	9,107,363	(49,224,211)	3,933,839
Net loss for the year	-	-	-	(1,469,264)	(1,469,264)
Balance, November 30, 2023	36,231,804	44,050,687	9,107,363	(50,693,475)	2,464,575

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

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

**HELIOSX LITHIUM & TECHNOLOGIES CORP.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED NOVEMBER 30, 2023 AND 2022**  
**(Stated in Canadian Dollars)**

	<b>Years Ended November 30,</b>	
	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>OPERATING ACTIVITIES</b>		
Net and comprehensive loss for the year	(1,469,264)	(20,361,436)
Add items not affecting cash:		
Unrealized foreign exchange (gain) loss	5,272	(14,363)
Share-based payments	-	1,380,922
Write-down of resource property costs	1	17,362,321
Write-off of receivables	69,917	-
Write-off of accounts payable	-	(7,505)
Share of net loss of Dajin Resources S.A.	721,072	196,901
Interest accrued on loans payable	24,505	-
Net changes in non-cash working capital		
Receivables	(38,794)	(40,709)
Loan receivable	-	10,000
Prepaid expenses	17,874	(22,560)
Accounts payable and accrued liabilities	103,678	388,360
Net cash used in operating activities	<u>(565,739)</u>	<u>(1,108,069)</u>
<b>FINANCING ACTIVITIES</b>		
Proceeds from issuance of common shares	-	1,888,964
Proceeds from issuance of loans payable	539,940	2,500
Net cash provided by financing activities	<u>539,940</u>	<u>1,891,464</u>
<b>INVESTING ACTIVITIES</b>		
Cash acquired on acquisition of HeliosX	-	202,500
Resource property additions, net	(140,976)	(137,530)
Contributions to Dajin Resources S.A.	(555,655)	(107,578)
Net cash used in investing activities	<u>(696,631)</u>	<u>(42,608)</u>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS DURING THE YEAR</b>	<b>(722,430)</b>	<b>740,787</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>742,546</b>	<b>1,759</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>20,116</b>	<b>742,546</b>

Non-Cash Transactions – Note 14

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

**D2 LITHIUM CORP.**  
**(formerly HELIOSX LITHIUM & TECHNOLOGIES CORP.)**  
**CONSOLIDATED SCHEDULE OF RESOURCE PROPERTY COSTS**  
**FOR THE YEARS ENDED NOVEMBER 30, 2023 AND 2022**  
**(Stated in Canadian Dollars)**

	USA Nevada \$	Canada Alberta \$	TOTAL \$
<b>ACQUISITION COSTS</b>			
Balance, November 30, 2021	911,297	-	911,297
Acquired upon amalgamation with HX Tech	-	17,354,060	17,354,060
Staking and filing fees	129,306	8,262	137,568
Write-down	-	(17,362,321)	(17,362,321)
Balance, November 30, 2022	1,040,603	1	1,040,604
Staking and filing fees	134,341	-	134,341
Write-down	-	(1)	(1)
Balance, November 30, 2023	1,174,944	-	1,174,944
<b>DEFERRED EXPLORATION AND DEVELOPMENT COSTS</b>			
Balance, November 30, 2021	2,596,766	-	2,596,766
Environment reporting/permitting	2,525	-	2,525
Recoveries	(5,360)	-	(5,360)
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
<b>TOTAL RESOURCE PROPERTY COSTS</b>			
As at November 30, 2022	3,634,534	1	3,634,535
As at November 30, 2023	3,782,553	-	3,782,553

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

**D2 LITHIUM CORP.**  
**(formerly HELIOSX LITHIUM & TECHNOLOGIES CORP.)**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED NOVEMBER 30, 2023 AND 2022**  
**(Stated in Canadian Dollars)**

NOTE 1 NATURE OF OPERATIONS

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

Dajin Lithium Corp. (“Dajin”) was incorporated under the British Columbia Company Act on August 5, 1987. On January 13, 2022, Dajin and HeliosX Technologies Corp. (“HX Tech”) completed a plan of arrangement under Division 5 of Part 9 of the British Columbia Business Corporations Act (“BCBCA”) involving Dajin, HX Tech, HX Tech subsidiary Fox Creek Lithium Corp., ESG Technologies Inc. (“ESG”) and Helios Infrastructure Corp. (“Helios Infrastructure”) (the “Arrangement”). Dajin also received final approval of the Arrangement from the TSX Venture Exchange (“TSXV”) and approval to list the common shares of the resulting issuer on the TSXV. Pursuant to the Arrangement, Dajin and HX Tech amalgamated to form an amalgamated company called HeliosX Lithium & Technologies Corp. and ESG and Helios Infrastructure were spun out as separate reporting issuers (see Note 5).

