



# **CONSOLIDATED LITHIUM METALS INC.**

## **Condensed Interim Financial Statements**

*For the three and nine months ended September 30, 2025 and 2024*

*(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.**  
**Condensed Interim Statements of Financial Position**  
(Expressed in Canadian dollars- unaudited)

As at:

	Notes	September 30, 2025	December 31, 2024
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash		\$ 193,387	\$ 223,229
Amounts receivable	5	36,309	454,233
Prepaid expenses		15,635	17,010
Total current assets		245,331	694,472
<b>TOTAL ASSETS</b>		<b>\$ 245,331</b>	<b>\$ 694,472</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Current liabilities:</b>			
Accounts payable and accrued liabilities	8,13	\$ 221,763	\$ 166,259
Total current liabilities		221,763	166,259
Total liabilities		221,763	166,259
<b>Shareholders' equity:</b>			
Share capital	10(b)	30,856,283	30,686,340
Warrants	10(b),11(a)	620,015	1,104,199
Contributed surplus	11(b)	1,775,972	1,732,726
Deficit		(33,228,703)	(32,995,052)
Total shareholders' equity		23,567	528,213
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>\$ 245,331</b>	<b>\$ 694,472</b>
Nature of operations and going concern	1		
Commitments and contingencies	16		
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Approved on behalf of the Board of Directors.

Rene Bharti  
Director

Robert Bryce  
Director

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

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

	Notes	For the three months ended September 30,		For the nine months ended September 30,	
		2025	2024	2025	2024
<b>Expenses:</b>					
Consulting and management fees	13	\$ 69,592	\$ 251,199	\$ 219,154	\$ 1,090,135
Exploration and evaluation expenses	7	113,896	216,874	329,705	1,036,720
Professional fees		(71)	41,025	46,500	89,963
Shareholder communications and filing fees		21,765	15,773	66,895	69,920
General and administrative expenses		19,328	86,880	53,630	335,408
Amortization	6(b)	-	19,401	-	58,202
Interest and bank charges		153	2,950	587	9,001
Share-based compensation	11(b)	7,977	56,311	43,246	172,834
<b>Loss before other items</b>		<b>232,640</b>	<b>690,413</b>	<b>759,717</b>	<b>2,862,183</b>
<b>Other income/(loss):</b>					
Flow-through share premium recovery	9	-	-	-	4,848
Other income		863	4,561	2,426	27,420
<b>Net loss and comprehensive loss</b>		<b>231,777</b>	<b>685,852</b>	<b>\$ 757,291</b>	<b>\$ 2,829,915</b>
<b>Loss per share</b>					
Basic and diluted		\$ 0.001	\$ 0.002	\$ 0.002	\$ 0.008
<b>Weighted average number of common shares outstanding:</b>					
Basic and diluted		389,317,266	356,317,266	382,240,343	356,317,266

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

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

	Share capital		Warrants	Contributed surplus	Deficit	Total shareholders' equity
	No.	\$	\$	\$	\$	\$
<b>Balance, December 31, 2023</b>	356,317,266	30,522,521	1,326,303	1,573,492	(30,674,553)	2,747,763
Stock options granted (note 11(b))	-	-	-	172,834	-	172,834
Stock options expired (note 11(b))	-	-	-	(12,694)	12,694	-
Share issuance cost (note 10(b))	-	17,541	-	-	-	17,541
Warrants expired (note 10(a))	-	-	(353,931)	-	353,931	-
Net and comprehensive loss	-	-	-	-	(2,829,915)	(2,829,915)
<b>Balance, September 30, 2024</b>	<b>356,317,266</b>	<b>30,540,062</b>	<b>972,372</b>	<b>1,733,632</b>	<b>(33,137,843)</b>	<b>108,223</b>
Balance, December 31, 2024	368,317,266	30,686,340	1,104,199	1,732,726	(32,995,052)	528,213
Private placements (note 10(b))	21,000,000	210,000	-	-	-	210,000
Share issuance cost (note 10(b))	-	(600)	-	-	-	(600)
Warrants issued (note 10(b))	-	(39,457)	39,457	-	-	-
Stock options granted (note 11(b))	-	-	-	43,246	-	43,246
Warrants expired (note 11(a))	-	-	(523,641)	-	523,641	-
Net and comprehensive loss	-	-	-	-	(757,291)	(757,291)
<b>Balance, September 30, 2025</b>	<b>389,317,266</b>	<b>30,856,283</b>	<b>620,015</b>	<b>1,775,972</b>	<b>(33,228,703)</b>	<b>23,567</b>

