

---

**FULL CIRCLE LITHIUM CORP.**  
**(formerly ESG Capital 1 Inc.)**

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE AND NINE MONTHS ENDED JULY 31, 2024 AND 2023  
(EXPRESSED IN UNITED STATES DOLLARS)  
(UNAUDITED)**

---

### **NOTICE TO READER**

Under National Instrument 51-102, if an auditor has not performed a review of the condensed interim consolidated financial statements, they must be accompanied by a note indicating that the condensed interim consolidated financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of Full Circle Lithium Corp. (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 consolidated financial statements.

**Full Circle Lithium Corp. (formerly ESG Capital 1 Inc.)**  
**Condensed Interim Consolidated Statements of Financial Position**  
**As at July 31, 2024 and October 31, 2023**  
**(Expressed in United States Dollars)**  
**(Unaudited)**

	Notes	July 31, 2024	October 31, 2023
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		\$ 789,218	\$ 3,734,264
Other receivables	8	11,603	50,873
Inventory	9	2,434	-
Prepaid expenses and deposits	10	172,715	205,716
<b>Total current assets</b>		<b>975,970</b>	<b>3,990,853</b>
Restricted cash	7	38,584	294,816
Property, plant and equipment	11	5,331,746	3,650,148
Intangible assets	12	86,489	-
Right-of-use assets	13	-	485,228
<b>Total assets</b>		<b>\$ 6,432,789</b>	<b>\$ 8,421,045</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	14, 20	\$ 488,297	\$ 716,782
Lease liability	15	-	481,380
<b>Total liabilities</b>		<b>\$ 488,297</b>	<b>\$ 1,198,162</b>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	16	\$ 11,307,985	\$ 10,532,826
Reserves	16, 17	2,908,194	2,079,934
Accumulated other comprehensive loss		(172,329)	(239,685)
Accumulated deficit		(8,099,358)	(5,150,192)
<b>Total shareholders' equity</b>		<b>5,944,492</b>	<b>7,222,883</b>
<b>Total liabilities and shareholders' equity</b>		<b>\$ 6,432,789</b>	<b>\$ 8,421,045</b>

Nature of operations (Note 1)

Going concern (Note 2)

Commitments and contingencies (Note 21)

Approved by the Board of Directors on September 25, 2024

"Paul Fornazzari" Director

"Michael Cosic" Director

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

**Full Circle Lithium Corp. (formerly ESG Capital 1 Inc.)**  
**Condensed Interim Consolidated Statements of Loss and Comprehensive Loss**  
**For the three and nine months ended July 31, 2024 and 2023**  
**(Expressed in United States Dollars)**  
**(Unaudited)**

	Notes	Three months ended		Nine months ended	
		July 31, 2024	July 31, 2023	July 31, 2024	July 31, 2023
<b>Revenue</b>	22	\$ 9,990	\$ -	\$ 9,990	\$ -
<b>Cost of goods sold</b>	9	2,018	-	2,018	-
<b>Gross profit</b>		7,972	-	7,972	-
<b>Operating expenses</b>					
General and administrative	19	\$ 278,854	\$ 196,596	\$ 887,226	\$ 426,033
Salaries and wages	20	297,255	326,388	863,320	544,666
Share-based compensation	17, 20	101,556	129,017	548,007	358,733
Professional fees	20	101,956	360,731	298,162	692,253
Depreciation	11, 13	33,563	675	96,202	675
Investor relations		24,711	4,572	85,127	34,030
Battery development		2,592	199,655	75,398	478,806
Travel & accommodation		20,545	79,908	56,988	114,195
Transfer agent and filing fees		13,757	12,640	46,405	40,923
Amortization	12	700	-	700	-
<b>Total operating expenses</b>		<b>(875,489)</b>	<b>(1,310,182)</b>	<b>(2,957,535)</b>	<b>(2,690,314)</b>
<b>Other items</b>					
Interest income		1,805	5,568	20,952	75,715
Interest expense		-	(19)	(7)	(4,240)
Accretion expense	15	-	(9,546)	(1,953)	(27,430)
Foreign exchange loss		(135)	(2,580)	(18,595)	(9,375)
Listing expense	3	-	-	-	(1,435,961)
<b>Net loss</b>		<b>\$ (865,847)</b>	<b>\$ (1,316,759)</b>	<b>\$ (2,949,166)</b>	<b>\$ (4,091,605)</b>
<b>Other comprehensive income (loss)</b>					
Foreign currency translation		(8,472)	143,800	67,356	114,586
<b>Net and comprehensive loss</b>		<b>\$ (874,319)</b>	<b>\$ (1,172,959)</b>	<b>\$ (2,881,810)</b>	<b>\$ (3,977,019)</b>
Basic and diluted loss per common share		\$ (0.01)	\$ (0.02)	\$ (0.04)	\$ (0.07)
<b>Weighted average number of common shares outstanding – basic and diluted</b>		<b>69,281,699</b>	<b>68,328,786</b>	<b>68,648,742</b>	<b>62,284,616</b>

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

**Full Circle Lithium Corp. (formerly ESG Capital 1 Inc.)**  
**Condensed Interim Consolidated Statements of Cash Flows**  
**For the nine months ended July 31, 2024 and 2023**  
**(Expressed in United States Dollars)**  
**(Unaudited)**

	Notes	Nine months ended July 31, 2024	Nine months ended July 31, 2023
<b>Operating activities</b>			
Net loss for the period		\$ (2,949,166)	\$ (4,091,605)
Adjustments for:			
Listing expenses	3	-	1,435,961
Share-based compensation	17	548,007	358,733
Depreciation	11, 13	96,202	675
Amortization	12	700	-
Changes in non-cash working capital items:			
Restricted cash		256,232	(291,386)
Other receivables		40,051	(52,443)
Inventory		(2,434)	-
Prepaid expenses and deposits		29,572	(119,243)
Accounts payable and accrued liabilities		(415,936)	111,695
<b>Net cash used in operating activities</b>		<b>(2,396,772)</b>	<b>(2,647,613)</b>
<b>Investing activities</b>			
Cash acquired in reverse take-over	3	-	1,126,269
Purchase of property, plant and equipment	11	(1,659,914)	(1,225,483)
Purchase of intangible assets	12	(963)	-
<b>Net cash provided by (used in) investing activities</b>		<b>(1,660,877)</b>	<b>(99,214)</b>
<b>Financing activities</b>			
Proceeds from issuance of shares, net of issuance costs		1,057,603	5,751,746
Principal portion of lease liability payments	15	(11,380)	(17,570)
<b>Net cash provided by (used in) financing activities</b>		<b>1,046,223</b>	<b>5,734,176</b>
Effects of foreign currency translation		66,380	93,624
<b>Net change in cash and cash equivalents</b>		<b>(2,945,046)</b>	<b>3,080,973</b>
Cash and cash equivalents, beginning of period		3,734,264	2,384,006
<b>Cash and cash equivalents, end of period</b>		<b>\$ 789,218</b>	<b>\$ 5,464,979</b>