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

As at November 30, 2023, the Company’s principal mineral interests were located in Argentina, Canada and the United States and it has not yet been determined whether these properties contain reserves that are economically recoverable. The recoverability of amounts shown for the Company and resource property costs is dependent upon the discovery of economically recoverable reserves, confirmation of the Company’s interest in the underlying claims, the ability of the Company to obtain necessary financing to complete the development of the resource properties and upon future profitable production or proceeds from the disposition thereof.

The Company’s registered office, records office and head office is located at Suite 202, 8661 – 201 Street, Langley, BC V2Y 0G9.

NOTE 2 BASIS OF PRESENTATION

a) Statement of Compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board.

The consolidated financial statements were authorized for issue by the Board of Directors on April 1, 2024.

**D2 LITHIUM CORP.**  
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED NOVEMBER 30, 2023 AND 2022**  
**(Stated in Canadian Dollars)**

NOTE 2 BASIS OF PRESENTATION – (cont'd)

b) Going Concern

These 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 November 30, 2023, the Company had not advanced its resource properties to commercial production or achieved profitable operations, has accumulated losses of \$50,693,475 since inception and expects to incur further losses in the development of its business, all of which casts significant doubt about the Company's ability to continue as a going concern. The Company's continuation as a going concern is dependent upon successful results from its exploration and evaluation activities, its ability to attain profitable operations to generate funds and/or its ability to raise equity capital or borrowings sufficient to meet its current and future obligations. Although the Company has been successful in the past in raising funds to continue operations, there is no assurance it will be able to do so in the future.

c) Basis of Measurement

These 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

The accounting policies set out below have been applied consistently to all years presented in these consolidated financial statements unless otherwise indicated.

a) Principles of Consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, Dajin Resources (US) Corp. ("Dajin US") and Fox Creek Lithium Corp. ("FCLC") (Canada). Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefit from its activities. All inter-company accounts have been eliminated.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED NOVEMBER 30, 2023 AND 2022**  
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NOTE 3 SIGNIFICANT ACCOUNTING POLICIES – (cont'd)

b) Basic and Diluted Loss per Share

Basic earnings per share are computed by dividing the loss for the period by the weighted average number of common shares outstanding during the period. Diluted earnings per share reflect the potential dilution that could occur if potentially dilutive securities were exercised or converted to common stock. The dilutive effect of options and warrants and their equivalent is computed by application of the treasury stock method and the effect of convertible securities by the “if converted” method. Diluted amounts are not presented when the effect of the computations is anti-dilutive due to the losses incurred. Accordingly, there is no difference in the amounts presented for basic and diluted loss per share.

c) Resource Property Costs

*Pre-exploration costs*

Pre-exploration costs are expensed in the period in which they are incurred.

*Exploration and evaluation costs*

Once the legal right to explore a property has been acquired, exploration and evaluation expenditures are recognized and capitalized in addition to the acquisition costs. Mineral exploration costs are capitalized on an individual prospect basis until such time as an economic ore body is defined or the prospect is abandoned. Costs for a producing prospect are amortized on a unit-of-production method based on the estimated life of the ore reserves, while those costs for the prospects abandoned are written off.

On an annual basis or when impairment indicators arise, the Company evaluates the future recoverability of its mineral property costs. Impairment losses or write-downs are recorded in the event the net book value of such assets exceeds the estimated indicated future cash flows attributable to such assets.

The recoverability of the amounts capitalized for the undeveloped mineral property is dependent upon the determination of economically recoverable ore reserves, confirmation of the Company's interest in the underlying mineral claims, the ability to obtain the necessary financing to complete their development, and future profitable production or proceeds from the disposition thereof.