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

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

		For the nine months ended	
	Notes	September 30,	
		2025	2024
<b>Cash provided by (used in):</b>			
<b>Operating activities:</b>			
Net loss		\$ (757,291)	\$ (2,829,915)
Items not involving cash:			
Share-based compensation	11(b)	43,246	172,834
Amortization	6(b)	-	58,202
Interest expense	6(a)	-	8,214
Flow-through premium recovery	9	-	(4,848)
Working capital adjustments:			
Changes in working capital items	12	474,803	417,751
<b>Net cash (used in) operating activities</b>		<b>(239,242)</b>	<b>(2,177,762)</b>
<b>Financing activities:</b>			
Proceeds from private placements	10(b)	210,000	-
Private placements- share issue costs	10(b)	(600)	-
Lease payments	6(a)	-	(45,000)
<b>Net cash provided by financing activities</b>		<b>209,400</b>	<b>(45,000)</b>
Change in cash		(29,842)	(2,222,762)
Cash, beginning of the period		223,229	2,415,649
<b>Cash, end of the period</b>		<b>\$ 193,387</b>	<b>\$ 192,887</b>

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

# Consolidated Lithium Metals Inc.

## Notes to the Condensed Interim Financial Statements

For the three and nine months ended September 30, 2025 and 2024

(Expressed in Canadian dollars- unaudited)

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### 1. NATURE OF OPERATIONS AND GOING CONCERN

Consolidated Lithium Metals Inc. ("CLM", or the "Company") is incorporated under the *Canada Business Corporations Act*. The Company's registered office is located 198 Davenport Road, Toronto, Ontario, M5R 1J2.

CLM engages in the acquisition, exploration and development of mining properties in lithium and rare earth, 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, 2025, the Company continues to experience losses and has an accumulated deficit of \$33,228,703 (December 31, 2024 - \$32,995,052) and working capital of \$23,568 (December 31, 2024 - \$528,213). 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. The Company 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.

## Notes to the Condensed Interim Financial Statements

For the three and nine months ended September 30, 2025 and 2024

(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, 2024 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 27, 2025.

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, 2025 or later. Updates that are not applicable or are not consequential to the Company have been excluded.

#### *Future accounting changes:*

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, 2025 or later. Updates that are not applicable or are not consequential to the Company have been excluded.

#### ***Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)***

In May 2024, the IASB issued amendments to IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments – Disclosures*. The amendments clarify the derecognition of financial liabilities and introduces an accounting policy option to derecognize financial liabilities that are settled through an electronic payment system. The amendments also clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features and the treatment of non-recourse assets and contractually linked instruments (CLIs). Further, the amendments mandate additional disclosures in IFRS 7 for financial instruments with contingent features and equity instruments classified at FVOCI. The amendments are effective for annual periods starting on or after January 1, 2026. Retrospective application is required, and early adoption is permitted.

#### ***Presentation and Disclosure in Financial Statements (IFRS 18)***

In April 2024, the IASB issued IFRS 18 *Presentation and Disclosure in Financial Statements* to improve reporting of financial performance. The new standard replaces IAS 1 *Presentation of Financial Statements*. IFRS 18 introduces new categories and required subtotals in the statement of profit and loss and also requires disclosure of management-defined performance measures. It also includes new requirements for the location, aggregation and disaggregation of financial information. The standard is effective for annual reporting periods beginning on or after January 1, 2027, including interim financial statements. Retrospective application is required, and early adoption is permitted.

# Consolidated Lithium Metals Inc.

## Notes to the Condensed Interim Financial Statements

For the three and nine months ended September 30, 2025 and 2024

(Expressed in Canadian dollars- unaudited)

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### 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.
- *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.