**Supplemental Disclosure with Respect to Cash Flows (Note 23)**

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

**Full Circle Lithium Corp. (formerly ESG Capital 1 Inc.)**  
**Condensed Interim Consolidated Statements of Changes in Equity**  
**For the nine months ended July 31, 2024 and 2023**  
**(Expressed in United States Dollars)**  
**(Unaudited)**

	Shares	Share capital	Reserves	Accumulated other comprehensive loss	Accumulated Deficit	Total shareholders' equity
<b>Balance, October 31, 2022</b>	50,854,000	\$ 3,569,287	\$ 237,718	\$ (143,599)	\$ (297,931)	\$ 3,365,475
Shares issued in private placements	13,974,786	6,221,618	1,054,493	-	-	7,276,111
Share issuance costs	-	(817,456)	224,552	-	-	(592,904)
Shares issued in connection with RTO	3,500,000	1,559,377	-	-	-	1,559,377
Share-based compensation	-	-	358,733	-	-	358,733
Foreign currency translation	-	-	-	114,586	-	114,586
Net loss for the period	-	-	-	-	(4,091,605)	(4,091,605)
<b>Balance, July 31, 2023</b>	68,328,786	\$10,532,826	\$ 1,875,496	\$ (29,013)	\$ (4,389,536)	\$ 7,989,773
<b>Balance, October 31, 2023</b>	68,328,786	\$10,532,826	\$ 2,079,934	\$ (239,685)	\$ (5,150,192)	\$ 7,222,883
Shares issued in private placements	6,262,000	907,700	235,845	-	-	1,143,545
Share issuance costs	-	(132,541)	44,408	-	-	(88,133)
Share-based compensation	-	-	548,007	-	-	548,007
Foreign currency translation	-	-	-	67,356	-	67,356
Net loss for the period	-	-	-	-	(2,949,166)	(2,949,166)
<b>Balance, July 31, 2024</b>	74,590,786	\$11,307,985	\$ 2,908,194	\$ (172,329)	\$ (8,099,358)	\$ 5,944,492

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

---

**Full Circle Lithium Corp. (formerly ESG Capital 1 Inc.)**  
**Notes to Condensed Interim Consolidated Financial Statements**  
**For the three and nine months ended July 31, 2024 and 2023**  
**(Expressed in United States Dollars)**  
**(Unaudited)**

---

**1. Nature of Operations**

*Nature of business*

Full Circle Lithium Corp. (formerly ESG Capital 1 Inc.) (“FCL”, or the “Company”) was incorporated in the Province of Ontario, Canada on March 8, 2021 pursuant to the Business Corporation Act (Ontario) (the “OBCA”). The common shares of the Company are listed on the TSX Venture Exchange (“TSXV”) under the trading symbol “FCLI”, and on the OTCQB Venture Market under the trading symbol “FCLIF”. The Company’s registered office is located at Suite 1601, 110 Yonge Street, Toronto, ON, M5C 1T4. The principal business of the Company is lithium and battery material reintegration.

**2. Going Concern**

These condensed interim consolidated financial statements have been prepared on a going concern basis, which assumes that assets will be realized, and liabilities discharged in the normal course of business in the foreseeable future. Accordingly, these condensed interim consolidated financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or on the discharge or classification of liabilities, should the Company be unable to continue its business in the normal course. Such adjustments could be material.

The Company has recently commenced revenue generation and has incurred losses since its inception. For the nine months ended July 31, 2024, the Company has incurred a net loss of \$2,949,166 (nine months ended July 31, 2023 - \$4,091,605). The Company also had operating cash outflows of \$2,396,772 (nine months ended July 31, 2023 - \$2,647,613).

The Company will periodically have to raise funds to continue operations, and, though it has been successful in doing so in the past, there is no assurance it will be able to do so in the future. These factors indicate the existence of material uncertainties that may cast significant doubt as to the Company’s ability to continue as a going concern.

**3. Reverse Take-Over Transaction**

On April 21, 2023, the Company completed a qualifying transaction (the “Qualifying Transaction”) with Full Circle Lithium Inc. (“FCLI”) by way of a “three-cornered amalgamation”, resulting in the reverse take-over of the Company by FCLI’s former shareholders.

The Qualifying Transaction was completed in accordance with the terms of the definitive agreement (the “Definitive Agreement”) entered on January 17, 2023, between the Company, FCLI and 1000412731 Ontario Inc. (“the Company Subco”), a wholly-owned subsidiary of the Company.

On closing of the Qualifying Transaction, the Company consolidated all of its issued and outstanding common shares on a 1.17:1 basis, and FCLI amalgamated with the Company Subco to form a new corporation, which became a wholly-owned subsidiary of the Company continuing under the name “Full Circle Canada Inc.” and which in turn owns all of the shares of Full Circle Lithium (US) Inc., the Company’s wholly owned subsidiary, which holds all of the Company’s assets and conducts the business of the Company. In consideration for the Qualifying Transaction, the Company issued a total of 50,854,000 common shares of the Company to shareholders of FCLI. The former shareholders of the Company retained 3,500,000 common shares after the completion of the combined entity. Each share retained by the former shareholders of the Company was valued at \$0.45 (CAD\$0.60) per share, for consideration of \$1,559,377. This valuation was based on the value of the subscription receipts issued for concurrent financing as part of the Qualifying Transaction, where each subscription receipt was issued at CAD\$0.70 and is exercisable into one common share of the Company and one-half common share purchase warrant (Note 16).

**Full Circle Lithium Corp. (formerly ESG Capital 1 Inc.)**  
**Notes to Condensed Interim Consolidated Financial Statements**  
**For the three and nine months ended July 31, 2024 and 2023**  
**(Expressed in United States Dollars)**  
**(Unaudited)**

**3. Reverse Take-Over Transaction (continued)**

Immediately after the completion of the transaction, the former holders of FCLI's shares owned 94% of the shares of the combined entity, and the existing shareholders of the Company owned 6% of the total combined entity shares. As a result of the Qualifying Transaction, the former shareholders of FCLI acquired control of the Company, thereby constituting a reverse take-over of the Company. The reverse take-over is considered a purchase of the Company's net assets by the shareholders of FCLI.

The Company did not meet the definition of a business due to a lack of substantive processes. Therefore, the Qualifying Transaction was outside the scope of IFRS 3 – Business Combinations. Instead, the Qualifying Transaction was accounted for under IFRS 2 – Share-Based Payment. The Qualifying Transaction was accounted for as a reverse takeover transaction, with FCLI identified as the accounting acquirer, and the Company identified as the accounting acquiree. These condensed interim consolidated financial statements are issued under the legal parent, the Company, but are considered to be a continuation of the financial results of FCLI. Following the reverse take-over, on May 1, 2023, the Company commenced trading on the TSX-V under the trading symbol FCLI.

