



# **CONSOLIDATED LITHIUM METALS INC.**

**(formerly Jourdan Resources Inc.)**

## **Condensed Interim Financial Statements**

*For the three and nine months ended September 30, 2023 and 2022*

*(Expressed in Canadian Dollars)*

*(Unaudited)*

**NOTICE OF NO AUDITOR REVIEW OF  
CONDENSED INTERIM FINANCIAL STATEMENTS**

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these condensed interim financial statements, in accordance with standards established by the Chartered Professional Accountants of Canada (CPA Canada) for a review of interim financial statements by an entity's auditor.

**Consolidated Lithium Metals Inc.**  
**(formerly Jourdan Resources Inc.)**  
**Condensed Interim Statements of Financial Position**  
(Expressed in Canadian dollars- unaudited)

| As at:  | Notes       | September 30,<br>2023 | December 31,<br>2022 |
|---|-------------|-----------------------|----------------------|
| <b>ASSETS</b>                                     |             |                       |                      |
| <b>Current assets:</b>                            |             |                       |                      |
| Cash  | 14          | \$ 747,672            | \$ 1,894,577         |
| Amounts receivable                                | 5,14        | 1,081,107             | 480,512              |
| Prepaid expenses                                  |             | 19,335                | 58,327               |
| Total current assets                              |             | 1,848,114             | 2,433,416            |
| <b>Non-current assets:</b>                        |             |                       |                      |
| Right-of-use asset                                | 6(b,c)      | 199,342               | 260,272              |
| <b>TOTAL ASSETS</b>                               |             | <b>\$ 2,047,456</b>   | <b>\$ 2,693,688</b>  |
| <b>LIABILITIES AND EQUITY</b>                     |             |                       |                      |
| <b>Current liabilities:</b>                       |             |                       |                      |
| Accounts payable and accrued liabilities          | 8,13,14     | \$ 427,611            | \$ 902,140           |
| Flow-through share premium liability              | 9           | 22,247                | -                    |
| Lease liability                                   | 6(a)        | 48,508                | 45,353               |
| Total current liabilities                         |             | 498,366               | 947,493              |
| <b>Non-current liabilities:</b>                   |             |                       |                      |
| Long-term portion of lease liability              | 6(a)        | 101,056               | 137,842              |
| Total liabilities                                 |             | 599,422               | 1,085,335            |
| <b>Shareholders' Equity:</b>                      |             |                       |                      |
| Share capital                                     | 10(b)       | 29,415,584            | 25,823,480           |
| Warrants  | 10(b),11(a) | 1,410,378             | 1,130,166            |
| Contributed surplus                               | 11(b)       | 5,160,218             | 4,747,027            |
| Deficit   |             | (34,538,146)          | (30,092,320)         |
| Total shareholders' equity                        |             | 1,448,034             | 1,608,353            |
| <b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b> |             | <b>\$ 2,047,456</b>   | <b>\$ 2,693,688</b>  |
| Nature of operations and going concern            | 1           |                       |                      |
| Commitments and contingencies                     | 16          |                       |                      |

Approved on behalf of the Board of Directors.

Rene Bharti  
Director

Andreas Rompel  
Director

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

**Consolidated Lithium Metals Inc.**  
**(formerly Jourdan Resources Inc.)**  
**Condensed Interim Statements of Loss and Comprehensive Loss**  
(Expressed in Canadian dollars- unaudited)

|  | Notes | For the three months ended<br>September 30, |                  | For the nine months ended<br>September 30, |                     |
|--|-------|---|------------------|--|---------------------|
|  |       | 2023  | 2022             | 2023                                       | 2022                |
| <b>Expenses:</b>   |       |   |                  |  |                     |
| Consulting and management fees                               | 13    | \$ 475,051                                  | \$ 120,443       | \$ 1,443,849                               | \$ 266,626          |
| Exploration and evaluation expenses                          | 7     | 1,134,749                                   | 375,724          | 1,900,106                                  | 1,420,458           |
| Professional fees  |       | 35,436                                      | 24,669           | 75,842                                     | 45,865              |
| Shareholder communications and filing fees                   |       | 23,469                                      | 5,202            | 114,502                                    | 55,220              |
| General and administrative expenses                          |       | 284,536                                     | 196,772          | 969,061                                    | 411,093             |
| Amortization   | 6(c)  | 19,400                                      | -                | 58,040                                     | -                   |
| Interest and bank charges                                    |       | 4,484                                       | 419              | 13,897                                     | 1,149               |
| Share-based compensation                                     | 11(b) | 113,812                                     | 308,890          | 302,976                                    | 509,380             |
| <b>Loss before other items</b>                               |       | <b>2,090,937</b>                            | <b>1,032,119</b> | <b>4,878,273</b>                           | <b>2,709,791</b>    |
| <b>Other income/(loss):</b>                                  |       |   |                  |  |                     |
| Gain on debt settlement                                      | 8,13  | 306,906                                     | -                | 306,906                                    | -                   |
| Flow-through share premium recovery                          | 9     | 96,141                                      | 102,088          | 96,503                                     | 102,088             |
| Other income/(expenses)                                      | 5     | 16,650                                      | -                | 29,038                                     | -                   |
| <b>Net loss and comprehensive loss</b>                       |       | <b>1,671,240</b>                            | <b>930,031</b>   | <b>\$ 4,445,826</b>                        | <b>\$ 2,607,703</b> |
| <b>Loss per share</b>  |       |   |                  |  |                     |
| Basic and diluted  |       | \$ 0.005                                    | \$ 0.005         | \$ 0.015                                   | \$ 0.014            |
| <b>Weighted average number of common shares outstanding:</b> |       |   |                  |  |                     |
| Basic and diluted  |       | 322,620,097                                 | 200,329,565      | 295,817,654                                | 182,227,075         |

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

**Consolidated Lithium Metals Inc.**  
**(formerly Jourdan Resources Inc.)**  
**Condensed Interim Statements of Changes in Shareholders' Equity**  
(Expressed in Canadian dollars- unaudited)

|   | Share capital      |                   | Warrants         | Contributed      | Deficit             | Total equity     |
|---|--------------------|-------------------|------------------|------------------|---------------------|------------------|
|   | No.                | \$                |                  | surplus          |                     |                  |
|   | No.                | \$                | \$               | \$               | \$                  | \$               |
| Balance, December 31, 2021                                    | 171,451,612        | 20,554,430        | 1,103,387        | 4,161,939        | (25,188,311)        | 631,445          |
| Private placement (note 10(b))                                | 23,512,500         | 2,161,000         | -                | -                | -                   | 2,161,000        |
| Share issuance cost (note 10(b))                              | -                  | (93,960)          | -                | -                | -                   | (93,960)         |
| Flow-through share premium liability (note 9)                 | -                  | (210,000)         | -                | -                | -                   | (210,000)        |
| Shares issued for property acquisition (note 7,10(b))         | 1,111,111          | 100,000           | -                | -                | -                   | 100,000          |
| Warrants issued (note 10(b))                                  | -                  | (353,931)         | 353,931          | -                | -                   | -                |
| Stock options granted (note 11(b))                            | -                  | -                 | -                | 509,380          | -                   | 509,380          |
| Warrants exercised (note 11(a))                               | 47,288,500         | 2,691,577         | (327,152)        | -                | -                   | 2,364,425        |
| Net and comprehensive loss                                    | -                  | -                 | -                | -                | (2,607,703)         | (2,607,703)      |
| <b>Balance, September 30, 2022</b>                            | <b>243,363,723</b> | <b>24,849,116</b> | <b>1,130,166</b> | <b>4,671,319</b> | <b>(27,796,014)</b> | <b>2,854,587</b> |
| Balance, December 31, 2022                                    | 270,363,723        | 25,823,480        | 1,130,166        | 4,747,027        | (30,092,320)        | 1,608,353        |
| Private placement (note 10(b))                                | 30,286,210         | 2,120,035         | -                | -                | -                   | 2,120,035        |
| Share issuance cost (note 10(b))                              | -                  | (49,622)          | -                | -                | -                   | (49,622)         |
| Shares issued for property acquisition (note 7,10(b))         | 2,040,816          | 150,000           | -                | -                | -                   | 150,000          |
| Shares issued for flow-through private placement (note 10(b)) | 21,250,000         | 1,700,000         | -                | -                | -                   | 1,700,000        |
| Share issuance cost (note 10(b))                              | -                  | (116,606)         | -                | -                | -                   | (116,606)        |
| Flow-through share premium liability (note 9)                 | -                  | (118,750)         | -                | -                | -                   | (118,750)        |
| Warrants issued (note 10(b))                                  | -                  | (523,641)         | 523,641          | -                | -                   | -                |
| Stock options granted (note 11(b))                            | -                  | -                 | -                | 302,976          | -                   | 302,976          |
| Warrants exercised (note 11(a))                               | 4,250,000          | 430,688           | (133,214)        | -                | -                   | 297,474          |
| Warrants expired (note 11(a))                                 | -                  | -                 | (110,215)        | 110,215          | -                   | -                |
| Net and comprehensive loss                                    | -                  | -                 | -                | -                | (4,445,826)         | (4,445,826)      |
| <b>Balance, September 30, 2023</b>                            | <b>328,190,749</b> | <b>29,415,584</b> | <b>1,410,378</b> | <b>5,160,218</b> | <b>(34,538,146)</b> | <b>1,448,034</b> |