# Consolidated Lithium Metals Inc.

## Notes to the Condensed Interim Financial Statements

For the three and nine months ended September 30, 2025 and 2024

(Expressed in Canadian dollars- unaudited)

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

- *Income taxes and recoverability of potential deferred tax assets*

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.
- *Valuation of the refundable mining duties credit and the refundable tax credit for resources*

The refundable mining duties credit and the refundable tax credit for resources for the current and prior periods are measured at the amount expected to be recovered from the taxation authorities using the tax rates and tax laws that have been enacted or substantively enacted at the statement of financial position date. Uncertainties exist with respect to the interpretation of tax regulations, including the mining duties credit and the tax credit for resources for which certain expenditures could be disallowed by the taxation authorities in the calculation of credits, and the amount and timing of their collection. The calculation of the Company's mining duties credit and tax credit for resources necessarily involves a degree of estimation and judgment in respect of certain items whose tax treatment cannot be finally determined until notices of assessment and payments have been received from the relevant taxation authority. Differences arising between the actual results following the final resolution of some of these items and the assumptions made, or future changes to such assumptions, could necessitate adjustments to the mining duties credit and tax credit for resources and the exploration and evaluation expenses in future periods.
- *Income, value added, withholding and other taxes*

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.

# Consolidated Lithium Metals Inc.

## Notes to the Condensed Interim Financial Statements

For the three and nine months ended September 30, 2025 and 2024

(Expressed in Canadian dollars- unaudited)

### 5. AMOUNTS RECEIVABLE

	September 30, 2025	December 31, 2024
	\$	\$
Sales taxes receivable	36,309	110,433
Mining tax credit receivable	-	293,800
Other receivable	-	50,000
	<b>36,309</b>	<b>454,233</b>

The Company's sales tax receivable balance as at September 30, 2025 and December 31, 2024 consists of input tax credits owed by federal and provincial government agencies.

### 6. RIGHT-OF-USE ASSETS, LEASEHOLD IMPROVEMENTS AND LEASE LIABILITIES

#### (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.

During the year ended December 31, 2024, the Company terminated the sublease agreement, and no amounts are owed by the Company in relation to the agreement. The Company recorded a gain on lease termination of \$8,822 in the statements of loss for the year ended December 31, 2024.

The following table reflects the lease activity for the three and nine months ended September 30, 2025 and the year ended December 31, 2024:

<b>Balance, December 31, 2023</b>	<b>\$ 137,842</b>
Interest expense	9,700
Lease payments	(55,000)
Lease termination	(92,542)
<b>Balance, December 31, 2024 and September 30, 2025</b>	<b>\$ -</b>

#### (b) Leasehold improvements and right-of-use assets

	Leasehold Improvements	Right-of-use assets	Total
<b>Cost as at December 31, 2023</b>	<b>\$ 82,110</b>	<b>\$ 200,924</b>	<b>\$ 283,034</b>
Disposals	(82,110)	(200,924)	(283,034)
<b>Cost as at December 31, 2024 and September 30, 2025</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

#### Accumulated Depreciation

<b>Balance at December 31, 2023</b>	<b>\$ 31,931</b>	<b>\$ 71,161</b>	<b>\$ 103,092</b>
Charge for the year	27,371	46,044	73,415
Disposals	(59,302)	(117,205)	(176,507)
<b>Balance at December 31, 2024 and September 30, 2025</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Net book value as at December 31, 2024 and September 30, 2025</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

# Consolidated Lithium Metals Inc.

## Notes to the Condensed Interim Financial Statements

For the three and nine months ended September 30, 2025 and 2024

(Expressed in Canadian dollars- unaudited)

### 7. EXPLORATION AND EVALUATION PROPERTIES

The following table provides a summary of exploration and evaluation expenditures incurred by the Company during the three and nine months ending September 30, 2025 and 2024:

	Vallee Project	Baillarge Project	Preissac Lacorne Project	East Vallee Project	Other	Total
Land management fees, taxes and permits	\$ -	\$ -	\$ -	\$ -	\$ -	-
Labour	33,750	33,750	66,470	34,430	-	168,400
Drilling and geophysics	-	-	30,000	18,468	-	48,468
Assaying	-	-	49,224	-	-	49,224
Field supplies	-	-	-	-	330	330
Government tax credits	-	-	-	-	63,283	63,283
<b>Nine months ended September 30, 2025</b>	<b>\$ 33,750</b>	<b>\$ 33,750</b>	<b>\$ 145,694</b>	<b>\$ 52,897</b>	<b>\$ 63,613</b>	<b>\$ 329,705</b>

	Vallee Project	Baillarge Project	Preissac Lacorne Project	East Vallee Project	Other	Total
Land management fees, taxes and permits	\$ 104	\$ 283	\$ -	\$ -	\$ -	\$ 387
Labour	132,706	71,175	145,388	73,956	-	423,225
Drilling and geophysics	(22,702)	6,536	4,154	514,246	-	502,234
Assaying	(609)	-	(5,917)	67,986	-	61,460
Field supplies	-	-	12,000	-	-	12,000
Travel and accommodations	-	-	3,369	-	-	3,369
Government tax credits	-	-	-	-	34,045	34,045
<b>Nine months ended September 30, 2024</b>	<b>\$ 109,499</b>	<b>\$ 77,994</b>	<b>\$ 158,994</b>	<b>\$ 656,188</b>	<b>\$ 34,045</b>	<b>\$ 1,036,720</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 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.