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance history characteristic of many mineral properties. The Company has investigated title to its mineral properties and, to the best of its knowledge, title to its properties is in good standing.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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NOTE 3 SIGNIFICANT ACCOUNTING POLICIES – (cont'd)

c) Resource Property Costs – (cont'd)

Management's capitalization of exploration and development costs and assumptions regarding the future recoverability of such costs are subject to significant measurement uncertainty. Management's assessment of recoverability is based on, among other things, the Company's estimate of current mineral reserves and resources which are supported by geological estimates, estimated commodity prices, and the procurement of all necessary regulatory permits and approvals. These assumptions and estimates could change in the future and this could materially affect the carrying value and the ultimate recoverability of the amounts recorded for mineral properties.

Acquisition costs incurred, particularly of a non-cash nature, are not necessarily indicative of what a third party would consider to be "fair value". With the subsequent passage of time, such costs inevitably become even further removed from representing current or fair values; these latter amounts are also inherently subject to abrupt and material changes.

Mineral exploration tax credits are recorded in the accounts when there is reasonable assurance that the Company has complied with, and will continue to comply with, all conditions needed to obtain the credits.

d) Income Taxes

Income tax comprises current and deferred tax. Income tax is recognized in the statement of comprehensive loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case income tax is also recognized directly in equity or other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted, or substantively enacted, at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Current tax assets and current tax liabilities are only offset if a legally enforceable right exists to set off the amounts, and the Company intends to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax is recognized in respect of all qualifying temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the balance sheet date and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that the assets can be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Deferred income tax assets and liabilities are presented as non-current.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED NOVEMBER 30, 2023 AND 2022**  
**(Stated in Canadian Dollars)**

NOTE 3 SIGNIFICANT ACCOUNTING POLICIES – (cont'd)

e) Share Capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, share warrants and flow-through shares are classified as equity instruments.

The Company follows the residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component. The fair value of the common shares issued in a private placement are determined to be the more easily measurable component and are valued at their fair value on the announcement date and the balance, if any, is allocated to the attached warrants.

The proceeds from the exercise of stock options, share purchase warrants and escrow shares are recorded as share capital in the amount for which the stock options, share purchase warrants or escrow shares enabled the holder to purchase a share in the Company.

Share capital issued for non-monetary consideration is recorded at an amount based on fair market value reduced by an estimate of transaction costs normally incurred when issuing shares for cash, as determined by the board of directors of the Company.

Costs directly identifiable with the raising of share capital financing are charged against share capital. Share issue costs incurred in advance of share subscriptions are recorded as non-current deferred charges. Share issue costs related to uncompleted share subscriptions are charged to operations.

f) Share-based Payments

Equity-settled share-based payments for directors, officers and employees are measured at fair value at the date of grant and recorded as compensation expense in the financial statements. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period based on the Company's estimate of shares that will eventually vest. Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the statement of comprehensive loss over the remaining vesting period.

Compensation expense on stock options granted to non-employees is measured at the earlier of the completion of performance and the date the options are vested using the fair value method and is recorded as an expense in the same period as if the Company had paid cash for the goods or services received.

When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a Black-Scholes valuation model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioral considerations.

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NOTE 3 SIGNIFICANT ACCOUNTING POLICIES – (cont'd)

f) Share-based Payments – (cont'd)

All equity-settled share-based payments are reflected in contributed surplus, until exercised. Upon exercise shares are issued from treasury and the amount reflected in contributed surplus is credited to share capital along with any consideration paid.

Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period.

Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

g) Impairment of Long-lived Assets

The Company's tangible and intangible assets are reviewed for an indication of impairment at each statement of financial position date. If indication of impairment exists, the asset's recoverable amount is estimated.

An impairment loss is recognized when the carrying amount of an asset, or its cash-generating unit, exceeds its recoverable amount. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Impairment losses are recognized in the statement of comprehensive loss for the period. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

The recoverable amount is the greater of the asset's fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. An impairment loss with respect to goodwill is never reversed.

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NOTE 3 SIGNIFICANT ACCOUNTING POLICIES – (cont'd)

h) Rehabilitation Provisions

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of tangible long-lived assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future rehabilitation cost estimates is capitalized to the amount of the related asset along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using pre-tax rates that reflect the time value of money are used to calculate the net present value. The rehabilitation asset is depreciated on the same basis as the related asset.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related asset with a corresponding entry to the rehabilitation provision.

The Company's estimates are reviewed annually for changes in regulatory requirements, effects of inflation and changes in estimates.

Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to the statement of comprehensive loss for the period. As at November 30, 2023 and 2022, the Company is not aware of any reclamation costs and no amounts have been recorded.

i) Translation of Foreign Currencies

The functional currency of the Company's foreign subsidiary is measured using the currency of the primary economic environment in which that entity operates. These consolidated financial statements are presented in Canadian dollars which is the parent company's functional and presentation currency. The functional currency of the subsidiary that has operations in the United States is the Canadian dollar.

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined and not subsequently restated.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the statement of comprehensive loss in the period in which they arise, except where deferred in equity as a qualifying cash flow or net investment hedge.

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NOTE 3 SIGNIFICANT ACCOUNTING POLICIES – (cont'd)

j) Financial Instruments

*Financial Assets - Classification*

The Company classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through Other Comprehensive Income (“OCI”), or through profit or loss (“FVTPL”), and
- Those to be measured at amortized cost.

The classification depends on the Company’s business model for managing the financial assets and contractual terms of the cash flows. For assets measured at fair value, gains or losses are recorded in profit or loss or OCI.

The Company has classified cash and cash equivalents, receivables excluding GST receivable, loan receivable, and reclamation bonds as amortized cost.

*Financial Assets - Measurement*

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, the transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Financial assets are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Subsequent measurement of financial assets depends on their classification. These are the measurement categories under which the Company classifies its financial assets:

- Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.
- Fair value through OCI (“FVOCI”): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets’ cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains and losses, interest revenue, and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains (losses). Interest income from these financial assets is included as finance income using the effective interest rate method.
- Fair value through profit or loss: Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss on an investment that is subsequently measured at FVTPL is recognized in profit or loss and presented net as revenue in the statement of comprehensive loss in the period which it arises.

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NOTE 3 SIGNIFICANT ACCOUNTING POLICIES – (cont'd)

j) Financial Instruments – (cont'd)

*Impairment of Financial Assets at Amortized Cost*

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If, at the reporting date, the credit risk of the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company recognizes in the statement of comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

*Financial Liabilities*

The Company classifies its financial liabilities into the following categories: financial liabilities at FVTPL and amortized cost.

A financial liability is classified as FVTPL if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognized in profit or loss as incurred. The fair value changes to financial liabilities at FVTPL are presented as follows: the amount of change in fair value that is attributable to changes in the credit risk of the liability is presented in OCI; and the remaining amount of the change in the fair value is presented in profit or loss. The Company does not designate any financial liabilities at FVTPL.

Other non-derivative financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest rate method. The Company classifies its accounts payable and accrued liabilities, loans payable and CEBA loan payable as financial liabilities held at amortized cost.

k) Investments in associates

An associate is an entity in which the Company has significant influence and which is neither a subsidiary nor a joint venture. Significant influence is presumed to exist when the Company holds between 20 and 50 percent of the voting power of the investee unless it can be clearly demonstrated that this is not the case.

Investments in associates are accounted for using the equity method (equity accounted investees) and are recognized initially at cost. The financial statements include the Company's share of the income and expenses and equity movements of equity accounted investees, after adjustments to align the accounting policies with those of the Company from the date that significant influence or joint control commences, until the date that significant influence or joint control ceases. When the Company's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest, including any long-term investments,

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NOTE 3 SIGNIFICANT ACCOUNTING POLICIES – (cont'd)

k) Investments in associates – (cont'd)

is reduced to nil, and the recognition of further losses is discontinued, except to the extent that the Company has obligation, or has made payments on behalf of the investee.

l) Changes in accounting policies

There were no changes in accounting policies during the year ended November 30, 2023 that had a material impact on the consolidated financial statements.

m) Accounting standard issued but not yet applied

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

- *Presentation of financial statements*

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

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

NOTE 4 USE OF ESTIMATES AND JUDGMENTS

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

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

a) Resource property expenditures

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

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

b) Impairment

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

c) Going concern

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

d) Investment in Dajin Resources S.A.