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

**Consolidated Lithium Metals Inc.**  
**(formerly Jourdan Resources Inc.)**  
**Condensed Interim Statements of Cash Flows**  
(Expressed in Canadian dollars- unaudited)

|  |             | For the nine months ended<br>September 30, |                     |
|--|-------------|--|---------------------|
|  | Notes       | 2023                                       | 2022                |
| <b>Cash provided by (used in):</b>               |             |  |                     |
| <b>Operating activities:</b>                     |             |  |                     |
| Net loss   |             | \$ (4,445,826)                             | \$ (2,607,703)      |
| Items not involving cash:                        |             |  |                     |
| Gain on debt settlement                          | 8           | (306,906)                                  | -                   |
| Share-based compensation                         | 11(b)       | 302,976                                    | 509,380             |
| Amortization                                     | 6(c)        | 58,040                                     | -                   |
| Interest expense                                 | 6(a)        | 11,369                                     | -                   |
| Long-term receivable                             |             | -  | (84,043)            |
| Shares issued for property acquisition           | 7,10(b)     | 150,000                                    | 100,000             |
| Flow-through premium liability                   | 9           | (96,503)                                   | (102,088)           |
| Working capital adjustments:                     |             |  |                     |
| Changes in working capital items                 | 12          | (726,336)                                  | (503,628)           |
| <b>Net cash (used in) operating activities</b>   |             | <b>(5,053,186)</b>                         | <b>(2,688,082)</b>  |
| <b>Financing activities:</b>                     |             |  |                     |
| Proceeds from private placements                 | 10(b)       | 3,820,035                                  | 2,161,000           |
| Private placements- share issue costs            | 10(b)       | (166,228)                                  | (93,960)            |
| Lease payments                                   | 6(a)        | (45,000)                                   | -                   |
| Exercise of warrants                             | 10(b),11(a) | 297,474                                    | 2,364,425           |
| <b>Net cash provided by financing activities</b> |             | <b>3,906,281</b>                           | <b>4,431,465</b>    |
| Change in cash                                   |             | (1,146,905)                                | 1,743,383           |
| Cash, beginning of the period                    |             | 1,894,577                                  | 668,781             |
| <b>Cash, end of the period</b>                   |             | <b>\$ 747,672</b>                          | <b>\$ 2,412,164</b> |
| <b>Supplemental Information:</b>                 |             |  |                     |
| Common shares issued for acquisitions            | 7,10(b)     | \$ 150,000                                 | \$ 100,000          |
| Broker warrants issued                           | 10(b)       | \$ 38,375                                  | \$ 50,868           |

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

# **Consolidated Lithium Metals Inc.**

**(formerly Jourdan Resources Inc.)**

## **Notes to the Condensed Interim Financial Statements**

For the three and nine months ended September 30, 2023 and 2022

(Expressed in Canadian dollars- unaudited)

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### **1. NATURE OF OPERATIONS AND GOING CONCERN**

Consolidated Lithium Metals Inc. ("CLM" or the "Company"), (formerly Jourdan Resources Inc.) is incorporated under the *Canada Business Corporations Act*. The Company's registered office is located at 5 Hazelton Avenue, Suite 400, Toronto, Ontario, M5R 2E1.

CLM engages in the acquisition, exploration and development of mining properties in lithium and other minerals, primarily in Canada, and has not yet identified a commercial mineral resource. The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current operations, including exploration and evaluation programs, will result in profitable mining operations. The recoverability of the carrying value of exploration and evaluation properties and the Company's continued existence are dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise additional financing, if necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material write-downs of the carrying values.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of operations of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, social licensing requirements, unregistered prior agreements, unregistered claims, aboriginal claims, and non-compliance with regulatory and environmental requirements. The Company's assets may also be subject to increases in taxes and royalties, renegotiation of contracts, political uncertainty and currency exchange fluctuations and restrictions.

#### **Going concern**

These condensed interim 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, and do not include any adjustments to the recoverability of assets and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

As at September 30, 2023, CLM has working capital of \$1,349,748 (December 31, 2022 – \$1,485,923), and an accumulated deficit of \$34,538,146 (December 31, 2022 - \$30,092,320). These matters represent material uncertainties that cast significant doubt as to the Company's ability to continue as a going concern. The continuation of CLM as a going concern is dependent upon the ability of the Company to obtain the necessary equity financing to continue operations, the successful results of mineral property exploration activities and its ability to attain profitable operations and generate funds therefrom or realize proceeds from their sale. CLM may periodically have to raise additional capital to fund projects and continue operations, and while it has been successful in doing so in the past, there can be no assurance the Company will be able to do so in the future. Management believes CLM will obtain the funding required to maintain current levels of operations and continue as a going concern for the following year.

# **Consolidated Lithium Metals Inc.**

**(formerly Jourdan Resources Inc.)**

## **Notes to the Condensed Interim Financial Statements**

For the three and nine months ended September 30, 2023 and 2022

(Expressed in Canadian dollars- unaudited)

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### **2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION**

These condensed interim financial statements of the Company have been prepared in accordance with International Accounting Standards (“IAS”) 34, *Interim Financial Reporting*, as issued by the International Accounting Standards Board (“IASB”) and have been prepared in accordance with accounting policies based on International Financial Reporting Standards (“IFRS”) and International Financial Reporting Interpretation Committee (“IFRIC”) interpretations. The policies set out in Note 2 of the Company’s annual financial statements for the year ended December 31, 2022 were consistently applied to all the periods presented unless otherwise noted.

These condensed interim financial statements were approved and authorized for issuance by the Board of Directors on November 22, 2023.

The preparation of condensed interim financial statements in accordance with IAS 34 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company’s accounting policies. Certain disclosures included in annual financial statements have been condensed or omitted.

These condensed interim financial statements have been prepared on a historical cost basis except for certain financial instruments, which are stated at their fair values. In addition, these condensed interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

### **3. CHANGES IN ACCOUNTING POLICIES**

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for annual accounting periods beginning on January 1, 2023 or later. Updates that are not applicable or are not consequential to the Company have been excluded.

In February 2021, the IASB issued ‘Disclosure of Accounting Policies’ with amendments that are intended to help preparers in deciding which accounting policies to disclose in their financial statements. The amendments are effective for year ends beginning on or after January 1, 2023 and did not have a material impact on the Company’s financial statements.

IAS 1 – Presentation of Financial Statements was revised in January 2020 and July 2020 to (i) clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the right to defer settlement by at least twelve months and make explicit that only rights in place “at the end of the reporting period” should affect the classification of a liability; (ii) clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and (iii) make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and did not have a material impact on the Company’s financial statements.

IAS 12 – Income Taxes was amended in September 2021 to narrow the scope of the recognition exemption so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and did not have a material impact on the Company’s financial statements.

# Consolidated Lithium Metals Inc.

(formerly Jourdan Resources Inc.)

## Notes to the Condensed Interim Financial Statements

For the three and nine months ended September 30, 2023 and 2022

(Expressed in Canadian dollars- unaudited)

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### 3. CHANGES IN ACCOUNTING POLICIES (continued)

IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors (“IAS 8”) was amended in February 2021 to replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to management uncertainty”. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves management uncertainty. The amendments clarify that a change in accounting estimates that results from new information or new developments is not the correction of an error. IAS 8 is effective for annual reporting periods beginning on or after January 1, 2023 and did not have a material impact on the Company’s financial statements.