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 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.

During the year ended December 31, 2023, NAL exercised the first option by meeting the spending requirement, consisting of a combination of exploration expenditures at the Vallee project and a cash payment to the Company of \$538,773 in accordance with the terms of the earn-in agreement. As at September 30, 2025 and December 31, 2024, NAL owns 25% of the claims in the Vallee project.

# Consolidated Lithium Metals Inc.

## Notes to the Condensed Interim Financial Statements

For the three and nine months ended September 30, 2025 and 2024

(Expressed in Canadian dollars- unaudited)

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

During the year ended December 31, 2024, NAL declined to exercise the second option. The Company will retain 75% of the ownership interests in the portion of the Vallee property. The Company is in the process of assuming the role as operator of the project in accordance with the terms of the earn-in agreement.

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 certain mineral claims 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, VP of Corporate Development of CLM and Ryan Ptolemy, Chief Financial Officer of CLM are also a former President and former Chief Financial Officer of AmmPower.

During the year ended December 31, 2024, the Company received a mining tax refund of \$113,955 from the government of Quebec relating to exploration and evaluation expenses incurred in the year ended December 31, 2023. As at September 30, 2025, the Company has a Quebec mining tax credit receivable balance of \$63,283 (December 31, 2024: \$293,800).

### 8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	September 30, 2025	December 31, 2024
	\$	\$
Trade payables	167,134	101,259
Accrued liabilities	54,629	65,000
	<b>221,763</b>	<b>166,259</b>

### 9. FLOW-THROUGH SHARE PREMIUM LIABILITY

During the year ended December 31, 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 were renounced and recorded this as a flow-through premium recovery on the statements of loss. As at September 30, 2025, the liability was reduced to nil (December 31, 2024: nil) and a flow-through share premium recovery of \$4,848 was recorded on the statements of loss for the nine months ended September 30, 2024. See Note 16.

### 10. SHARE CAPITAL

#### a) Authorized

Unlimited number of common shares.

# Consolidated Lithium Metals Inc.

## Notes to the Condensed Interim Financial Statements

For the three and nine months ended September 30, 2025 and 2024

(Expressed in Canadian dollars- unaudited)

### 10. SHARE CAPITAL (continued)

#### b) Issued and outstanding common shares

Reconciliation of the number and value of common shares for the three and nine months ended September 30, 2025 and the year ended December 31, 2024 were as follows:

	Number of Shares	Amount
<b>Balance, December 31, 2023</b>	<b>356,317,266</b>	<b>30,522,521</b>
Shares issued for flow-through private placement- October 2024	12,000,000	300,000
Black-Scholes warrant valuation	-	(131,827)
Share issuance costs	-	(4,354)
<b>Balance, December 31, 2024</b>	<b>368,317,266</b>	<b>30,686,340</b>
Shares issued for private placement- April 2025	21,000,000	210,000
Black-Scholes warrant valuation	-	(39,457)
Share issuance costs	-	(600)
<b>Balance, September 30, 2025</b>	<b>389,317,266</b>	<b>30,856,283</b>

On April 2, 2025, the Company closed a private placement financing by issuing 21,000,000 units at a price of \$0.01 per unit for gross proceeds of \$210,000. 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 \$0.05 until April 2, 2027. Directors and officers of the Company subscribed for 20,000,000 units, generating gross proceeds of \$200,000.

The Company paid finders fees of \$600 and issued 60,000 finder warrants. Each finder warrant is exercisable into one common share of the Company at a price of \$0.05 per common share until April 2, 2027. The fair value of the 10,500,000 warrants was estimated at \$39,457, using the Black-Scholes option pricing model with the following assumptions: stock price of \$0.01; expected dividend yield of 0%; expected volatility of 294% (based on the Company's historical share price); risk-free interest rate of 2.44% and an expected life of 2 years. The fair value of the 60,000 finder warrants was estimated at \$554, using the Black-Scholes option pricing model with the following assumptions: stock price of \$0.01; expected dividend yield of 0%; expected volatility of 294% (based on the Company's historical share price); risk-free interest rate of 2.44% and an expected life of 2 years.