The accounting for investments in other companies can vary depending on the degree of control and influence over those other companies. Management is required to assess at each reporting date the Company's control and influence over these other companies. Management has used its judgment to determine which companies are controlled and require consolidation and those which are significantly influenced and require equity accounting. 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 Holdings 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 November 30, 2023, management has determined that the Company did have significant influence over Dajin S.A. Accordingly, the investment in Dajin S.A. was accounted for as an investment in associate (Note 6).

e) Valuation of shares and warrants issued pursuant to amalgamation with HX Tech

Management has used its judgment to determine the valuation of share and warrant consideration issued pursuant to Dajin's amalgamation with HX Tech, as well as how to allocate the value of share and warrant consideration issued among HX Tech's net assets acquired. The common shares issued were valued based on the Company's closing market share price on the January 13, 2022 amalgamation date. Company share purchase warrants issued were valued using the Black-Scholes valuation model.

The lack of available information to independently value the acquisition of HX Tech required the Company to instead measure the value of its own equity issued as the only alternative. However, significant uncertainties also exist with this approach, most materially that the share consideration has been measured with no price discount provided for on account of volume. As well, the Black-Scholes model requires the input of arbitrary variables that may not, within the application of the formula, produce a result that would be representative of an actual economic exchange of value.

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

e) Valuation of shares and warrants issued pursuant to amalgamation with HX Tech – (cont'd)

Management has made the judgment that without significant operating activities, HX Tech did not meet the accounting definition of a business pursuant to IFRS 3, Business combinations. Therefore, for accounting purposes, the transaction was accounted for as an acquisition of the net assets of HX Tech by Dajin in exchange for shares and warrants of the Company.

NOTE 5 AMALGAMATION

On January 13, 2022, pursuant to the Arrangement among Dajin, HX Tech, ESG and Helios Infrastructure, Dajin was amalgamated with HeliosX to form the Company (the “Amalgamation”).

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

- Each share of Dajin outstanding was cancelled and, in consideration therefor, the holder of such Dajin shares received one fully paid and non-assessable share of the Company for every one share of Dajin;
- Each stock option to purchase Dajin’s shares was cancelled and, in consideration therefor, the holder of such stock options received one stock option to purchase the Company’s shares for every one stock option of Dajin;
- Each share of HX Tech (“HX Tech Common Share”) outstanding was cancelled and, in consideration therefor, the holder of such HX Tech Common Share received 0.63 of one fully paid and non-assessable share of the Company; and
- Each warrant to purchase HX Tech Common Shares (an “HX Tech Warrant”) was cancelled and, in consideration therefor, the holder of such HX Tech Warrant received 0.63 of one warrant to purchase shares of the Company, where a full warrant is exercisable at \$0.75 per share until August 5, 2023.

As a result of the Arrangement, 17,010,000 common shares at a fair value of \$0.79 per share were issued in exchange for HX Tech’s 27,000,000 common shares outstanding prior to the Amalgamation, and 10,080,000 common share purchase warrants at a fair value of \$0.43 per warrant were issued in exchange for HX Tech’s 16,000,000 common share purchase warrants outstanding prior to the Amalgamation. HX Tech’s common shares and share purchase warrants were cancelled.

Concurrent with the Amalgamation, HX Tech issued 4,336,638 subscription receipts at a price of \$0.44 per subscription receipt for gross proceeds of \$1,908,120, with these subscription receipts exchanged on the basis of one HX Tech subscription receipt for 0.63 of a Company common share, resulting in the issuance of 2,732,258 Company common shares. The Company incurred \$50,156 in cash share issue costs.

Without significant operating activities, HX Tech did not meet the accounting definition of a business pursuant to IFRS 3, Business combinations. Therefore, for accounting purposes, the

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NOTE 5 AMALGAMATION – (cont’d)

transaction was accounted for as an acquisition of the net assets of HX Tech by Dajin in exchange for shares and warrants of the Company.

The acquisition cost and allocation of assets and liabilities are presented as follows:

<b>Acquisition costs:</b>	<b>Fair value</b>
17,010,000 shares issued to former HX Tech shareholders	\$ 13,437,900
10,080,000 warrants issued to a former HX Tech warrant holder	4,334,501
	<u>\$ 17,772,401</u>
<b>Net assets acquired:</b>	
Cash	\$ 202,500
Receivables	367,009
Resource properties	17,354,060
Accounts payable and accrued liabilities	(151,168)
	<u>\$ 17,772,401</u>

NOTE 6 INVESTMENT IN DAJIN RESOURCES S.A.