### 4. CRITICAL ACCOUNTING ESTIMATES AND MANAGEMENT JUDGMENTS

The preparation of the financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reported period. Such estimates and assumptions affect the carrying value of assets and impact decisions as to when exploration and development costs should be capitalized or expensed. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis and revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. The significant areas of judgment and estimation uncertainty considered by management in preparing the financial statements include:

- *Assets’ carrying values and impairment charges*  
Events or changes in circumstances can give rise to significant impairment charges or reversals of impairment in a particular year. Management exercises its judgment in determining when such events or changes in circumstances have arisen and where such circumstances evidence a significant or prolonged decline of fair value on assets indicating impairment.
- *Share-based payment transactions and warrant valuations*  
The Company records share-based payments at fair value over the vesting period. The fair value of the grant is determined using the Black-Scholes options pricing model and management assumptions including the expected dividend yield, expected volatility, forfeiture rate, risk free rate and expected life. Should the underlying assumptions change, it will impact the fair value of the share-based payment. Similar calculations are made in order to value warrants. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates. The main factor affecting the estimates of the fair value of share-based payments and warrants is the stock price expected volatility used. The Company currently estimates the expected volatility of its common shares based on trading history taking into consideration the expected life of the options.
- *Mineral reserve estimates*  
The figures for mineral reserves and mineral resources are determined in accordance with National Instrument 43-101, “Standards of Disclosure for Mineral Projects”, issued by the Canadian Securities Administrators. There are numerous uncertainties inherent in estimating mineral reserves and mineral resources, including many factors beyond the Company’s control. Such estimation is a subjective process, and the accuracy of any mineral reserve or mineral resource estimate is a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretation. Differences between management’s assumptions, including economic assumptions such as metal prices and market conditions could have a material effect in the future on the Company’s financial position and results of operation.

# Consolidated Lithium Metals Inc.

(formerly Jourdan Resources Inc.)

## Notes to the Condensed Interim Financial Statements

For the three and nine months ended September 30, 2023 and 2022

(Expressed in Canadian dollars- unaudited)

### 4. CRITICAL ACCOUNTING ESTIMATES AND MANAGEMENT JUDGMENTS (continued)

- *Estimation of decommissioning and restoration costs and the timing of expenditures*  
The cost estimates are updated annually during the life of a mine to reflect known developments, (e.g. revisions to cost estimates and to the estimated lives of operations) and are subject to review at regular intervals. Decommissioning, restoration and similar liabilities are estimated based on the Company's interpretation of current regulatory requirements and constructive obligations and are measured at fair value. Fair value is determined based on the net present value of estimated future cash expenditures for the settlement of decommissioning, restoration or similar liabilities that may occur upon decommissioning of the mine. Such estimates are subject to change based on changes in laws and regulations and negotiations with regulatory authorities.
- *Income, value added, withholding and other taxes*  
In assessing the probability of realizing income tax assets recognized, management makes estimates related to expectations of future taxable income, applicable tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. The Company considers whether relevant tax planning opportunities are within the Company's control, are feasible, and are within management's ability to implement. Examination by applicable tax authorities is supported based on individual facts and circumstances of the relevant tax position examined in light of all available evidence. Where applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates can occur that materially affect the amounts of income tax assets recognized. Also, future changes in tax laws could limit the Company from realizing the tax benefits from the deferred tax assets. The Company reassesses unrecognized income tax assets at each reporting period.

The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

- *Contingencies*  
Refer to Notes 1 and 16.

### 5. AMOUNTS RECEIVABLE

|                        | September 30, 2023 | December 31, 2022 |
|------------------------|--------------------|-------------------|
|                        | \$                 | \$                |
| Sales taxes receivable | 408,575            | 480,512           |
| Other receivables      | 672,532            | -                 |
|                        | <b>1,081,107</b>   | <b>480,512</b>    |

# Consolidated Lithium Metals Inc.

(formerly Jourdan Resources Inc.)

## Notes to the Condensed Interim Financial Statements

For the three and nine months ended September 30, 2023 and 2022

(Expressed in Canadian dollars- unaudited)

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### 5. AMOUNTS RECEIVABLE (continued)

The Company's sales tax receivable balance consists of input tax credits owed by federal and provincial government agencies. The Company's other receivables consist of a mining tax refund from the Quebec government.

### 6. RIGHT-OF-USE ASSETS

(a) Lease liabilities

On July 27, 2022, the Company entered into a sublease agreement for a property located at 5 Hazelton Avenue, Toronto, Ontario, Canada. The agreement has a termination date of July 31, 2026 and monthly lease payments of \$5,000.

The following table reflects the lease activity for the nine months ended September 30, 2023 and the year ended December 31, 2022:

|                                    |           |                |
|------------------------------------|-----------|----------------|
| <b>Balance, December 31, 2021</b>  | <b>\$</b> | <b>-</b>       |
| Initial recognition of lease       |           | 200,924        |
| Interest expense                   |           | 7,271          |
| Lease payments                     |           | (25,000)       |
| <b>Balance, December 31, 2022</b>  | <b>\$</b> | <b>183,195</b> |
| Interest expense                   |           | 11,369         |
| Lease payments                     |           | (45,000)       |
| <b>Balance, September 30, 2023</b> | <b>\$</b> | <b>149,564</b> |
| Current portion:                   | \$        | 48,508         |
| Long-term portion:                 | \$        | 101,056        |

The following is a reconciliation from the undiscounted lease payments to the lease liabilities:

|                                     |                   |
|-------------------------------------|-------------------|
| 2023                                | 15,000            |
| 2024                                | 60,000            |
| 2025                                | 60,000            |
| 2026                                | 35,000            |
| <b>Total contractual cash flows</b> | <b>\$ 170,000</b> |
| Less: interest                      | (20,436)          |
| <b>Lease liabilities</b>            | <b>\$ 149,564</b> |

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(formerly Jourdan Resources Inc.)

## Notes to the Condensed Interim Financial Statements

For the three and nine months ended September 30, 2023 and 2022

(Expressed in Canadian dollars- unaudited)

### 6. RIGHT-OF-USE ASSETS (continued)

(b) Net investment in lease

The following is a reconciliation of the investment in lease:

|                                    |                   |
|------------------------------------|-------------------|
| <b>Balance, December 31, 2021</b>  | <b>\$ -</b>       |
| Net investment in lease            | 200,924           |
| Amortization                       | (20,930)          |
| <b>Balance, December 31, 2022</b>  | <b>\$ 179,994</b> |
| Amortization                       | (37,673)          |
| <b>Balance, September 30, 2023</b> | <b>\$ 142,321</b> |

(c) Leasehold improvements

|  | Leasehold<br>Improvements | Right-of-use<br>assets | Total             |
|--|---------------------------|------------------------|-------------------|
| <b>Cost as at December 31, 2021</b>            | <b>\$ -</b>               | <b>\$ -</b>            | <b>\$ -</b>       |
| Additions                                      | 85,000                    | 200,924                | 285,924           |
| <b>Cost as at December 31, 2022</b>            | <b>\$ 85,000</b>          | <b>\$ 200,924</b>      | <b>\$ 285,924</b> |
| Adjustments                                    | (2,890)                   | -                      | (2,890)           |
| <b>Cost as at September 30, 2023</b>           | <b>\$ 82,110</b>          | <b>\$ 200,924</b>      | <b>\$ 283,034</b> |
| <b>Accumulated Depreciation</b>                |                           |                        |                   |
| <b>Balance at December 31, 2021</b>            | <b>\$ -</b>               | <b>\$ -</b>            | <b>\$ -</b>       |
| Charge for the year                            | 4,722                     | 20,930                 | 25,652            |
| <b>Balance at December 31, 2022</b>            | <b>\$ 4,722</b>           | <b>\$ 20,930</b>       | <b>\$ 25,652</b>  |
| Charge for the period                          | 20,367                    | 37,673                 | 58,040            |
| <b>Balance at September 30, 2023</b>           | <b>\$ 25,089</b>          | <b>\$ 58,603</b>       | <b>\$ 83,692</b>  |
| <b>Net book value as at December 31, 2022</b>  | <b>\$ 80,278</b>          | <b>\$ 179,994</b>      | <b>\$ 260,272</b> |
| <b>Net book value as at September 30, 2023</b> | <b>\$ 57,021</b>          | <b>\$ 142,321</b>      | <b>\$ 199,342</b> |

# Consolidated Lithium Metals Inc.

(formerly Jourdan Resources Inc.)