On October 30, 2024, the Company closed a flow-through private placement financing by issuing 12,000,000 units at a price of \$0.025 per unit for gross proceeds of \$300,000. Each unit consists of one flow-through 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 \$0.05 until October 30, 2026. Directors and officers of the Company subscribed for 4,000,000 units, generating gross proceeds of \$100,000.

The Company paid finders fees of \$20,000 and additional share issue costs of \$2,895 in cash and issued 640,000 finder warrants. Each finder warrant is exercisable into one common share of the Company at a price of \$0.05 per common share until October 30, 2026. The fair value of the 12,000,000 warrants was estimated at \$124,956, using the Black-Scholes option pricing model with the following assumptions: stock price of \$0.015; expected dividend yield of 0%; expected volatility of 194% (based on the Company's historical share price); risk-free interest rate of 3.09% and an expected life of 2 years. The fair value of the 640,000 finder warrants was estimated at \$6,871, using the Black-Scholes option pricing model with the following assumptions: stock price of \$0.015; expected dividend yield of 0%; expected volatility of 194% (based on the Company's historical share price); risk-free interest rate of 3.09% and an expected life of 2 years. The flow-through share premium was estimated to be \$nil based on the residual approach.

# Consolidated Lithium Metals Inc.

## Notes to the Condensed Interim Financial Statements

For the three and nine months ended September 30, 2025 and 2024

(Expressed in Canadian dollars- unaudited)

### 10. SHARE CAPITAL (continued)

#### b) Issued and outstanding common shares

During the year ended December 31, 2024 the Company received a refund of \$18,541 resulting from the overpayment of certain share issuance costs incurred in the Company's December 2023 financing.

### 11. RESERVES

#### a) Warrants

Details of share purchase warrant transactions for the three and nine months ended September 30, 2025 and year ended December 31, 2024 are as follows:

	No. of warrants #	Weighted Average Exercise Price \$	Grant Date Value of warrants \$
<b>December 31, 2023</b>	<b>42,824,934</b>	<b>0.09</b>	<b>1,326,303</b>
Expired	(10,322,500)	0.10	(353,931)
Granted	12,640,000	0.05	131,827
<b>December 31, 2024</b>	<b>45,142,434</b>	<b>0.08</b>	<b>1,104,199</b>
Expired	(16,966,285)	0.10	(523,641)
Granted	10,560,000	0.05	39,457
<b>September 30, 2025</b>	<b>38,736,149</b>	<b>0.06</b>	<b>620,015</b>

During the nine months ended September 30, 2025, 15,966,285 of the Company's warrants expired and \$475,503 was transferred to deficit.

During the year ended December 31, 2024, 10,322,500 of the Company's warrants expired and \$353,931 was transferred to deficit.

As at September 30, 2025, the Company has share purchase warrants outstanding as follows:

No. outstanding	No. exercisable	Grant date	Expiry date	Exercise price	Share price	Fair value at grant date	Expected volatility	Expected life (yrs)	Expected dividend yield	Risk-free interest rate
14,063,258	14,063,258	6-Dec-23	6-Dec-26	\$ 0.08	\$ 0.036	\$ 422,584	135%	3.00	0%	3.89%
1,472,891	1,472,891	6-Dec-23	6-Dec-25	\$ 0.08	\$ 0.035	\$ 26,147	131%	2.00	0%	4.07%
12,000,000	12,000,000	30-Oct-24	30-Oct-26	\$ 0.05	\$ 0.015	\$ 124,956	194%	2.00	0%	3.09%
640,000	640,000	30-Oct-24	30-Oct-26	\$ 0.05	\$ 0.015	\$ 6,871	194%	2.00	0%	3.09%
10,500,000	10,500,000	2-Apr-25	2-Apr-27	\$ 0.05	\$ 0.010	\$ 38,903	294%	2.00	0%	2.44%
60,000	60,000	2-Apr-25	2-Apr-27	\$ 0.05	\$ 0.010	\$ 554	294%	2.00	0%	2.44%
<b>38,736,149</b>	<b>38,736,149</b>					<b>\$ 620,015</b>				

The weighted average contractual years remaining on the Company's outstanding warrants as of September 30, 2025 was 1.20 years (December 31, 2024: 1.28 years).