Immediately prior to the Qualifying Transaction taking effect, the Company changed its name to "Full Circle Lithium Corp.". Upon the completion of the Qualifying Transaction, the former directors and officers of the Company resigned from all offices with the Company and new directors and officers were appointed.

A summary of the costs in regard to the Qualifying Transaction are listed below:

<b>Net assets of FCL</b>	
Cash and restricted cash	\$ 1,126,269
Accounts payable	(71,392)
Subscription receipts payable	(931,461)
	<b>\$ 123,416</b>
<b>Consideration</b>	
3,500,000 shares of FCLI at a value of \$0.45 (CAD\$0.60) per share	<b>\$ 1,559,377</b>
<b>Listing expense</b>	<b>\$ 1,435,961</b>

**4. Basis of Presentation**

*Statement of compliance*

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the presentation of the condensed interim consolidated financial statements, including the International Accounting Standards ("IAS") 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These condensed interim consolidated financial statements have been prepared on the historical cost basis. These condensed interim consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. These condensed interim consolidated financial statements are presented in United States dollars.

These condensed interim consolidated financial statements were approved and authorized for issue by the Board of Directors of the Company on September 25, 2024.

Certain prior year amounts have been reclassified for consistency with current year presentation. These reclassifications had no effect on the reported results of operations or cash flow.

---

**Full Circle Lithium Corp. (formerly ESG Capital 1 Inc.)**  
**Notes to Condensed Interim Consolidated Financial Statements**  
**For the three and nine months ended July 31, 2024 and 2023**  
**(Expressed in United States Dollars)**  
**(Unaudited)**

---

#### **4. Basis of Presentation (continued)**

##### *Basis of consolidation*

These condensed interim consolidated financial statements include the financial statements of the parent company, Full Circle Lithium Corp., and pursuant to having completed the Qualifying Transaction, its subsidiaries, Full Circle Canada Inc., and Full Circle Lithium (US) Inc., a corporation domiciled in the State of Georgia, United States.

A subsidiary is an entity over which the Company has control, directly or indirectly, where control is defined as the power to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. A subsidiary is consolidated from the date upon which control is acquired by the Company. All intercompany transactions have been eliminated upon consolidation.

#### **5. Summary of Material Accounting Policies**

The accounting policies followed by the Company are set out in Note 5 to the audited consolidated financial statements for the year ended October 31, 2023, and have been consistently followed in the preparation of these condensed interim consolidated financial statements, except for the following accounting policies adopted as of November 1, 2023:

##### *Financial instruments*

###### Financial assets

###### Impairment of financial assets

The Company recognizes a loss allowance for the expected credit losses associated with its financial assets, other than financial assets measured at fair value through profit or loss. Expected credit losses are measured to reflect a probability weighted amount, the time value of money, and reasonable and supportable information regarding past events, current conditions and forecasts of future economic conditions.

The Company applies the simplified approach for accounts receivables. Using the simplified approach, the Company records a loss allowance equal to the expected credit losses resulting from all possible default events over the assets' contractual lifetime.

The Company assesses whether a financial asset is credit-impaired at the reporting date. Regular indicators that a financial instrument is credit-impaired include significant financial difficulties as evidenced through borrowing patterns or observed balances in other accounts and breaches of borrowing contracts such as default events or breaches of borrowing covenants. For financial assets assessed as credit-impaired at the reporting date, the Company continues to recognize a loss allowance equal to lifetime expected credit losses.

For financial assets measured at amortized cost, loss allowances for expected credit losses are presented in the statements of financial position as a deduction from the gross carrying amount of the financial asset.

###### Derecognition

The Company derecognizes a financial asset when its contractual rights to the cash flows from the financial asset expire.

---

**Full Circle Lithium Corp. (formerly ESG Capital 1 Inc.)**  
**Notes to Condensed Interim Consolidated Financial Statements**  
**For the three and nine months ended July 31, 2024 and 2023**  
**(Expressed in United States Dollars)**  
**(Unaudited)**

---

**5. Summary of Material Accounting Policies (continued)**

*Intangible assets*

Intangible assets are recognized when it is probable that an associated future economic benefit will flow to the Company and the cost can be measured reliably. Intangible assets are measured at cost less accumulated amortization and impairment losses. Costs for acquired intangible assets include costs incurred initially to acquire and directly attributable costs of preparation for intended use. Costs for internally generated intangible assets include costs incurred in the development phase. Costs in the research phase are expensed as incurred. Intangible assets have a finite life and are amortized on a straight-line basis over their expected useful lives to their estimated residual value, if any.

Trademark and development costs are amortized using the straight-line method over 20 years.

*Inventory*

Inventory is valued at the lower of cost and net realizable value. The cost of inventory is calculated using the first-in-first-out method and comprises all costs necessary to bring the inventory to saleable condition. Net realizable value represents the estimated selling price of inventory in the ordinary course of business less the estimated costs of completion and costs necessary to make the sale.

*Revenue recognition*

Revenue is recognized when or as the control of goods or services are transferred to customers, in an amount that reflects the consideration the Company expects to receive in exchange for those goods or services. Revenue does not include taxes collected on behalf of taxing authorities such as sales tax and value-added tax. Depending on the terms of the contracts and laws that apply to the contracts, control of the goods or services may be transferred over time or at a point in time.

Control of goods or services is transferred over time if the Company's performance:

- provides all the benefits received and consumed simultaneously by the customer;
- creates or enhances an asset that the customer controls as the Company performs; or,
- does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date.

If control of the goods or services transfer over time, revenue is recognized over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognized at a point in time when the customer obtains control of the goods or services. Specific criteria where revenue is recognized are described below.

The progress towards complete satisfaction of the performance obligation is measured based on one of the following methods that best depict the Company's performance in satisfying the performance obligation:

- direct measurement of the value transferred by the Company to the customer; or,
- the Company's efforts or inputs to the satisfaction of the performance obligation relative to the total expected efforts or inputs.

Incremental costs incurred to obtain a contract, if recoverable, are capitalized as contract assets and subsequently amortized when related revenue is recognized. Advances or deposits received from customers prior to satisfaction of performance obligations by the Company are recognized as deferred revenue.

Sales of lithium fire-extinguishing agent FCL-X®

Revenue is recognized at a point in time on delivery, which coincides with the point in time when the customer obtained control of the products sold.

## **5. Summary of Material Accounting Policies (continued)**

*Accounting standards issued but not yet effective*

### Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)

The IASB has published Classification of Liabilities as Current or Non-Current (Amendments to IAS 1) which clarifies the guidance on whether a liability should be classified as either current or non-current. The amendments:

- clarify that the classification of liabilities as current or non-current should only be based on rights that are in place “at the end of the reporting period”;
- clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability;
- make clear that settlement includes transfers to the counterparty of cash, equity instruments, other assets or services that result in extinguishments of the liability.