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### 7. EXPLORATION AND EVALUATION PROPERTIES

The following table provides a summary of exploration and evaluation expenditures incurred by the Company during the nine months ending September 30, 2023 and 2022:

|   | Vallee<br>Project   | Baillarge<br>Project | Preissac<br>Lacorne<br>Project | Other               | Total               |
|---|---------------------|----------------------|--------------------------------|---------------------|---------------------|
| Land management fees, taxes and permits     | \$ 23,181           | \$ 2,783             | \$ 750                         | \$ -                | 26,714              |
| Labour                                      | 205,620             | 122,564              | 96,375                         | -                   | 424,559             |
| Drilling and geophysics                     | 113,485             | 793,251              | 5,000                          | -                   | 911,736             |
| Assaying                                    | 599,863             | 149,179              | 99,600                         | -                   | 848,642             |
| Field supplies                              | 2,984               | -                    | -                              | -                   | 2,984               |
| Travel and accommodations                   | 5,797               | 4,910                | 4,910                          | -                   | 15,617              |
| Acquisitions                                | 250,000             | 25,639               | -                              | 50,000              | 325,639             |
| Government tax credits (note 5)             | -                   | -                    | -                              | (655,785)           | (655,785)           |
| <b>Nine months ended September 30, 2023</b> | <b>\$ 1,200,930</b> | <b>\$ 1,098,326</b>  | <b>\$ 206,635</b>              | <b>\$ (605,785)</b> | <b>\$ 1,900,106</b> |

|   | Vallee<br>Project   | Baillarge<br>Project | Preissac<br>Lacorne<br>Project | Total               |
|---|---------------------|----------------------|--------------------------------|---------------------|
| Land management fees, taxes and permits     | \$ 34,428           | \$ -                 | \$ -                           | \$ 34,428           |
| Labour                                      | 349,905             | -                    | 8,248                          | 358,153             |
| Drilling and geophysics                     | 1,724,282           | 33,565               | 3,765                          | 1,761,612           |
| Assaying                                    | 60,819              | -                    | -                              | 60,819              |
| Field supplies                              | 94,054              | -                    | -                              | 94,054              |
| Travel and accommodations                   | 59,454              | -                    | -                              | 59,454              |
| Sale of net smelter royalty                 | (948,062)           | -                    | -                              | (948,062)           |
| <b>Nine months ended September 30, 2022</b> | <b>\$ 1,374,880</b> | <b>\$ 33,565</b>     | <b>\$ 12,013</b>               | <b>\$ 1,420,458</b> |

The Company has certain property interests located north of Val D'Or, Quebec, Canada. Certain claims are subject to net smelter returns ("NSR") royalties of up to 2%. The Company holds rights to repurchase certain portions of the NSR royalties under certain circumstances and at agreed upon prices.

On February 18, 2022, the Company issued 1,111,111 of its common shares as final payment to the vendors of the LaCorne lithium property ("LaCorne"), at an estimated fair value of \$100,000 based on the market price of the common shares at the date of issuance. In addition, the Company agreed to grant the vendors of LaCorne a 2% NSR royalty on the claims comprising LaCorne, of which the Company is entitled to, at any time, acquire one half of the NSR of \$1,000,000, payable in cash or common shares at the Company's sole discretion.

On November 14, 2022, the Company entered into an earn-in agreement and joint venture agreement with Sayona Mining Limited's (ASX: SYA; OTCQB: SYAXF) ("Sayona") subsidiary, North American Lithium Inc. ("NAL"), in relation to the Company's Vallee lithium project. In addition, Sayona's subsidiary, Sayona Quebec Inc, acquired 27,000,000 common shares of the Company, representing approximately 9.99% of the issued and outstanding shares, at a price of \$0.0556 per share for gross proceeds of \$1,501,200 (see Note 10).

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### 7. EXPLORATION AND EVALUATION PROPERTIES (continued)

Under the agreement, NAL has the right to earn up to a 51% stake in certain claims within the Vallee project, based on NAL spending \$4,000,000 within 12 months of the agreement to earn a 25% interest (the first option) and an additional \$6,000,000 within 24 months to earn a further 25% interest (the second option). NAL also has the right to increase its interest by an additional 1%, to an aggregate 51% interest, by completing a feasibility study and arranging funding for the construction of a mine at Vallee (the third option). In connection with the agreement, the Company has transferred certain of its Vallee claims outright to Sayona to provide for future infrastructure expansion at the NAL mine and its processing facility. The agreement is subject to certain dilution clauses effective at the earlier of the termination of the second option, exercise of the third option, or termination of the third option, when a party opts to not participate proportionately in ongoing expenditures. If the interest of a party is reduced to 10% or below, its interest will be deemed to be converted to a 2% royalty which may be purchased by the other party in certain circumstances at a price of \$2,000,000.

On November 21, 2022, the Company acquired an additional 138 mining claims adjacent to the Company's current exploration claims in the region, called Vallée NE. As consideration, the Company paid an aggregate cash payment of \$50,000 to the vendors of the claims and granted to the vendors NSR royalties affecting the transferred claims ranging from 0.25% to 0.5%, payable up to a maximum aggregate of \$1,000,000.

On September 14, 2022, the Company entered into a net smelter return royalty agreement ("NSR"), pursuant to which the Company has agreed to pay, beginning on the date on which any portion of the Company's Vallee property comes into commercial production, a royalty at a fixed rate of 2% of the net smelter return. As consideration, the holder of the royalty has agreed to pay the Company an aggregate cash payment of \$1,000,000 at various dates between October 14, 2022 and December 28, 2023. No payments were received. Effective December 31, 2022, the royalty agreement was terminated by agreement between the parties.

On May 25, 2023, the Company acquired an additional five mining claims that are located within or adjacent to the Preissac LaCorne and Vallée East property. The Company paid \$10,000 cash in exchange of 100% ownership of these claims.

On June 26, 2023, the Company purchased an additional six mining claims surrounded by the Company's Vallée lithium project from Globex Mining Enterprises Inc. ("Globex"). As consideration, the Company paid \$100,000 in cash and issued 2,040,816 of its common shares at an estimated fair value of \$150,000 based on the 10-day volume-weighted average price of the Company's common shares on the TSXV at the date of issuance. In addition, the Company agreed to grant Globex a 2% NSR royalty on the claims, half of which the Company is entitled to, prior to the commencement of commercial production, repurchase for \$1,000,000 (indexed to Canadian inflation as represented by the consumer price index).

On July 20, 2023, the Company acquired 24 mineral claims representing 1,283.08 hectares of concessions in the James Bay/Eeyou Istche region of Quebec from a wholly owned subsidiary ("Subco") of AmmPower Corp. ("AmmPower"), for aggregate consideration of \$60,000 in cash. AmmPower was granted a 1% NSR affecting the claims, which CLM has the option to repurchase at any time for \$250,000. CLM and AmmPower share common shareholders and officers. Rene Bharti, CEO of CLM and Ryan Ptolemy, Chief Financial Officer of CLM are also President and Chief Financial Officer of AmmPower.

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### 8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

|                     | September 30, 2023 | December 31, 2022 |
|---------------------|--------------------|-------------------|
|                     | \$                 | \$                |
| Trade payables      | 354,733            | 734,140           |
| Accrued liabilities | 72,878             | 168,000           |
|                     | <b>427,611</b>     | <b>902,140</b>    |

On September 5, 2023, the Company completed a settlement agreement with a former officer of the Company, and a gain of \$306,906 has been recorded on the statement of loss and comprehensive loss.

### 9. FLOW-THROUGH SHARE PREMIUM LIABILITY

During the nine months ended September 30, 2023, the Company recorded a flow-through liability totaling \$118,750. As the Company incurs eligible expenditures against this liability, the Company reduces the liability at the same rate as expenditures are renounced and records this as a flow-through premium recovery on the statement of loss and comprehensive loss. As at September 30, 2023, the liability was reduced to \$22,247 and a flow-through share premium recovery of \$96,503 was recorded on the statements of loss and comprehensive loss for the nine months ended September 30, 2023 (nine months ended September 30, 2022 - \$102,088).

### 10. SHARE CAPITAL

#### a) Authorized

Unlimited number of common shares.