On October 25, 2016, the Company completed a share purchase agreement with Lithium H, whereby Lithium H acquired, and can maintain, its interest in Dajin S.A. by making a cash payment of \$1,000,000 (\$865,000 received by the Company net of applicable Argentine tax of 13.5% on the gross proceeds) and expending a total of \$2,000,000 on concessions held by Dajin S.A.

On September 30, 2019, the Company, its subsidiary, Lithium H and LSC Lithium entered into an irrevocable offer of amendment to the share purchase and shareholder agreements (the “Agreements”) dated October 25, 2016, to amend the Agreements. Pursuant to the amendment agreement, the Agreements were modified as follows:

- The original earn-in provisions were terminated on payment of US\$600,000 (\$794,520) to the Company. This payment constitutes full, sole and complete compensation for Lithium H failing to incur the funding amount of expenditures. Any and all similar earn-in provisions established and regulated within the shareholders agreement were revoked and terminated;
- The terminated earn-in program was replaced by a new exploration program. The parties will make the necessary contributions to fund the exploration program in accordance with their proportionate interest and following the provisions set forth in the shareholder agreement;
- Lithium H applied the \$135,000 in Argentine tax withheld by paying the applicable withholding tax plus interest (\$81,244) and agreeing to credit the remaining amount (\$53,756) on behalf of the Company as a capital contribution in Dajin S.A. when required by the Operator, under the operating agreement, to fund the relevant costs and investments associated with the new exploration program or any other activity to be made in relation with the project. This amount was applied to the operating cost contributions made by the Company during the year ended November 30, 2021 (see below);
- The Dajin S.A. shares being held in escrow were released to Lithium H; and

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NOTE 6 INVESTMENT IN DAJIN RESOURCES S.A. – (cont'd)

- Lithium H and LSC Lithium were fully released from any and all past obligations and liabilities regarding any kind of reporting and other related information duties which may exist under the Agreements and the operating agreement.

During the year ended November 30, 2023, the Company contributed or recorded as payable \$415,329 (2022 - \$229,981) in contributions towards its portion of operating costs of Dajin S.A. and also recognized \$721,072 (2022 - \$196,901) as its portion of Dajin S.A.'s net loss for the year ended November 30, 2023.

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

	\$
Balance, November 30, 2021	272,663
Contributions to Dajin S.A.	229,981
Share of net loss of Dajin Resources S.A.	(196,901)
Balance, November 30, 2022	305,743
Contributions to Dajin S.A.	415,329
Share of net loss of Dajin Resources S.A.	(721,072)
Balance, November 30, 2023	-

See Note 4.

NOTE 7 RESOURCE PROPERTY COSTS

Teels Marsh Project – State of Nevada USA

At 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 November 30, 2023, the Company had posted \$281,905 (US\$209,801) (2022 - \$281,905 [US\$209,801]) in reclamation bonds with the U.S. Bureau of Land Management concerning its interest in the Teels Marsh Project.

Alkali Springs Valley Lithium Project – State of Nevada, USA

At November 30, 2023, the Company held a 100% interest in 62 placer claims in the Alkali Springs Valley of Esmeralda County, Nevada. The Company's 100% interest in these placer claims is held by Dajin US.

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NOTE 7 RESOURCE PROPERTY COSTS – (cont'd)

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

The Company, through FCLC, held 581,461 acres of lithium brine rights comprising the Fox Creek Property in west-central Alberta, Canada. The Property consisted of five separate Government of Alberta-issued permit blocks.

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 8 SHARE CAPITAL

*Authorized:*

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

*Issued:*

During the year ended November 30, 2023:

No shares were issued during the year.

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

- 62,000 common shares were issued pursuant to the exercise of share purchase options for gross proceeds of \$31,000.
- Pursuant to the Amalgamation, the Company issued 17,010,000 common shares valued at \$13,437,900. The Company incurred cash share issue costs totaling \$50,156 in connection with the Amalgamation (see Notes 1 and 5).
- Concurrent with the Amalgamation, the Company issued 2,732,258 common shares pursuant to the conversion of subscription receipts raised by HX Tech for gross proceeds of \$1,908,120 (see Note 5).