This amendment is effective for annual periods beginning on or after January 1, 2024. Earlier application is permitted. The Company does not expect the impact to be material to the Company’s current or future reporting periods.

## **6. Significant Accounting Judgments, Estimates and Assumptions**

The preparation of the condensed interim consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the condensed interim consolidated financial statements and reported amounts of revenues and expenses during the reporting year. Estimates and assumptions are continuously evaluated and are based on management’s experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

The judgments, estimates and assumptions applied in the condensed interim consolidated financial statements, including the key sources of estimation uncertainty, were the same as those applied and set out in Note 6 to the Company’s audited consolidated financial statements for the year ended October 31, 2023, except for the following accounting policies adopted as of November 1, 2023:

### Revenue recognition

The revenue standard sets out a five-step model for the recognition of revenue when control of goods is transferred to, or a service is performed for, the customer. The five steps are to: (i) identify the contract(s) with the customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to each performance obligation; and, (v) recognize revenue as each performance obligation is satisfied.

Management exercises judgment when taking into consideration the relevant facts and circumstances when applying each step of the model to contracts with customers.

### Provision for expected credit losses (“ECL”)

The Company performs impairment testing annually for accounts receivable in accordance with IFRS 9. The ECL model requires considerable judgment, including consideration of how changes in economic factors affect ECLs, which are determined on a probability-weighted basis. IFRS 9 outlines a three-stage approach to recognizing ECLs which is intended to reflect the increase in credit risks of a financial instrument based on: (i) 12-month expected credit losses; or (ii) lifetime expected credit losses.

**Full Circle Lithium Corp. (formerly ESG Capital 1 Inc.)**  
**Notes to Condensed Interim Consolidated Financial Statements**  
**For the three and nine months ended July 31, 2024 and 2023**  
**(Expressed in United States Dollars)**  
**(Unaudited)**

**6. Significant Accounting Judgments, Estimates and Assumptions (continued)**

The Company applies the simplified approach to determine ECLs on accounts receivables by using a provision matrix based on historical credit loss experiences. The historical results were used to calculate the run rates of default which were then applied over the expected life of the trade receivables, adjusted for forward looking estimates.

Net realizable value of inventory

Inventory is evaluated for impairment based on management's best estimate of their net realizable value, with the impairment included in cost of sales in the period in which such an impairment is determined to be necessary. The Company makes estimates on net realizable value of inventory based on a variety of factors, including market demand, quantities of slow-moving stock, and inventory shrinkage or obsolesce, where applicable.

The accuracy of the Company's estimates can be affected by many factors, some of which are beyond its control, including changes in economic conditions and market demand of its products. Changes to the impairment on inventory may have a material impact on the results of the Company.

**7. Restricted Cash**

Restricted cash represents funds held as financial assurance as required by 40 CFR §261.143 and other regulations set forth by the United States Environmental Protection Agency, in connection to the coverage of the estimated future costs of closure of the lithium-ion battery recycling facility to be operated by the Company in Nahunta, Georgia, United States.

**8. Other Receivables**

	<b>July 31, 2024</b>	<b>October 31, 2023</b>
HST receivable	\$ 11,237	\$ 49,109
Accrued interest	366	1,764
	<b>\$ 11,603</b>	<b>\$ 50,873</b>

**9. Inventory**

	<b>July 31, 2024</b>	<b>October 31, 2023</b>
Raw materials	\$ 2,434	\$ -

During the three and nine months ended July 31, 2024, cost of sales included materials of \$1,778 and \$1,778, respectively (three and nine months ended July 31, 2023 - \$Nil and \$Nil, respectively), and labour of \$240 and \$240, respectively (three and nine months ended July 31, 2023 - \$Nil and \$Nil, respectively).

**10. Prepaid Expenses and Deposit**

	<b>July 31, 2024</b>	<b>October 31, 2023</b>
Prepaid expenses	\$ 164,026	\$ 170,518
Deposit	8,689	35,198
	<b>\$ 172,715</b>	<b>\$ 205,716</b>

**Full Circle Lithium Corp. (formerly ESG Capital 1 Inc.)**  
**Notes to Condensed Interim Consolidated Financial Statements**  
**For the three and nine months ended July 31, 2024 and 2023**  
**(Expressed in United States Dollars)**  
**(Unaudited)**

**11. Property, Plant and Equipment**

	Computers (\$)	Equipment (\$)	Leasehold Improvements (\$)	Land (\$)	Building (\$)	Total (\$)
<b>Cost</b>						
Balance, October 31, 2022	-	445,587	671,614	-	-	1,117,201
Additions	4,594	944,270	1,627,118	8,000	-	2,583,982
Balance, October 31, 2023	4,594	1,389,857	2,298,732	8,000	-	3,701,183
Additions	-	891,447	346,344	48,655	6,126	1,292,572
Transfer from right-of-use assets (Note 13)	-	-	-	62,010	421,952	483,962
<b>Balance, July 31, 2024</b>	<b>4,594</b>	<b>2,281,304</b>	<b>2,645,076</b>	<b>118,665</b>	<b>428,078</b>	<b>5,477,717</b>
<b>Accumulated Depreciation</b>						
Balance, October 31, 2022	-	-	-	-	-	-
Depreciation	1,061	-	49,974	-	-	51,035
Balance, October 31, 2023	1,061	-	49,974	-	-	51,035
Depreciation	1,149	-	78,557	-	15,230	94,936
<b>Balance, July 31, 2024</b>	<b>2,210</b>	<b>-</b>	<b>128,531</b>	<b>-</b>	<b>15,230</b>	<b>145,971</b>
<b>Net Book Value</b>						
Balance, October 31, 2023	3,533	1,389,857	2,248,758	8,000	-	3,650,148
<b>Balance, July 31, 2024</b>	<b>2,384</b>	<b>2,281,304</b>	<b>2,516,545</b>	<b>118,665</b>	<b>412,848</b>	<b>5,331,746</b>

Certain additions of equipment and leasehold improvements are related party transactions. See Note 20 for further details.

As at July 31, 2024, equipment and certain leasehold improvements located at the Company's facility in Nahunta, Georgia related to lithium and battery material reintegration operations in development and are not available for use and therefore is not being depreciated. However, certain leasehold improvements are available for use at July 31, 2024 and are therefore being depreciated.