#### b) Issued and outstanding common shares

Reconciliation of the number and value of common shares for the nine months ended September 30, 2023 and the year ended December 31, 2022 were as follows:

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### 10. SHARE CAPITAL (continued)

#### b) Issued and outstanding common shares (continued)

|  | Number of Shares   | Amount            |
|--|--------------------|-------------------|
| <b>Balance, December 31, 2021</b>                  | <b>171,451,612</b> | <b>20,554,430</b> |
| Shares issued for private placement- July 2022     | 23,512,500         | 2,161,000         |
| Black-Scholes warrant valuation                    | -                  | (353,931)         |
| Flow-through premium liability                     | -                  | (725,200)         |
| Share issuance costs                               | -                  | (105,596)         |
| Shares issued to acquire exploration property      | 1,111,111          | 100,000           |
| Warrants exercised                                 | 47,288,500         | 2,364,425         |
| Black-Scholes warrant valuation                    | -                  | 327,152           |
| Shares issued for private placement- November 2022 | 27,000,000         | 1,501,200         |
| <b>Balance, December 31, 2022</b>                  | <b>270,363,723</b> | <b>25,823,480</b> |
| Shares issued for private placement- April 2023    | 30,286,210         | 2,120,035         |
| Black-Scholes warrant valuation                    | -                  | (442,254)         |
| Shares issued to acquire exploration property      | 2,040,816          | 150,000           |
| Warrants exercised                                 | 4,250,000          | 297,500           |
| Black-Scholes warrant valuation                    | -                  | 133,188           |
| Shares issued for flow-through- June 2023          | 21,250,000         | 1,700,000         |
| Black-Scholes warrant valuation                    | -                  | (81,387)          |
| Share issuance costs                               | -                  | (166,229)         |
| Flow-through premium liability                     | -                  | (118,750)         |
| <b>Balance, September 30, 2023</b>                 | <b>328,190,749</b> | <b>29,415,584</b> |

On February 18, 2022, the Company issued 1,111,111 common shares at a price of \$0.09 per share based on the quoted market value at the time of issuance to complete the acquisition of the LaCorne lithium property. See Note 7.

On July 29, 2022, the Company closed a private placement financing by issuing 9,512,500 units at a price of \$0.08 per unit and 14,000,000 flow-through shares at a price of \$0.10 per flow-through share for gross proceeds of \$2,161,000. Each unit consists of one common share of the Company, and one common share purchase warrant, each warrant entitling the holder to acquire one additional common share of the Company at an exercise price of \$0.10 until July 29, 2024. 3,531,250 units, valued at \$282,500, were issued to a consultant of the Company in exchange for services rendered.

The Company paid finders fees of \$81,000 and additional share issue costs of \$24,596 in cash and issued 810,000 finder warrants. Each finder warrant is exercisable into one common share of the Company at a price of \$0.10 per common share until July 29, 2024. The fair value of the 9,512,500 warrants was estimated at \$303,063, using the Black-Scholes option pricing model with the following assumptions: stock price of \$0.0482; expected dividend yield of 0%; expected volatility of 163% (based on the Company's historical share price); risk-free interest rate of 2.96% and an expected life of 2 years. The fair value of the 810,000 finder warrants was estimated at \$50,868, using the Black-Scholes option pricing model with the following assumptions: stock price of \$0.085; expected dividend yield of 0%; expected volatility of 163% (based on the Company's historical share price); risk-free interest rate of 2.96% and an expected life of 2 years. The flow-through share premium was estimated to be \$725,200 based on the residual approach. Directors and officers of the Company subscribed for a total of 250,000 units, generating gross proceeds of \$20,000.

On November 14, 2022, the Company closed a private placement financing by issuing 27,000,000 common shares to Sayona Quebec Inc. at a price of \$0.0556 per common share for gross proceeds of \$1,501,200. See Note 7.

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### 10. SHARE CAPITAL (continued)

#### b) Issued and outstanding common shares (continued)

On April 21, 2023, the Company closed the first tranche of its private placement financing by issuing 21,271,428 units at a price of \$0.07 per unit for gross proceeds of \$1,489,000. Each unit consists of one common share of the Company, and one half of one common share purchase warrant, each whole warrant entitling the holder to acquire one additional common share of the Company at an exercise price of \$0.10 until April 21, 2025.

The fair value of the 10,635,714 warrants was estimated at \$308,133, using the Black-Scholes option pricing model with the following assumptions: stock price of \$0.046; expected dividend yield of 0%; expected volatility of 132% (based on the Company's historical share price); risk-free interest rate of 3.79% and an expected life of 2 years. A director and officer of the Company subscribed for a total of 10,000,000 units, generating gross proceeds of \$700,000.

On June 2, 2023, the Company closed the second and final tranche of its private placement financing by issuing 9,014,782 units at a price of \$0.07 per unit for gross proceeds of \$631,035. Each unit consists of one common share of the Company, and one half of one common share purchase warrant, each whole warrant entitling the holder to acquire one additional common share of the Company at an exercise price of \$0.10 until June 1, 2025.

The Company paid finders fees of \$8,623 and additional share issue costs of \$1,000 in cash and issued 123,180 finder warrants. Each finder warrant is exercisable into one common share of the Company at a price of \$0.10 per common share until June 1, 2025. The fair value of the 4,507,391 warrants was estimated at \$128,995, using the Black-Scholes option pricing model with the following assumptions: stock price of \$0.046; expected dividend yield of 0%; expected volatility of 131% (based on the Company's historical share price); risk-free interest rate of 4.20% and an expected life of 2 years. The fair value of the 123,180 finder warrants was estimated at \$5,126, using the Black-Scholes option pricing model with the following assumptions: stock price of \$0.07; expected dividend yield of 0%; expected volatility of 131% (based on the Company's historical share price); risk-free interest rate of 4.20% and an expected life of 2 years.

On June 12, 2023, the Company closed the first tranche of its flow-through private placement financing by issuing 6,250,000 flow-through shares at a price of \$0.08 per flow-through share for gross proceeds of \$500,000.

The Company paid finders fees of \$40,000 and additional share issue costs of \$11,936 in cash and issued 500,000 finder warrants. Each finder warrant is exercisable into one common share of the Company at a price of \$0.08 per common share until June 12, 2025. The fair value of the finder warrants was estimated at \$24,341, using the Black-Scholes option pricing model with the following assumptions: stock price of \$0.075; expected dividend yield of 0%; expected volatility of 131% (based on the Company's historical share price); risk-free interest rate of 4.45% and an expected life of 2 years. The flow-through share premium was estimated to be \$31,250 based on the residual approach.

On June 23, 2023, the Company issued 2,040,816 common shares at a price of \$0.0735 per share based on the 10-day volume weighted average price of the Company's common shares on May 23, 2023 to complete the acquisition of certain claims adjacent to the Company's Vallee lithium property. See Note 7.

On June 26, 2023, the Company closed the second tranche of its flow-through private placement financing by issuing 2,500,000 flow-through shares at a price of \$0.08 per flow-through share for gross proceeds of \$200,000.

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### 10. SHARE CAPITAL (continued)

#### b) Issued and outstanding common shares (continued)

The Company paid finders fees of \$16,000 and issued 200,000 finder warrants. Each finder warrant is exercisable into one common share of the Company at a price of \$0.08 per common share until June 26, 2025. The fair value of the finder warrants was estimated at \$8,908, using the Black-Scholes option pricing model with the following assumptions: stock price of \$0.07; expected dividend yield of 0%; expected volatility of 130% (based on the Company's historical share price); risk-free interest rate of 4.61% and an expected life of 2 years. The flow-through share premium was estimated to be \$25,000 based on the residual approach.

On August 10, 2023, the Company closed the third and final tranche of its flow-through private placement financing by issuing 12,500,000 flow-through shares at a price of \$0.08 per flow-through share for gross proceeds of \$1,000,000.

The Company paid finders fees of \$80,000 and issued 1,000,000 finder warrants. Each finder warrant is exercisable into one common share of the Company at a price of \$0.08 per common share until August 10, 2025. The fair value of the finder warrants was estimated at \$48,138, using the Black-Scholes option pricing model with the following assumptions: stock price of \$0.075; expected dividend yield of 0%; expected volatility of 128% (based on the Company's historical share price); risk-free interest rate of 4.74% and an expected life of 2 years. The flow-through share premium was estimated to be \$62,500 based on the residual approach.

During the nine months ended September 30, 2023, 4,250,000 of the Company's warrants were exercised, generating proceeds of \$297,500 (December 31, 2022 - 47,288,500 warrants were exercised, generating proceeds of \$2,364,425).

### 11. RESERVES

#### a) Warrants

Details of share purchase warrant transactions for the nine months ended September 30, 2023 and year ended December 31, 2022 are as follows:

|                           | No. of<br>warrants<br># | Weighted<br>Average<br>Exercise Price<br>\$ | Grant Date<br>Value of<br>warrants<br>\$ |
|---------------------------|-------------------------|---|--|
| <b>December 31, 2021</b>  | <b>73,290,500</b>       | <b>0.06</b>                                 | <b>1,103,387</b>                         |
| Exercised                 | (47,288,500)            | 0.05  | (327,152)                                |
| Granted                   | 10,322,500              | 0.10  | 353,931                                  |
| <b>December 31, 2022</b>  | <b>36,324,500</b>       | <b>0.08</b>                                 | <b>1,130,166</b>                         |
| Exercised                 | (4,250,000)             | 0.07  | (133,188)                                |
| Expired                   | (3,670,000)             | 0.07  | (110,215)                                |
| Granted                   | 16,966,285              | 0.10  | 523,616                                  |
| <b>September 30, 2023</b> | <b>45,370,785</b>       | <b>0.09</b>                                 | <b>1,410,378</b>                         |

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### 11. RESERVES (continued)

#### a) Warrants (continued)

On July 7, 2023, 3,670,000 of the Company's outstanding warrants expired.