# Consolidated Lithium Metals Inc.

## Notes to the Condensed Interim Financial Statements

For the three and nine months ended September 30, 2025 and 2024

(Expressed in Canadian dollars- unaudited)

### 11. RESERVES (continued)

#### 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 three and nine months ended September 30, 2025 and year ended December 31, 2024 are as follows:

	No. of options #	Weighted Average Exercise Price \$	Grant Date Value of vested options \$
<b>December 31, 2023</b>	<b>25,134,811</b>	<b>0.07</b>	<b>1,573,492</b>
Vested, March 2024	-	-	57,038
Expired, March 2024	(30,000)	0.50	(12,695)
Granted, May 2024	6,000,000	0.05	73,623
Vested, June 2024	-	-	38,914
Vested, September 2024	-	-	24,436
Vested, December 2024	-	-	15,958
Expired, December 2024	(600,000)	0.07	(38,040)
<b>December 31, 2024</b>	<b>30,504,811</b>	<b>0.07</b>	<b>1,732,726</b>
Vested, March 2025	-	-	22,585
Vested, June 2025	-	-	12,684
Vested, September 2025	-	-	7,977
<b>September 30, 2025</b>	<b>30,504,811</b>	<b>0.07</b>	<b>1,775,972</b>

On May 13, 2024, the Company granted 6,000,000 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 \$0.05 per option for a period of five years from the date of grant. The grant date fair value of the options was estimated at \$115,800 using the Black-Scholes option pricing model with the following assumptions: stock price of \$0.02; expected dividend yield of 0%; expected volatility of 199% (based on the Company's historical share price); risk-free interest rate of 3.76% and an expected life of 5 years.

During the year ended December 31, 2024, 630,000 options with a grant date fair value of \$49,411 expired in accordance with the Company's omnibus incentive plan.

# Consolidated Lithium Metals Inc.

## Notes to the Condensed Interim Financial Statements

For the three and nine months ended September 30, 2025 and 2024

(Expressed in Canadian dollars- unaudited)

### 11. RESERVES (continued)

#### b) Stock options

As at September 30, 2025, the Company had stock options outstanding and exercisable as follows:

No. outstanding	No. exercisable	Grant date	Expiry date	Exercise price	Share price	Vested fair value at grant date	Expected volatility	Expected life (yrs)	Expected dividend yield	Risk-free interest rate
6,894,811	6,894,811	20-Jan-21	20-Jan-26	\$ 0.075	\$ 0.105	\$ 500,563	192%	5.00	0%	0.43%
2,480,000	2,480,000	25-Nov-21	25-Nov-26	\$ 0.05	\$ 0.05	\$ 121,024	201%	5.00	0%	1.56%
3,930,000	3,930,000	18-Apr-22	18-Apr-27	\$ 0.05	\$ 0.05	\$ 192,177	202%	5.00	0%	2.63%
3,700,000	3,700,000	10-Aug-22	10-Aug-27	\$ 0.08	\$ 0.08	\$ 289,340	201%	5.00	0%	2.85%
2,000,000	2,000,000	14-Nov-22	14-Nov-27	\$ 0.105	\$ 0.075	\$ 205,400	202%	5.00	0%	3.33%
3,600,000	3,600,000	3-Apr-23	3-Apr-28	\$ 0.065	\$ 0.065	\$ 228,240	198%	5.00	0%	2.94%
1,400,000	1,400,000	23-May-23	23-May-28	\$ 0.070	\$ 0.070	\$ 95,620	198%	5.00	0%	3.41%
500,000	500,000	10-Aug-23	10-Aug-28	\$ 0.080	\$ 0.075	\$ 36,500	196%	5.00	0%	3.93%
6,000,000	3,750,000	13-May-24	13-May-29	\$ 0.050	\$ 0.020	\$ 107,107	199%	5.00	0%	3.76%
<b>30,504,811</b>	<b>28,254,811</b>					<b>\$ 1,775,972</b>				

The weighted average contractual years remaining on the Company's outstanding options as of September 30, 2025 was 1.90 years (December 31, 2024: 2.65 years).