**12. Intangible assets**

	Trademark	Development Costs	Total
<b>Cost</b>			
Balance, October 31, 2022 and October 31, 2023	\$ -	\$ -	\$ -
Additions	963	86,226	87,189
<b>Balance, July 31, 2024</b>	<b>\$ 963</b>	<b>\$ 86,226</b>	<b>\$ 87,189</b>
<b>Accumulated Amortization</b>			
Balance, October 31, 2022 and October 31, 2023	\$ -	\$ -	\$ -
Amortization	5	695	700
<b>Balance, July 31, 2024</b>	<b>\$ 5</b>	<b>\$ 695</b>	<b>\$ 700</b>
<b>Net Book Value</b>			
Balance, October 31, 2023	\$ -	\$ -	\$ -
<b>Balance, July 31, 2024</b>	<b>\$ 958</b>	<b>\$ 85,531</b>	<b>\$ 86,489</b>

**Full Circle Lithium Corp. (formerly ESG Capital 1 Inc.)**  
**Notes to Condensed Interim Consolidated Financial Statements**  
**For the three and nine months ended July 31, 2024 and 2023**  
**(Expressed in United States Dollars)**  
**(Unaudited)**

**13. Right-of-Use Assets**

	<b>Land</b>	<b>Building</b>	<b>Total</b>
Balance, October 31, 2022	\$ 60,095	\$ 420,664	\$ 480,759
Depreciation	-	(10,852)	(10,852)
Lease modification (Note 15)	1,915	13,406	15,321
Balance, October 31, 2023	\$ 62,010	\$ 423,218	\$ 485,228
Depreciation	-	(1,266)	(1,266)
Transfer to property, plant and equipment (Note 11)	(62,010)	(421,952)	(483,962)
<b>Balance, July 31, 2024</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

Management allocated the value between land and building based on their stand-alone fair values. The assets under lease (Note 15) were purchased by the Company on November 21, 2023, and therefore transferred to property, plant and equipment (Note 11).

**14. Accounts Payable and Accrued Liabilities**

	<b>July 31, 2024</b>	<b>October 31, 2023</b>
Accounts payable	\$ 265,323	\$ 152,128
Accrued liabilities	222,974	564,654
	<b>\$ 488,297</b>	<b>\$ 716,782</b>

**15. Lease Liability**

The lease of the Company related to a piece of land and building in Nahunta, Georgia, United States, where the lithium-ion battery recycling facility will be situated. The term of the lease commenced on June 9, 2022 for monthly rent of \$2,500, and was set to expire on June 7, 2032. There was an option to extend the term for an additional 10 years, for a monthly rent of \$5,000.

The lease includes an option to purchase the property by the Company, (i) if exercised prior to June 9, 2023, for a price of \$250,000; or, (ii) if exercised on or after June 9, 2023, for a price of \$250,000 upon transfer of title, and a further \$250,000 contingent upon the receipt by the Company of a legal opinion from a law firm that the lien on the property has been extinguished. The lease of property is subject to a general lien up to \$250,000.

	<b>Total</b>
Balance, October 31, 2022	\$ 490,494
Lease modification	15,321
Accretion expense	35,565
Lease payments	(60,000)
Balance, October 31, 2023	\$ 481,380
Accretion expense	1,953
Lease payments	(13,333)
Lease extinguishment	(470,000)
<b>Balance, July 31, 2024</b>	<b>\$ -</b>

	<b>July 31, 2024</b>	<b>October 31, 2023</b>
Allocated as:		
Current	\$ -	\$ 481,380
Non-current	-	-
	<b>\$ -</b>	<b>\$ 481,380</b>

The lease that the Company entered into is a related party transaction. See Note 20 for further details.

**Full Circle Lithium Corp. (formerly ESG Capital 1 Inc.)**  
**Notes to Condensed Interim Consolidated Financial Statements**  
**For the three and nine months ended July 31, 2024 and 2023**  
**(Expressed in United States Dollars)**  
**(Unaudited)**

**15. Lease Liability (continued)**

<b>Undiscounted remaining cash flows</b>	<b>July 31, 2024</b>	<b>October 31, 2023</b>
Less than one year	\$ -	\$ 483,333
Greater than one year	-	-
Total undiscounted lease liability	-	483,333
Amount representing implicit interest	-	(1,953)
Lease liability	\$ -	\$ 481,380

At the commencement date of the lease, the lease liability was measured at the present value of the lease payments that were not paid at that date and the exercise of a purchase option estimated to be made in June of 2024. The lease payments were discounted using an interest rate of 7.0%, which was the Company's incremental borrowing rate based on estimated commercial mortgage rates in the United States. The effective interest rate was 7.72%.

After the completion of a reverse take-over of the Company and the listing of its shares, in May 2023, the lease was modified for an increase of monthly lease payment to \$5,000 per month. The lease liability was remeasured at the present value of the lease payments that were not paid at that date, and the exercise of the purchase option was estimated to be made in November 2023. The lease payments were discounted using an interest rate of 7.0%, which was the Company's incremental borrowing rate based on estimated commercial mortgage rates in the United States. The effective interest rate was 7.25% upon modification.

On May 7, 2023, the Company entered into a term sheet in connection to negotiations with the landlord regarding a potential transaction wherein the purchase option would be exercised for the Company to acquire ownership of the property under lease. In accordance with the term sheet, an advance payment of \$30,000 was made by the Company to the landlord.

On September 24, 2023, the Company entered into a Contract for the Purchase of Real Estate with the landlord regarding the exercise of the purchase option for the Company to acquire ownership of the property under lease. The transaction price was \$500,000, payable as follows:

- i) \$250,000 upon closing less a credit of \$30,000 paid in advance; and
- ii) \$250,000 pursuant to an escrow agreement in which \$125,000 was paid to the seller on March 28, 2024, and the remaining \$125,000 will be paid to the seller upon satisfaction of the lien on the property.

On November 21, 2023, the Company completed the transaction to purchase the property under lease and received the title to the land and building at the site. In accordance with the agreement between the parties, a total of \$375,000 has been paid to the landlord, inclusive of the \$30,000 paid in advance to the landlord. The remaining balance of \$125,000 is held in escrow and will be paid subject to the seller's extinguishment of the lien on the property. The lease liability was derecognised, and right-of-use assets (Note 13) associated with this lease were transferred to property, plant and equipment (Note 11), with net book value of \$62,010 allocated to land, and \$421,952 allocated to buildings. There is no gain or loss on extinguishment of lease liability as a result of this transaction.

**16. Share Capital**

Authorized share capital

The authorized share capital consists of an unlimited number of common shares without par value.

---

**Full Circle Lithium Corp. (formerly ESG Capital 1 Inc.)**  
**Notes to Condensed Interim Consolidated Financial Statements**  
**For the three and nine months ended July 31, 2024 and 2023**  
**(Expressed in United States Dollars)**  
**(Unaudited)**

---

**16. Share Capital (continued)**

Issued shares

*For the nine months ended July 31, 2024:*

On July 18, 2024, the Company closed a non-brokered private placement of 6,262,000 units at CAD\$0.25 per unit, for aggregate proceeds of \$1,143,545 (CAD\$1,565,500) (the "July 2024 Private Placement"). Each unit comprised of one common share of the Company, and one-half of one common share purchase warrant of the Company (the "Warrant"). Each whole Warrant is exercisable at a price of CAD\$0.35 per common share for 24 months from the date of issuance. The Warrants were assigned a fair value of \$235,845 (CAD\$322,870) estimated by using the Black-Scholes option pricing model, using the following assumptions: share price – CAD\$0.26, exercise price – CAD\$0.35; risk-free interest rate – 3.70%; expected volatility – 111.27%, using comparable companies; dividend yield – 0%; and expected life – 2.0 years.