As at September 30, 2023, the Company has share purchase warrants outstanding as follows:

| No. outstanding   | No. exercisable   | Grant date | Expiry date | Exercise price | Fair value at grant date | Expected volatility | Expected life (yrs) | Expected dividend yield | Risk-free interest rate |
|-------------------|-------------------|------------|-------------|----------------|--------------------------|---------------------|---------------------|-------------------------|-------------------------|
| 4,550,000         | 4,550,000         | 25-Nov-21  | 25-Nov-23   | \$ 0.07        | \$ 139,916               | 247%                | 2.00                | 0%                      | 1.05%                   |
| 32,000            | 32,000            | 25-Nov-21  | 25-Nov-23   | \$ 0.07        | \$ 984                   | 247%                | 2.00                | 0%                      | 1.05%                   |
| 13,500,000        | 13,500,000        | 31-Dec-21  | 31-Dec-23   | \$ 0.08        | \$ 391,906               | 217%                | 2.00                | 0%                      | 0.95%                   |
| 9,512,500         | 9,512,500         | 29-Jul-22  | 29-Jul-24   | \$ 0.10        | \$ 303,063               | 163%                | 2.00                | 0%                      | 2.96%                   |
| 810,000           | 810,000           | 29-Jul-22  | 29-Jul-24   | \$ 0.10        | \$ 50,868                | 163%                | 2.00                | 0%                      | 2.96%                   |
| 10,635,714        | 10,635,714        | 21-Apr-23  | 21-Apr-25   | \$ 0.10        | \$ 308,133               | 132%                | 2.00                | 0%                      | 3.79%                   |
| 4,507,391         | 4,507,391         | 1-Jun-23   | 1-Jun-25    | \$ 0.10        | \$ 128,995               | 131%                | 2.00                | 0%                      | 4.20%                   |
| 123,180           | 123,180           | 1-Jun-23   | 1-Jun-25    | \$ 0.10        | \$ 5,126                 | 131%                | 2.00                | 0%                      | 4.20%                   |
| 500,000           | 500,000           | 12-Jun-23  | 12-Jun-25   | \$ 0.08        | \$ 24,341                | 131%                | 2.00                | 0%                      | 4.45%                   |
| 200,000           | 200,000           | 26-Jun-23  | 26-Jun-25   | \$ 0.08        | \$ 8,908                 | 130%                | 2.00                | 0%                      | 4.61%                   |
| 1,000,000         | 1,000,000         | 10-Aug-23  | 10-Aug-25   | \$ 0.08        | \$ 48,138                | 128%                | 2.00                | 0%                      | 4.74%                   |
| <b>45,370,785</b> | <b>45,370,785</b> |            |             |                | <b>\$ 1,410,378</b>      |                     |                     |                         |                         |

The weighted average contractual years remaining on the Company's outstanding warrants as of September 30, 2023 was 0.88 years (December 31, 2022-1.05 years).

#### b) Stock options

The Company has adopted an omnibus share-based payment plan under which the board of directors may award options for common shares and restricted share units (each, an "RSU") to directors, officers, employees and consultants. The maximum number of shares issuable pursuant to the grant of options under the plan represents 10% of the issued and outstanding common shares of the Company at the time of the grant, and the maximum number of shares issuable pursuant to the grant of RSUs is 32,819,075. The maximum number of shares which may be reserved for issuance to any grantee within a 12-month period pursuant to share options or RSUs may not exceed 5% of the common shares outstanding at the time of grant and 2% for consultants. The omnibus plan replaces the Company's previous share-based payment plan and the RSU plan received shareholder approval on June 13, 2023.

The exercise price of each option is determined by the board of directors and cannot be less than the Discounted Market Price (as such term is defined in the policies of the TSX Venture Exchange ("TSXV")) of the common shares on the day prior to the grant, and the term of the options cannot exceed ten years. Certain options and RSUs vest over periods of time, determined by the board of directors.

The continuity of the contributed surplus activity for the nine months ended September 30, 2023 and year ended December 31, 2022 are as follows:

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### 11. RESERVES (continued)

#### b) Stock options (continued)

|                           | Number of<br>Options | Weighted average<br>exercise prices | Carrying amount     |
|---------------------------|----------------------|-------------------------------------|---------------------|
| <b>December 31, 2021</b>  | <b>13,074,811</b>    | <b>\$0.07</b>                       | <b>\$ 4,161,939</b> |
| Granted, April 2022       | 4,100,000            | \$0.05                              | 200,490             |
| Expired                   | (750,000)            | \$0.17                              | -                   |
| Granted, August 2022      | 3,950,000            | \$0.08                              | 308,890             |
| Granted, November 2022    | 2,000,000            | \$0.105                             | 75,708              |
| <b>December 31, 2022</b>  | <b>22,374,811</b>    | <b>\$0.07</b>                       | <b>\$ 4,747,027</b> |
| Granted, February 2023    | 800,000              | \$0.065                             | 28,070              |
| Vested, March 2023        | -                    | -                                   | 46,645              |
| Granted, April 2023       | 3,600,000            | 0.065                               | 124,926             |
| Granted, May 2023         | 1,400,000            | 0.07                                | 41,036              |
| Expired, June 2023        | (1,650,000)          | 0.08                                | -                   |
| Vested, June 2023         | -                    | -                                   | 33,828              |
| Warrant expiry, July 2023 | -                    | -                                   | 110,215             |
| Granted, August 2023      | 500,000              | 0.08                                | 6,892               |
| Expired, August 2023      | (200,000)            | 0.07                                | -                   |
| Vested, September 2023    | -                    | -                                   | 21,579              |
| <b>September 30, 2023</b> | <b>26,824,811</b>    | <b>\$0.07</b>                       | <b>\$ 5,160,218</b> |

On April 18, 2022, the Company granted 4,100,000 stock options to certain directors, officers and consultants of the Company pursuant to the Company's stock option plan. The stock options vest immediately and may be exercised at a price of \$0.05 per option for a period of five years from the date of grant. The grant date fair value of the options was estimated at \$200,490 using the Black-Scholes option pricing model with the following assumptions: stock price of \$0.05; expected dividend yield of 0%; expected volatility of 202% (based on the Company's historical share price); risk-free interest rate of 2.63% and an expected life of 5 years. Directors and officers of the Company were granted 3,400,000 options with a fair value of \$166,260.

On August 10, 2022, the Company granted 3,950,000 stock options to certain directors, officers and consultants of the Company pursuant to the Company's stock option plan. The stock options vest immediately and may be exercised at a price of \$0.08 per option for a period of five years from the date of grant. The grant date fair value of the options was estimated at \$308,890 using the Black-Scholes option pricing model with the following assumptions: stock price of \$0.08; expected dividend yield of 0%; expected volatility of 201% (based on the Company's historical share price); risk-free interest rate of 2.85% and an expected life of 5 years. Directors and officers of the Company were granted 2,875,000 options with a fair value of \$224,825.

On November 14, 2022, the Company granted 2,000,000 stock options to a director of the Company pursuant to the Company's stock option plan. The stock options vest as follows: 25% immediately; 25% 6 months from the date of grant; 25% 12 months from the date of grant, and 25% 18 months from the date of grant. The options may be exercised at a price of \$0.105 per option for a period of five years from the date of grant. The grant date fair value of the options was estimated at \$205,400 using the Black-Scholes option pricing model with the following assumptions: stock price of \$0.105; expected dividend yield of 0%; expected volatility of 202% (based on the Company's historical share price); risk-free interest rate of 3.33% and an expected life of 5 years.

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### **11. RESERVES (continued)**

#### **b) Stock options (continued)**

During the year ended December 31, 2022, 750,000 options with a fair value of \$93,000 expired in accordance with the Company's stock option plan.

On February 21, 2023, the Company granted 200,000 stock options to a consultant of the Company pursuant to the Company's stock option plan. The stock options vest in six monthly tranches beginning one month from the date of grant. The options may be exercised at a price of \$0.065 per option for a period of six months from the date of grant. The grant date fair value of the options was estimated at \$4,520 using the Black-Scholes option pricing model with the following assumptions: stock price of \$0.065; expected dividend yield of 0%; expected volatility of 125% (based on the Company's historical share price); risk-free interest rate of 4.57% and an expected life of 0.5 years.