### 12. ADDITIONAL INFORMATION – CASH FLOWS

The changes in working capital items are detailed as follows:

	For the nine months ended	
	September 30,	
	2025	2024
	\$	\$
Amounts receivable	417,924	362,077
Prepaid expenses	1,375	1,864
Trade and other payables	55,504	53,810
	<b>474,803</b>	<b>417,751</b>

# Consolidated Lithium Metals Inc.

## Notes to the Condensed Interim Financial Statements

For the three and nine months ended September 30, 2025 and 2024

(Expressed in Canadian dollars- unaudited)

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### 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,	
	2025	2024	2025	2024
	\$	\$	\$	\$
Consulting fees	57,600	210,000	172,800	941,074
Share-based compensation	7,977	56,022	43,245	171,499
	<b>65,577</b>	<b>266,022</b>	<b>216,045</b>	<b>1,112,573</b>

Included in accounts payable and accrued liabilities as at September 30, 2025 is nil (December 31, 2024 – nil) due to directors and officers of the Company. The amounts are unsecured, non-interest bearing and due on demand.

Mr. Stan Bharti is the Executive Chairman of Forbes and Manhattan Inc. (“Forbes”). The Company is part of the Forbes Group of Companies and continues to receive the benefits of such membership, including access to various professionals, and strategic advice from the Forbes Board of Advisors. An administration fee of \$10,000 per month from December 2022 was charged by Forbes pursuant to a consulting agreement. During the year ended December 31, 2024, total amounts charged by Forbes was \$90,000. Subsequent to December 31, 2024, this agreement was terminated.

Related party participation in the Company’s private placements is disclosed in Note 10.

See 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.

# Consolidated Lithium Metals Inc.

## Notes to the Condensed Interim Financial Statements

For the three and nine months ended September 30, 2025 and 2024

(Expressed in Canadian dollars- unaudited)

### 14. FINANCIAL INSTRUMENTS (continued)

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.

Financial assets and financial liabilities as at September 30, 2025 and December 31, 2024 were as follows:

<b>September 30, 2025</b>	<b>Fair value through profit and loss \$</b>	<b>Amortized cost \$</b>	<b>TOTAL \$</b>
<b>Financial assets:</b>			
Cash	-	193,387	193,387
<b>Financial liabilities:</b>			
Accounts payable and accrued liabilities	-	(221,765)	(221,765)
<b>December 31, 2024</b>	<b>Fair value through profit and loss \$</b>	<b>Amortized cost \$</b>	<b>TOTAL \$</b>
<b>Financial assets:</b>			
Cash	-	223,229	223,229
<b>Financial liabilities:</b>			
Accounts payable and accrued liabilities	-	(166,259)	(166,259)

### 15. CAPITAL AND FINANCIAL RISK MANAGEMENT

The Company'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.

# Consolidated Lithium Metals Inc.

## Notes to the Condensed Interim Financial Statements

For the three and nine months ended September 30, 2025 and 2024

(Expressed in Canadian dollars- unaudited)

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

As at September 30, 2025, the Company had working capital of \$23,568 (December 31, 2024 – \$528,213) 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. The Company 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.

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. As of September 30, 2025, the Company may not be compliant with the policies of the TSXV. The impact of any such violation is not known and is ultimately dependent on the discretion of the TSXV.

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.

# Consolidated Lithium Metals Inc.

## Notes to the Condensed Interim Financial Statements

For the three and nine months ended September 30, 2025 and 2024

(Expressed in Canadian dollars- unaudited)

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

As at September 30, 2025, the Company had a cash balance of \$193,387 (December 31, 2024: \$223,229) available to fund financial liabilities that consisted of accounts payable and accrued liabilities of \$221,763 (December 31, 2024: \$166,259).

#### ***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.

Cash balances are held with high credit quality financial institutions and may be redeemed on demand. The Company has no trade accounts and as such has limited exposure to credit risk. Amounts receivable primarily represent input tax credit refunds and Quebec mining tax credits from government bodies. Management believes that the credit risk concentration with respect to these financial instruments is remote. 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.

# **Consolidated Lithium Metals Inc.**

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

For the three and nine months ended September 30, 2025 and 2024

(Expressed in Canadian dollars- unaudited)

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

#### ***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.

### **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, 2025, the Company believes it has satisfied this commitment.

Pursuant to the terms of the flow-through agreements entered into on October 30, 2024, the Company is committed to incur Canadian Exploration Expenditures of \$300,000 by December 31, 2025. As at September 30, 2025, the Company believes it has satisfied this commitment. 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

#### **Management Contracts**

The Company is party to certain management contracts and severance obligations. These contracts contain clauses requiring additional payments of approximately \$2,088,000 (December 31, 2024: \$2,088,000 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 \$298,000 (December 31, 2024: \$298,000), all due within one year.