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NOTE 8 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 November 30, 2023 and 2022 and changes during the years then ended is presented below:

	November 30,		November 30,	
	Shares	2023 Weighted Average Exercise Price \$	Shares	2022 Weighted Average Exercise Price \$
Outstanding, at beginning of period	3,385,000	0.70	837,000	0.67
Expired/cancelled	(2,340,000)	0.74	(40,000)	0.50
Granted	-	-	2,650,000	0.70
Exercised	-	-	(62,000)	0.50
Outstanding, at end of period	1,045,000	0.61	3,385,000	0.70
Options exercisable at end of the period	1,045,000	0.61	3,385,000	0.70
Weighted-average remaining life, in years		2.47		3.97

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NOTE 8 SHARE CAPITAL – (cont'd)

*Commitments* – (cont'd)

Share-Based Compensation Plan – (cont'd)

At November 30, 2023, 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
1,045,000		

The Company granted no options during the year ended November 30, 2023.

On March 7, 2022, the Company granted 2,350,000 common share purchase options exercisable at \$0.70 per share, expiring February 28, 2027. On March 30, 2022, the Company granted 300,000 common share purchase options exercisable at \$0.70 per share, also expiring February 28, 2027. These options vested on their respective dates of grant.

In valuing the options, the Company employed the Black-Scholes option-pricing model using the following assumptions.

	November 30, 2022
Risk free interest rate	2.42% - 2.64%
Expected life of options in years	5 years
Expected volatility	103.62% - 104.13%
Dividend per share	-
Forfeiture rate	-

During the year ended November 30, 2023, the Company incurred \$Nil of share-based payments expense (2022: \$1,380,922).

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

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NOTE 8 SHARE CAPITAL – (cont'd)

*Commitments* – (cont'd)

Share Purchase Warrants

On January 13, 2022, pursuant to the Amalgamation, the Company issued 10,080,000 common share purchase warrants exercisable at \$0.75 per share and expiring on August 5, 2023.

In valuing the warrants, the Company employed the Black-Scholes option-pricing model using the following assumption:

	November 30, 2022
Risk free interest rate	1.09%
Expected life of warrants in years	1.56 years
Expected volatility	115.24%
Dividend per share	-
Forfeiture rate	-

During the year ended November 30, 2023, the above warrants expired. The Company issued no warrants during the year ended November 30, 2023.

NOTE 9 RELATED PARTY TRANSACTIONS

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

	2023 \$	2022 \$
Key management compensation:		
Wages and benefits	66,080	54,000
Consulting and management fees – operating expenses	80,450	758,906
Rent reimbursements	19,771	17,786
Share-based payments	-	1,380,922
	166,301	2,211,614

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

Included in November 30, 2023 accounts payable and accrued liabilities is \$615,440 (November 30, 2022: \$651,341) owing to related party individuals and companies with common officers and directors.

Included in November 30, 2023 loans payable is \$109,397 (November 30, 2022: \$109,397) owing to certain officers and directors of the Company (Note 10).

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

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NOTE 9 RELATED PARTY TRANSACTIONS – (cont’d)

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

Pursuant to the January 13, 2022 amalgamation of Dajin and HX Tech, the Company’s former CEO, former CFO and a company controlled by the Company’s former CEO collectively received 6,930,000 Company common shares.

During the year ended November 30, 2023, the Company wrote off \$35,028 receivable from former subsidiary ESG and \$34,889 receivable from former subsidiary Helios Infrastructure.

NOTE 10 LOANS PAYABLE

At November 30, 2023, the Company has a loans payable balance of \$678,842 (November 30, 2022: \$114,397).

	November 30, 2023 \$	November 30, 2022 \$
Demand loans, bearing 12% interest per annum compounding monthly, unsecured	550,336	-
Demand loans, non-interest bearing, unsecured	128,506	114,397
	678,842	114,397

During the year ended November 30, 2023, the Company incurred \$24,505 (2022 - \$nil) of interest expense on loans payable.

NOTE 11 CEBA LOAN PAYABLE

On April 7, 2020, the Company received, through its bank, a \$40,000 Canada Emergency Business Account (“CEBA”) loan (“Principal”). During the initial term expiring on December 31, 2023, the Company was not required to repay any portion of the loan and no interest was paid. The loan can be repaid at any time without penalty. During the extended term starting January 1, 2024 and expiring on December 31, 2025, the Company will pay interest at the rate of 5% on a monthly basis. On January 18, 2024, the Company repaid \$30,000 of the loan with the balance owing forgiven as per the terms of the loan.