In connection with the July 2024 Private Placement, and pursuant to the terms of a finder's agreement entered into by the finders and the Company, the finders are entitled to: (i) a cash commission of \$72,049 (CAD\$98,634); and (ii) 394,535 finder warrants (the "Finder Warrants"). In addition, the Company paid legal fees of \$16,084 (CAD\$22,019) included in share issuance cost. Each Finder Warrant is exercisable for one common share of the Company and one half of one Warrant, at a price of CAD\$0.25 for a period of 24 months from the date of issuance. Each whole Warrant underlying the Finder Warrants is exercisable at a price of CAD\$0.35 per common share for 24 months from the date of issuance. The Finder Warrants were assigned a fair value of \$44,408 (CAD\$60,794), estimated by using the Black-Scholes option pricing model, using the following assumptions: share price – CAD\$0.26, exercise price – CAD\$0.25; risk-free interest rate – 3.70%; expected volatility – 111.27%, using comparable companies; dividend yield – 0%; and expected life – 2.0 years.

*For the nine months ended July 31, 2023:*

On January 18, 2023, the Company closed the private placement of 13,974,786 units of subscription receipts at CAD\$0.70 per unit, for aggregate proceeds of \$7,276,111 (CAD\$9,782,350) (the "Financing"). Upon the completion of the Qualifying Transaction (Note 3), each unit of subscription receipt was exchanged for one common share of the Company, and one-half of one Warrant. Each whole Warrant is exercisable at a price of CAD\$1.10 per common share for 24 months from the date of satisfaction of the escrow release conditions. The Warrants were assigned a fair value of \$1,054,493 (CAD\$1,417,710) estimated by using the Black-Scholes option pricing model, using the following assumptions: share price – CAD\$0.60, exercise price – CAD\$1.10; risk-free interest rate – 3.88%; expected volatility – 90.13%, using comparable companies; dividend yield – 0%; and expected life – 2.0 years.

In connection with the Financing, and pursuant to the terms of an agency agreement dated January 17, 2023, entered into by the Agents, the Company and FCLI, the Agents are entitled to: (i) a cash commission of \$457,175 (CAD\$614,647) (the "Cash Fee"); and (ii) 869,495 compensation options (the "Compensation Options"). In addition, the Company paid legal fees of \$135,729 (CAD\$182,480) included in share issuance cost. Each Compensation Option is exercisable for one common share of the Company and one half of one warrant to purchase a common share of the Company (a "Compensation Warrant"), at a price of CAD\$0.70 subject to adjustment, for a period of 24 months commencing upon satisfaction of the Escrow Release Conditions, with each whole Compensation Warrant underlying the Compensation Options being exercisable into one common share at a price of CAD\$1.10 until the date that is 24 months following the satisfaction of the Escrow Release Conditions. The Compensation Options were assigned a fair value of \$224,552 (CAD\$301,899) estimated by using the Black-Scholes option pricing model, using the following assumptions: share price CAD\$0.70, exercise price – CAD\$0.70; risk-free interest rate – 3.88%; expected volatility – 90.13%, using comparable companies; dividend yield – 0%; and expected life – 2.0 years.

On April 21, 2023, the Company closed the Qualifying Transaction, and exchanged the subscription receipts for shares and warrants, respectively, of the Company on a one-for-one basis.

**Full Circle Lithium Corp. (formerly ESG Capital 1 Inc.)**  
**Notes to Condensed Interim Consolidated Financial Statements**  
**For the three and nine months ended July 31, 2024 and 2023**  
**(Expressed in United States Dollars)**  
**(Unaudited)**

**17. Stock Options (“Options”)**

On August 2, 2022, the Company’s Option Plan was approved by the Board of Directors (the “Board”). Pursuant to the terms of the Options, the Board may designate directors, officers, employees and consultants of the Company eligible to receive options to acquire such numbers of common shares as the Board may determine, the term of each option is specified by the Board, up to a maximum of ten years from the date of grant. The maximum number of common shares reserved for issuance for the instruments granted under the Options at any time is 10% of the issued and outstanding common shares of the Company.

*For the nine months ended July 31, 2024:*

On November 21, 2023, the Company granted 1,327,500 Options to management, directors, senior employees, and consultants with an exercise price of CAD\$0.55. Of these options, 25% vest immediately and 25% vest every six months afterwards, for a period of 18 months. A fair value of CAD\$497,762 was determined using the Black-Scholes option pricing model. The following assumptions were used: share price CAD\$0.50; dividend yield – 0%; expected volatility 100.37%, using comparable companies; risk free interest rate – 3.75%; and expected life – 5.0 years.

*For the nine months ended July 31, 2023:*

On April 26, 2023, the Company granted 2,000,000 Options to management, employees and a consultant with an exercise price of CAD \$0.70. Of these Options, 20% vested immediately, and 20% vests every six months afterwards for a period of 24 months. A fair value of CAD\$864,738 was determined using the Black-Scholes option pricing model. The following assumptions were used: share price CAD\$0.60; dividend yield – 0%; expected volatility 97.21%, using comparable companies; risk free interest rate – 2.98%; and expected life – 5.0 years.

During the three and nine months ended July 31, 2024, the Company recorded share-based compensation of \$101,556 and \$548,007, respectively (three and nine months ended July 31, 2023 - \$129,017 and \$358,733, respectively).

The following table reflects the continuity of Options from October 31, 2022 to July 31, 2024:

	Number of Options	Weighted average exercise price CAD (\$)
Balance, October 31, 2022	1,500,000	0.25
Granted	2,375,000	0.70
Forfeited	(25,000)	0.70
Balance, October 31, 2023	3,850,000	0.52
Granted	1,327,500	0.55
<b>Balance, July 31, 2024</b>	<b>5,177,500</b>	<b>0.53</b>

The following table reflects the actual Options issued and outstanding as at July 31, 2024:

Expiry date	Exercise price CAD (\$)	Weighted average remaining contractual life (years)	Total options	Options exercisable
August 2, 2027	0.25	3.01	1,500,000	1,200,000
April 26, 2028	0.70	3.74	1,975,000	1,185,000
September 5, 2028	0.70	4.10	375,000	250,000
November 21, 2028	0.55	4.31	1,327,500	663,750
		<b>3.70</b>	<b>5,177,500</b>	<b>3,298,750</b>

**Full Circle Lithium Corp. (formerly ESG Capital 1 Inc.)**  
**Notes to Condensed Interim Consolidated Financial Statements**  
**For the three and nine months ended July 31, 2024 and 2023**  
**(Expressed in United States Dollars)**  
**(Unaudited)**