# **Consolidated Lithium Metals Inc.**

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

For the three and nine months ended September 30, 2025 and 2024

(Expressed in Canadian dollars- unaudited)

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

#### **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.

#### **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 differs from these estimates, the difference will be accounted for as a charge to net income (loss) in that period.

### **17. SUBSEQUENT EVENTS**

On November 14, 2025, the Company closed its non-brokered private placement of units at a price of \$0.06 per unit. The Company issued a total of 57,361,667 units for gross proceeds of \$3,441,700. Each unit comprises one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one common share of the Company at a price of \$0.10 per share expiring November 14, 2028. The units distributed in connection with the offering were issued and sold pursuant to the listed issuer financing exemption available under Part 5A of National Instrument 45-106 -- Prospectus Exemptions and other exemptions under 45-106. All units issued under the listed issuer exemption are not subject to a hold period pursuant to applicable Canadian securities laws and all units issued under other exemptions under NI 45-106 are subject to a statutory four-month hold period pursuant to applicable Canadian securities laws. In connection with the offering, the Company paid finder fees of \$250,000 and issued a total of four million finder warrants. Each finder warrant entitles the holder thereof to purchase one common share of the Company at a price of \$0.10 per common share until November 14, 2028. The finders' warrants and common shares, issuable upon exercise of the finders' warrants, are subject to a statutory four-month hold period pursuant to applicable Canadian securities laws.

# Consolidated Lithium Metals Inc.

## Notes to the Condensed Interim Financial Statements

For the three and nine months ended September 30, 2025 and 2024

(Expressed in Canadian dollars- unaudited)

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### 17. SUBSEQUENT EVENTS (continued)

On November 17, 2025, the Company entered into a binding definitive agreement with Soquem Inc., a wholly owned subsidiary of Investissement Quebec, pursuant to which the Company has acquired an option to earn, subject to the satisfaction of certain conditions, an undivided interest of up to 80% in the Kwyjibo rare earth project, located 125 kilometres northeast of the city of Sept-Iles in the Cote-Nord region of Quebec.

Pursuant to the terms of the agreement, the Company is appointed as the operator of the project and may earn a 60% undivided interest in the project in consideration for payments and issuances of common shares of the company upon each of the yearly anniversaries of the signature of the agreement during the five-year period following the entering into of the transaction. Such payments and common share issuances total an aggregate amount of \$23.15 million and are allocated as follows (in each case subject to and in accordance with the rules and policies of the TSX Venture Exchange):

- \$5.65 million in cash to Soquem;
- \$5.50 million payable to Soquem in common shares at a price per share equal to the greater of: (i) the discounted market price (as such term is defined in the policies of the TSX-V) on the day of issuance, and (ii) the most recent closing price of the common shares on the TSX-V immediately prior to the day of issuance, less a 10% discount;
- \$12 million invested in the project to advance the following key stages of the project's development:
  - Negotiation and ratification of an impacts and benefits agreement with the Innu of TakuaiKAN Uashat mak Mani-utenam;
  - Metallurgical study to confirm environmental viability of extraction and processing of rare earth in the region of the project;
  - Environmental permitting from the Bureau d'accélération des projets;
  - Initiation of at least a 5,000-metre drilling campaign for potential expansion of the project's resources;
  - Initiation of a bankable feasibility study to evaluate the technical and economic viability of the project.

Upon satisfaction of these conditions and acquisition by the Company of the initial 60% undivided interest in the project, the Company and Soquem will form a joint venture in respect of the project to be governed by customary terms and conditions in respect of a joint venture of this nature.

Following completion of the phase I option described above, the Company may earn an additional 20% undivided interest in the project (for a total of 80%) in consideration for payments and issuances of common shares upon each of the yearly anniversaries of the signature of the agreement during the three-year period following expiry of the period of the phase I option. Such payments and common share issuances total an aggregate additional amount of \$22 million and are allocated as follows (in each case subject to and in accordance with the rules and policies of the TSX-V):

- \$4.5 million in cash to Soquem;
- \$4.5 million payable to Soquem in common shares at a price per share equal to the greater of: (i) the discounted market price (as such term is defined in the policies of the TSX-V) on the day of issuance; and (ii) the most recent closing price of the common shares on the TSX-V immediately prior to the day of issuance, less a 10-per-cent discount;
- \$13 million invested in the project to advance the following project milestones:
  - Completion of the feasibility study;
  - Access road construction;
  - Electrical transmission line construction;
  - Underground mine construction;
  - Processing facilities construction.