On the same date, the Company granted an additional 600,000 stock options to two consultants of the Company pursuant to the Company's stock option plan. The stock options vest in eight quarterly tranches beginning three months from the date of grant. The options may be exercised at a price of \$0.065 per option for a period of five years from the date of grant. The grant date fair value of the options was estimated at \$38,040 using the Black-Scholes option pricing model with the following assumptions: stock price of \$0.065; expected dividend yield of 0%; expected volatility of 199% (based on the Company's historical share price); risk-free interest rate of 3.58% and an expected life of 5 years.

On April 3, 2023, the Company granted 3,600,000 stock options to a director and officer of the Company pursuant to the Company's stock option plan. The stock options vest in eight quarterly installments beginning three months from the date of grant. The options may be exercised at a price of \$0.065 per option for a period of five years from the date of grant. The grant date fair value of the options was estimated at \$228,240 using the Black-Scholes option pricing model with the following assumptions: stock price of \$0.065; expected dividend yield of 0%; expected volatility of 198% (based on the Company's historical share price); risk-free interest rate of 2.94% and an expected life of 5 years.

On May 23, 2023, the Company granted 1,400,000 stock options to a director and officer of the Company pursuant to the Company's stock option plan. The stock options vest in eight quarterly installments beginning three months from the date of grant. The options may be exercised at a price of \$0.07 per option for a period of five years from the date of grant. The grant date fair value of the options was estimated at \$95,620 using the Black-Scholes option pricing model with the following assumptions: stock price of \$0.07; expected dividend yield of 0%; expected volatility of 198% (based on the Company's historical share price); risk-free interest rate of 3.41% and an expected life of 5 years.

On August 10, 2023, the Company granted 500,000 stock options to a director of the Company pursuant to the Company's omnibus incentive plan. The stock options vest in eight quarterly installments beginning three months from the date of grant. The options may be exercised at a price of \$0.08 per option for a period of five years from the date of grant. The grant date fair value of the options was estimated at \$36,500 using the Black-Scholes option pricing model with the following assumptions: stock price of \$0.08; expected dividend yield of 0%; expected volatility of 196% (based on the Company's historical share price); risk-free interest rate of 3.93% and an expected life of 5 years.

During the nine months ended September 30, 2023, 1,850,000 options with a fair value of \$129,953 expired in accordance with the Company's omnibus plan.

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### 11. RESERVES (continued)

#### b) Stock options (continued)

As at September 30, 2023, the Company had stock options outstanding and exercisable as follows:

| No. outstanding   | No. exercisable   | Grant date | Expiry date | Exercise price | Fair value at grant date | Expected volatility | Expected life (yrs) | Expected dividend yield | Risk-free interest rate |
|-------------------|-------------------|------------|-------------|----------------|--------------------------|---------------------|---------------------|-------------------------|-------------------------|
| 30,000            | 30,000            | 25-Mar-14  | 25-Mar-24   | \$ 0.50        | \$ 12,696                | 100%                | 10.00               | 0%                      | 2.70%                   |
| 7,844,811         | 7,844,811         | 20-Jan-21  | 20-Jan-26   | \$ 0.075       | \$ 569,533               | 192%                | 5.00                | 0%                      | 0.43%                   |
| 2,800,000         | 2,800,000         | 25-Nov-21  | 25-Nov-26   | \$ 0.05        | \$ 136,640               | 201%                | 5.00                | 0%                      | 1.56%                   |
| 4,100,000         | 4,100,000         | 18-Apr-22  | 18-Apr-27   | \$ 0.05        | \$ 200,490               | 202%                | 5.00                | 0%                      | 2.63%                   |
| 3,950,000         | 3,950,000         | 10-Aug-22  | 10-Aug-27   | \$ 0.08        | \$ 308,890               | 201%                | 5.00                | 0%                      | 2.85%                   |
| 2,000,000         | 1,000,000         | 14-Nov-22  | 14-Nov-27   | \$ 0.105       | \$ 177,759               | 202%                | 5.00                | 0%                      | 3.33%                   |
| 600,000           | 150,000           | 21-Feb-23  | 21-Feb-28   | \$ 0.065       | \$ 23,551                | 199%                | 5.00                | 0%                      | 3.58%                   |
| 3,600,000         | 450,000           | 3-Apr-23   | 3-Apr-28    | \$ 0.065       | \$ 124,926               | 198%                | 5.00                | 0%                      | 2.94%                   |
| 1,400,000         | 175,000           | 23-May-23  | 23-May-28   | \$ 0.070       | \$ 41,036                | 198%                | 5.00                | 0%                      | 3.41%                   |
| 500,000           | -                 | 10-Aug-23  | 10-Aug-28   | \$ 0.080       | \$ 6,892                 | 196%                | 5.00                | 0%                      | 3.93%                   |
| <b>26,824,811</b> | <b>20,499,811</b> |            |             |                | <b>\$ 1,602,413</b>      |                     |                     |                         |                         |

The weighted average contractual years remaining on the Company's outstanding options as of September 30, 2023 was 3.46 years (December 31, 2022- 3.20 years).

### 12. ADDITIONAL INFORMATION – CASH FLOWS

The changes in working capital items are detailed as follows:

|                          | For the nine months ended<br>September 30, |                  |
|--------------------------|--|------------------|
|                          | 2023                                       | 2022             |
|                          | \$   | \$               |
| Amounts receivable       | (600,595)                                  | (1,068,425)      |
| Prepaid expenses         | 38,992                                     | (5,036)          |
| Trade and other payables | (164,733)                                  | 569,833          |
|                          | <b>(726,336)</b>                           | <b>(503,628)</b> |

### 13. RELATED PARTY TRANSACTIONS

#### Compensation of key management

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including directors (executive and non-executive) of the Company. Compensation awarded to key management included:

|                          | Three months ended September 30, |                | Nine months ended September 30, |                |
|--------------------------|----------------------------------|----------------|---------------------------------|----------------|
|                          | 2023                             | 2022           | 2023                            | 2022           |
|                          | \$                               | \$             | \$                              | \$             |
| Consulting fees          | 404,500                          | 120,500        | 1,120,207                       | 303,418        |
| Share-based compensation | 99,388                           | 224,825        | 268,013                         | 391,085        |
|                          | <b>503,888</b>                   | <b>345,325</b> | <b>1,388,220</b>                | <b>694,503</b> |

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### **13. RELATED PARTY TRANSACTIONS (continued)**

#### **Compensation of key management (continued)**

Included in accounts payable and accrued liabilities as at September 30, 2023 is \$58,665 (December 31, 2022 – \$4,447) due to directors and officers of the Company. The amounts are unsecured, non-interest bearing and due on demand.

During the nine months ended September 30, 2023, key management received bonuses totaling \$552,000 (nine months ended September 30, 2022 - \$nil). Key management reinvested bonuses totaling \$350,000 into the Company's private placement financing that was completed on April 21, 2023 (Note 10).

Related party participation in the Company's private placements is disclosed in note 10.

See Note 8 and Note 11.

### **14. FINANCIAL INSTRUMENTS**

All financial instruments are recognized when the Company becomes a party to the contractual provisions of the financial instrument and are initially measured at fair value plus transaction costs, except for financial assets and financial liabilities carried at fair value through profit or loss, which are measured initially at fair value. Financial assets are derecognized when the contractual right to the cash flows from the financial assets expire, or when the financial asset and all substantial risks and rewards are transferred.

The Company's financial instruments are comprised of cash, amounts receivable, and accounts payable and accrued liabilities. The carrying value of these financial instruments approximates their fair value due to the short-term nature of these instruments.

Financial instruments to be measured at fair value on the statements of financial position are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 Inputs that are not based on observable market data.

The Company does not measure any financial instruments at fair value that require classification within the fair value hierarchy.