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NOTE 12 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 year ended November 30, 2023. Neither the Company nor its subsidiaries are subject to externally imposed capital requirements.

NOTE 13 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 November 30, 2023, 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 November 30, 2023, the Company had cash and cash equivalents of \$20,116 (2022: \$742,546) and current liabilities of \$1,655,822 (2022: \$1,115,710). All of the Company's accounts payable (\$936,980) 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.

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NOTE 13 FINANCIAL INSTRUMENTS – (cont'd)

d) Price risk

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

e) Sensitivity analysis

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

Commodity price risk could adversely affect the Company. In particular, the Company's future profitability and viability of development depends upon the world market price of precious metals. Precious metal prices have fluctuated significantly in recent years. There is no assurance that, even as commercial quantities of industrial minerals and precious metals may be produced in the future, a profitable market will exist for them. As of November 30, 2023, the Company was not an industrial mineral or precious metal producer. As a result, commodity price risk largely affects the completion of future equity transactions such as equity offerings and the exercise of stock options and warrants. This may also affect the Company's liquidity and its ability to meet its ongoing obligations.

f) Foreign currency risk

Foreign currency exchange rate risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in foreign exchange rates. The Company's operations are carried out in the Canada, the United States and Argentina. As at November 30, 2023, the Company had accounts payable of \$62,970 (2022: \$8,295) denominated in US dollars. These factors expose the Company to foreign currency exchange rate risk, which could have an adverse effect on the profitability of the Company. The Company currently does not plan to enter into foreign currency future contracts to mitigate this risk.

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NOTE 14 NON-CASH TRANSACTIONS

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

- At November 30, 2023, the Company had \$7,033 (2022: \$nil) in accounts payable and accrued liabilities related to resource property costs.
- At November 30, 2023, the Company had \$62,970 (2022: \$202,852) in accounts payable and accrued liabilities related to its investment in Dajin S.A.

NOTE 15 CORPORATION INCOME TAXES

A reconciliation of Canadian income taxes at statutory rates is as follows:

	2023	2022
Corporate tax rate	27.00%	27.00%
	\$	\$
Net loss for the year before income taxes	(1,469,264)	(20,361,436)
Expected income tax recovery	(396,700)	(5,497,600)
Net adjustment for deductible and non-deductible amounts	(12,300)	5,103,700
Change in unrecognized benefit of tax pool assets	409,000	393,900
Total income tax recovery	-	-

The significant components of the Company's deferred income tax assets are as follows:

	2023	2022
	\$	\$
Deferred income tax assets:		
Capital loss carry-forwards	37,000	42,000
Resource properties	1,638,000	1,494,000
Non-capital loss carry-forwards	2,941,000	2,668,000
Share issue costs and other	8,000	11,000
Equipment	35,000	35,000
	4,659,000	4,250,000
Valuation allowance	(4,659,000)	(4,250,000)
Net deferred income tax assets	-	-

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NOTE 15 CORPORATION INCOME TAXES – (cont'd)

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statement of financial position are as follows:

	<b>2023</b>	<b>\$ Expiry Date Range</b>
<hr/>		
<b>Temporary Differences</b>		
Resource property costs	6,067,000	No expiry date
Allowable capital losses	273,000	No expiry date
Non-capital losses available for future periods:		
Canada	10,762,000	2025 to 2043
USA	132,000	No expiry date
Equipment	128,000	No expiry date
Share issue costs and other	31,000	No expiry date
<hr/>		

Future tax benefits which may arise as a result of these losses and resource deductions have not been recognized in these financial statements and have been offset by a valuation allowance.

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NOTE 16 SEGMENTED INFORMATION

The Company operates in one business segment, mineral exploration. As at November 30, 2023, 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:

	2023	2022
	\$	\$
Net income (loss):		
Canada	(757,636)	(20,178,871)
Argentina	(721,072)	(196,901)
United States	9,444	14,336
	<u>(1,469,264)</u>	<u>(20,361,436)</u>

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

	2023	2022
	\$	\$
Total Assets:		
Canada	55,939	766,308
Argentina	-	305,743
United States	4,064,458	3,977,498
	<u>4,120,397</u>	<u>5,049,549</u>