**18. Warrants**

The following table reflects the continuity of warrants from October 31, 2022 to July 31, 2024:

	Number of warrants	Weighted average exercise price CAD (\$)
Balance, October 31, 2022	1,314,400	0.25
Issued (Note 16)	7,856,888	1.06
Balance, October 31, 2023	9,171,288	0.94
Issued (Note 16)	3,525,535	0.34
<b>Balance, July 31, 2024</b>	<b>12,696,823</b>	<b>0.77</b>

The following table reflects the actual share purchase warrants issued and outstanding as at July 31, 2024:

Expiry date	Exercise price CAD (\$)	Remaining contractual life (years)	Grant date fair value (\$)	Number of warrants outstanding
April 21, 2025	1.10	0.72	1,054,493	6,987,393
April 21, 2025	0.70	0.72	224,552	869,495
April 21, 2025	0.25	0.72	151,620	1,314,400
July 18, 2026	0.35	1.96	235,845	3,131,000
July 18, 2026	0.25	1.96	44,408	394,535
			<b>1,710,918</b>	<b>12,696,823</b>

**19. General and Administrative Expenses**

Details of the Company's general and administrative expenses are summarized as follows:

	Three months ended		Nine months ended	
	July 31, 2024	July 31, 2023	July 31, 2024	July 31, 2023
Rent and equipment rentals	\$ 79,248	\$ 14,822	\$ 294,968	\$ 15,965
Administrative expenses	68,416	121,962	223,167	197,273
Insurance	85,057	45,604	221,532	124,690
Advertising	2,966	5,467	46,081	18,590
Supplies	35,966	6,807	78,872	45,171
Utilities and waste disposal	7,201	1,934	22,606	24,343
	<b>\$ 278,854</b>	<b>\$ 196,596</b>	<b>\$ 887,226</b>	<b>\$ 426,033</b>

**Full Circle Lithium Corp. (formerly ESG Capital 1 Inc.)**  
**Notes to Condensed Interim Consolidated Financial Statements**  
**For the three and nine months ended July 31, 2024 and 2023**  
**(Expressed in United States Dollars)**  
**(Unaudited)**

**20. Related Party Transactions**

Key management includes directors and other key personnel, including the Chief Executive Officer (“CEO”), Chief Operating Officer (“COO”), Chief Technology Officer (“CTO”), Chief Financial Officer (“CFO”), and former Chief Financial Officer (“former CFO”), who have authority and responsibility for planning, directing, and controlling the activities of the Company.

All related party transactions are in the normal course of operations and are measured at fair value. All amounts either due from or due to related parties other than specifically disclosed are non-interest bearing, unsecured, and have no fixed terms of repayments.

Related party transactions with directors and companies controlled by directors include the following:

	<b>Three months ended</b>		<b>Nine months ended</b>	
	<b>July 31, 2024</b>	<b>July 31, 2023</b>	<b>July 31, 2024</b>	<b>July 31, 2023</b>
<b>Share-based compensation</b>				
Independent directors <sup>(1)</sup>	\$ 35,202	\$ 62,972	\$ 187,600	\$ 137,837
<b>Professional fees</b>				
Company, which Chairman is a partner <sup>(2)</sup>	28,517	47,999	28,517	61,213
	<b>\$ 63,719</b>	<b>\$ 110,971</b>	<b>\$ 216,117</b>	<b>\$ 199,050</b>

(1) Share-based compensation was issued to four independent directors of the Company.

(2) The Chairman of the Company is a partner at Fasken Martineau DuMoulin LLP (“Fasken”). Professional fees were paid by the Company for services relating to general corporate management matters rendered by Fasken to the Company.

**Full Circle Lithium Corp. (formerly ESG Capital 1 Inc.)**  
**Notes to Condensed Interim Consolidated Financial Statements**  
**For the three and nine months ended July 31, 2024 and 2023**  
**(Expressed in United States Dollars)**  
**(Unaudited)**

**20. Related Party Transactions (continued)**

Related party transactions with other management personnel and former management personnel and companies controlled by those management personnel include the following:

	Three months ended		Nine months ended	
	July 31, 2024	July 31, 2023	July 31, 2024	July 31, 2023
<b>Share-based compensation</b>				
CEO	\$ 29,053	\$ 33,949	\$ 161,129	\$ 81,587
COO	12,217	32,498	61,379	77,258
CTO	4,623	10,591	23,823	25,031
Former CFO	-	1,694	-	3,366
<b>Professional fees</b>				
CTO	-	15,000	1,000	33,000
Company controlled by CEO <sup>(1)</sup>	-	-	-	60,347
Company controlled by COO <sup>(2)</sup>	-	70,000	-	118,000
Company, which former CFO is a senior employee <sup>(3)</sup>	-	58,528	-	72,234
<b>Salaries and wages</b>				
CEO	56,340	56,241	168,843	56,241
CFO <sup>(4)</sup>	3,417	-	10,330	-
<b>Professional fees capitalized to property, plant and equipment</b>				
Company controlled by COO <sup>(5)</sup>	56,250	-	168,750	-
CTO	18,000	-	58,000	-
<b>Purchase of property, plant and equipment</b>				
Company controlled by COO <sup>(6)</sup>	-	-	-	1,400
Company controlled by COO <sup>(7)</sup>	-	-	-	20,840
<b>Lease payment</b>				
Company controlled by COO <sup>(8)</sup>	-	30,000	13,333	45,000
<b>Purchase of lease assets</b>				
Company controlled by COO <sup>(8)</sup>	-	-	470,000	-
	\$ 179,900	\$ 308,501	\$ 1,136,587	\$ 594,304

(1) The CEO is the owner of Vamp Financial Corp ("Vamp"). Consulting fees were paid by the Company for services relating to general corporate management matters rendered by Vamp to the Company.

(2) Consulting fees were paid to Full Circle Lithium LLC ("FCL LLC"), a company owned by the COO.

(3) The former CFO is a senior employee of Marrelli Support Services Inc. ("MSSI"). Professional fees were paid by the Company for services relating to general accounting and financial reporting matters rendered by MSSI to the Company. The former CFO of the Company ceased to be CFO effective July 31, 2023.

(4) The CFO of the Company commenced to be CFO effective August 1, 2023.

(5) Consulting fees were paid to Full Circle Lithium LLC ("FCL LLC"), a company owned by the COO. The amounts were capitalized into property, plant and equipment during the three and nine months ended July 31, 2024.

(6) Equipment and leasehold improvements were purchased from Full Circle Lithium LLC ("FCL LLC"), a company owned by the COO.

(7) Equipment and leasehold improvements were purchased from Southwest Technologies LLC ("SW LLC"), a company owned by the COO.

(8) The Company entered into a lease agreement with FCL LLC, a Company owed by the COO for land and building. The Company completed the purchase of the property previously under lease on November 21, 2023. See Notes 11, 13, and 15 for further details.