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### 14. FINANCIAL INSTRUMENTS (continued)

Financial assets and financial liabilities as at September 30, 2023 and December 31, 2022 were as follows:

| September 30, 2023                       | Fair value<br>through profit<br>\$ | Amortized cost<br>\$ | TOTAL<br>\$ |
|--|------------------------------------|----------------------|-------------|
| <b>Financial assets:</b>                 |                                    |                      |             |
| Cash                                     | -                                  | 747,672              | 747,672     |
| Amounts receivable                       | -                                  | 10,673               | 10,673      |
| <b>Financial liabilities:</b>            |                                    |                      |             |
| Accounts payable and accrued liabilities | -                                  | 427,611              | 427,611     |

  

| December 31, 2022                        | Fair value<br>through profit<br>\$ | Amortized cost<br>\$ | TOTAL<br>\$ |
|--|------------------------------------|----------------------|-------------|
| <b>Financial assets:</b>                 |                                    |                      |             |
| Cash                                     | -                                  | 1,894,577            | 1,894,577   |
| Amounts receivable                       | -                                  | -                    | -           |
| <b>Financial liabilities:</b>            |                                    |                      |             |
| Accounts payable and accrued liabilities | -                                  | 902,140              | 902,140     |

### 15. CAPITAL AND FINANCIAL RISK MANAGEMENT

CLM's capital structure consists of shareholders' equity and current liabilities. The primary capital management objectives are to maintain a flexible capital structure, which optimizes the cost of capital at acceptable risk to facilitate ongoing exploration and to maintain a strong capital base so as to maintain investor confidence and provide an appropriate return to its shareholders. The Company has the ability to adjust its capital structure by issuing new equity and adjusting its mineral exploration program to the extent the mineral exploration expenditures are not committed to.

As at September 30, 2023, CLM had working capital of \$1,349,748 (December 31, 2022 – \$1,485,923) and no long-term debt.

The Company's capital management objectives are:

- to ensure the Company's ability to continue as a going concern;
- to maximize the funds invested into exploration and development activities;
- to increase the value of the assets of the business; and
- to provide an adequate return to shareholders.

These objectives will be achieved by identifying the right exploration projects, adding value to these projects and ultimately taking them through to production or sale and cash flow, either with partners or by the Company's own means. Note that CLM is not currently basing any production or mining decisions on a technical report or a feasibility study of mineral reserves demonstrating economic and technical viability at any of its properties, and as a result there is increased uncertainty and there are multiple technical and economic risks of failure which are associated with any such production or mining decision.

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### **15. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)**

These risks, among others, include areas that are analyzed in more detail in a feasibility study, such as applying economic analysis to resources and reserves and a number of specialized studies in areas such as mining and recovery methods, market analysis, and environmental and community impacts.

The Company's capital structure reflects a company focused on mineral exploration and financing both internal and external growth opportunities. The Company manages capital in proportion to risk and manages the exploration and evaluation assets and capital structure based on economic conditions and prevailing commodity pricing and trends. The Company relies on equity financing to maintain adequate liquidity to support its ongoing exploration and development activities and ongoing working capital commitments.

The Company is not exposed to any externally imposed capital requirements, except when the Company issues flow-through shares for which an amount should be used for exploration work. No other capital requirements are imposed by a lending institution or regulatory body, other than of the TSXV which requires adequate working capital or financial resources of the greater of (i) \$50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months.

No significant changes were made in the objectives, policies and processes for managing capital during the reporting periods. In the normal course of operations, the Company is exposed to various financial risks. The Company does not enter into financial instrument agreements, including derivative financial instruments, for speculative purposes.

The main risks that could adversely affect the Company's financial assets, liabilities or future cash flows are liquidity risk, credit risk and market risk. The Company has minimal interest rate risk as there are no outstanding variable-rate borrowings, and the Company finances its operations primarily through share offerings. Management mandates and agrees on policies for managing each of these risks.

#### ***Liquidity risk***

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial commitments and working capital obligations as they come due. The Company's ability to continue as a going concern is dependent on the board of directors' and management's ability to raise the required capital through future equity or debt issuances. As the Company is in the exploration stage, it has no production upon which it could rely to fund its operations or the exploration of its properties. Financial liabilities consist of accounts payable, which are current and will be settled within one year.

As at September 30, 2023, the Company had a cash balance of \$747,672 (December 31, 2022: \$1,894,577) available to fund financial liabilities that consisted of accounts payable and accrued liabilities, lease liabilities, and flow-through share premium liabilities of \$498,366 (December 31, 2022: \$947,493).

#### ***Credit risk***

Credit risk is risk of financial loss to the Company if a counterparty to a financial instrument fails to pay amounts owing or perform its contractual obligations causing a financial loss. Not having a producing asset generating sales and accounts receivable, the Company's credit risk is considered limited as there is no exposure to a single customer or counterparty. With respect to credit risk arising from financial assets of the Company, which comprise cash and minimal receivables, the Company's exposure to credit risk arises from default of counterparties with a maximum exposure equal to the carrying amount of these instruments.

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### **15. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)**

#### ***Credit risk (continued)***

Cash balances are held with high credit quality financial institutions and may be redeemed on demand. The Company has no trade accounts and has nominal other receivables and as such has limited exposure to credit risk. The Company continuously monitors defaults of counterparties as applicable. No impairment loss has been recognized in the periods presented.

#### ***Market risk***

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, such as commodity prices, foreign currency exchange rates, interest rates and liquidity. The objective of market risk management is to manage and control market risk exposures within acceptable limits while maximizing returns. The Company recognizes that external factors, which it cannot control such as financial market instability and commodity prices, can adversely affect its ability to raise the necessary capital to maintain ongoing operations. A discussion of the Company's primary market risk exposures, and how those exposures are currently managed, follows:

#### ***Commodity price risk***

The ability of the Company to explore, evaluate and develop its exploration properties and the future profitability of the Company are directly related to the price of lithium and other commodities. Commodity prices fluctuate and are affected by factors outside of the Company's control. Current and expected future prices have a significant impact on the market sentiment for investment in mineral exploration companies and may impact the Company's ability to raise equity financing for its ongoing working capital requirements. The Company monitors commodity prices to determine the appropriate course of action to be taken.

#### ***Currency risk***

Foreign currency risk is created by fluctuations in the fair value or cash flows of financial instruments due to changes in foreign exchange rates. The Company's financial assets and liabilities and operating costs are principally denominated in Canadian dollars. The Company has historically had insignificant operations in United States dollars. The Company has no hedging program due to its minimal exposure to financial gain or loss as a result of foreign exchange movements against the Canadian dollar.

#### ***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. The risk that the Company will realize a loss as a result of a decline in the fair value of cash is limited because of their short-term investment nature. A variable rate of interest is earned on cash; changes in market interest rates at the year-end would not have a material impact on the Company's financial statements. The Company's interest rate risk is minimal as there are no outstanding loans or interest-bearing debts. The Company has not entered into any interest rate swaps or other active interest rate management programs at this time.

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### **16. COMMITMENTS AND CONTINGENCIES**

#### **Flow-Through Financing**

The Company has been partially financed through the issuance of flow-through shares and, according to tax rules regarding this type of financing, the Company is engaged in realizing mining exploration work. These tax rules also set deadlines for carrying out the exploration work, which must be performed no later than the earlier of the following dates:

- end of the calendar year following the flow-through placements; and
- one year after the Company has renounced the tax deductions relating to the exploration work.

There is no guarantee that the Company's exploration expenses will qualify as Canadian Exploration Expenditures, even if the Company is committed to taking all the necessary measures in this regard. Refusal of certain expenses by the tax authorities would have a negative tax impact for investors and for the Company.

Pursuant to the terms of the flow-through agreements entered into on June 12, June 26, and August 10 2023, the Company is committed to incur Canadian Exploration Expenditures of \$1,700,000 by December 31, 2024. As at September 30, 2023, the Company has incurred \$1,344,055 in Canadian Exploration Expenditures. The Company has indemnified the subscribers of the current flow-through share offerings against any tax-related amounts that become payable by the shareholder as a result of the Company not meeting its expenditure commitments.

In addition, the Company has claimed certain tax credits related to the recently announced Critical Mineral Exploration Tax Credit, for which lithium qualifies. Refusal of certain expenses or claims for tax credits by the tax authorities would have a negative tax impact for investors and for the Company.

#### **Management Contracts**

The Company is party to certain management contracts and severance obligations. These contracts contain clauses requiring additional payments of up to \$3,920,000 (December 31, 2022: \$2,430,000) to be made to the officers of the Company upon the occurrence of certain events such as a change of control. As the triggering event has not taken place, the contingent payments have not been reflected in these financial statements. Additional minimum management contractual commitments remaining under the agreements are approximately \$1,130,000 (December 31, 2022: \$946,700), all due within one year.

#### **Environmental**

The Company's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

#### **Going Concern**

See Note 1.

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### **16. COMMITMENTS AND CONTINGENCIES (continued)**

#### **Legal Matters**

From time to time, the Company may be named as a party to claims or involved in proceedings, including legal, regulatory and tax related, in the ordinary course of its business. While the outcome of these matters may not be estimable at period end, the Company makes provisions, where possible, for the estimated outcome of such claims or proceedings. Should a loss result from the resolution of any claims or proceedings that differ from these estimates, the difference will be accounted for as a charge to net income (loss) in that period.