**Full Circle Lithium Corp. (formerly ESG Capital 1 Inc.)**  
**Notes to Condensed Interim Consolidated Financial Statements**  
**For the three and nine months ended July 31, 2024 and 2023**  
**(Expressed in United States Dollars)**  
**(Unaudited)**

**20. Related Party Transactions (continued)**

Balances due to related parties include the following:

	July 31, 2024	October 31, 2023
<b>Accounts payable and accrued liabilities</b>		
CEO <sup>(1)</sup>	\$ 57,083	\$ 50,354
COO <sup>(2)</sup>	-	135,000
CTO <sup>(3)</sup>	6,000	-
Company, which Chairman is a partner <sup>(4)</sup>	32,435	36,265
	<b>\$ 95,518</b>	<b>\$ 221,619</b>

(1) Amounts owing to the CEO relate to expense reimbursements and accrued salaries (October 31, 2023: expense reimbursements and accrued bonus), which are unsecured, non-interest bearing and due on demand.

(2) Amounts were owed as at October 31, 2023 to the COO relate to accrued bonus, which are unsecured, non-interest bearing and due on demand.

(3) Amounts owing to the CTO relate to consulting fees that were capitalized into property, plant and equipment, which are unsecured, non-interest bearing and due on demand.

(4) The Chairman of the Company is a partner at Fasken Martineau DuMoulin LLP ("Fasken"). Amounts were owed for services relating to general corporate management matters rendered by Fasken to the Company. Amounts owed are unsecured, non-interest bearing and due on demand.

**21. Commitments and Contingencies**

The Company is party to a consulting agreement with the CTO of the Company whereby the CTO is eligible to be compensated of up to \$1,250,000 based on the completion of certain Company operational milestone achievements.

The Company is party to a consulting agreement with a company controlled by the COO of the Company whereby the COO is eligible to be compensated of up to \$1,375,000 based on the completion of certain Company operational milestone achievements.

In March 2024, a former consultant of the Company filed a complaint in the Circuit Court of the Fourth Judicial Circuit in the State of Florida, United States against the Company for alleged breach of contract, breach of agreement and unjust enrichment. The complaint alleges non-payment of certain fees and earnings for services. The Company is objecting to the complaint, has retained counsel to address and filed a motion to dismiss on grounds of improper jurisdiction and nonviability of the claims. The amounts and outcome of the complaint cannot be determined at this time and has not been accrued for in these condensed interim consolidated financial statements for the three and nine months ended July 31, 2024.

**22. Segment Information**

Reportable segments are those operations whose operating results are reviewed by the chief operating decision maker, being the individual at the Company making decisions about resources to be allocated to a particular segment, and assessing performance provided those operations pass certain quantitative thresholds.

The Company operates in only one reportable segment, being lithium and battery material reintegration.

Geographic information related to the Company's assets and revenue is as follows:

<b>Assets</b>	<b>July 31, 2024</b>	<b>October 31, 2023</b>
Canada	\$ 646,929	\$ 3,626,111
United States	5,785,860	4,794,934
<b>Total</b>	<b>\$ 6,432,789</b>	<b>\$ 8,421,045</b>

**Full Circle Lithium Corp. (formerly ESG Capital 1 Inc.)**  
**Notes to Condensed Interim Consolidated Financial Statements**  
**For the three and nine months ended July 31, 2024 and 2023**  
**(Expressed in United States Dollars)**  
**(Unaudited)**

**22. Segment Information (continued)**

Revenue	Three months ended		Nine months ended	
	July 31, 2024	July 31, 2023	July 31, 2024	July 31, 2023
Canada	\$ -	\$ -	\$ -	\$ -
United States	9,990	-	9,990	-
Total	\$ 9,990	\$ -	\$ 9,990	\$ -

**23. Supplemental Disclosures with Respect to Cash Flows**

	Nine months ended		Nine months ended	
	July 31, 2024		July 31, 2023	
Purchase of property, plant and equipment included in accounts payable and accrued liabilities	\$	97,658	\$	-
Purchase of intangible assets included in accounts payable and accrued liabilities	\$	86,226	\$	-
Lease extinguishment payment included in purchase of property, plant and equipment	\$	465,000	\$	-
Lease extinguishment payment set off by prepaid expenses and deposits	\$	5,000	\$	-
Shares issued in connection with reverse take-over (RTO)	\$	-	\$	1,559,377

**24. Financial Risk Management**

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Company's financial instruments consist of cash and cash equivalents, restricted cash, other receivables, and accounts payable and accrued liabilities. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from its financial instruments. The fair values of these financial instruments approximate their carrying values unless otherwise noted.

The type of risk exposure and the way in which such exposure is managed is provided as follows:

*Credit risk*

The financial instrument which potentially subjects the Company to concentration of credit risk is cash and cash equivalents. As at July 31, 2024, the balance of cash and cash equivalents held on deposit was \$789,218. The Company has not experienced any losses in such amounts and believes it is not exposed to any significant risks on its cash in bank accounts.

*Liquidity risk*

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company manages its capital in order to meet short term business requirements, after taking into account cash flows from operations, expected capital expenditures and the Company's holdings of cash. In the long term, the Company may have to issue additional shares to ensure there is sufficient capital to meet long term objectives.

The Company's financial liabilities of accounts payable and accrued liabilities are payable without repayment terms and are to be funded from cash provided by issuance of equity.

## **24. Financial Risk Management (continued)**

### *Market risk*

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and price risk.

#### (a) Interest rate risk

The Company has cash and cash equivalents balances. The Company's current policy is to invest excess cash in guaranteed investment certificates or interest-bearing accounts of major Canadian chartered banks. The Company regularly monitors compliance to its cash management policy. Management believes interest rate risk to be minimal.

#### (b) Foreign currency risk

The Company's functional currency is the Canadian dollar and reporting currency is the United States dollar ("US dollar") and is exposed to foreign currency risk with respect to its cash and cash equivalents, other receivables, prepaid expenses and deposit, and accounts payable and accrued liabilities held in a foreign currency.

As at July 31, 2024, the Company's Canadian entities held cash and cash equivalents of \$815 denominated in US dollars. As at July 31, 2024, if the value of the Canadian dollar had strengthened or weakened by 5% against the US dollar, with all other variables held constant, net and comprehensive loss would have been \$41 lower or higher respectively.

#### (c) Price risk

The Company is exposed to price risk with respect to equity and commodity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, individual equity movements and the stock market in general to determine the appropriate course of action to be taken by the Company.

## **25. Management of Capital Risk**

The Company relies upon management to manage capital in order to accomplish the objective of:

- Ensuring sufficient financial flexibility to achieve ongoing business objectives, including funding of future growth opportunities, and pursuit of accretive acquisitions; and,
- Maximizing shareholder return through enhancing the share value.

The Company's current capital consists of equity funding through issuances of common shares. There have been no changes to the Company's policies around the management of its capital requirements from the year ended October 31, 2023.