FORZA LITHIUM CORP.
Financial Statements
For the Year Ended October 31, 2023 and for the Period from Incorporation on March 2, 2022 to October 31, 2022
(Expressed in Canadian dollars)

INDEPENDENT AUDITORS' REPORT

To the Shareholders and Directors of Forza Lithium Corp.

Opinion

We have audited the financial statements of Forza Lithium Corp. (the "Company") which comprise the statement of financial position as at October 31, 2023, and the statements of loss and comprehensive loss, cash flows and changes in shareholders' equity for the year then ended, and the related notes comprising a summary of significant accounting policies and other explanatory information (together, the "Financial Statements").

In our opinion, the accompanying Financial Statements present fairly, in all material respects, the financial position of the Company as at October 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the accompanying Financial Statements, which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements for the year ended October 31, 2023. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter described in the Material Uncertainty Related to Going Concern section, we have determined that there are no other key audit matters to communicate in our report.

Other Information

Management is responsible for the other information, which comprises the information included in the Company's Management Discussion & Analysis to be filed with the relevant Canadian securities commissions.

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

In connection with our audit of the Financial Statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Other Matter

The financial statements of the Company as of October 31, 2022 and for the period from incorporation on March 3, 2022 to October 31, 2022 which are presented for comparative purposes, were audited by another auditor who expressed an unmodified opinion on those Financial Statements on April 26, 2023.

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

Management is responsible for the preparation and fair presentation of the Financial Statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

The engagement partner on the audit resulting in this independent auditors' report is Artem Valeev.

Manning Elliott LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, British Columbia

February 28, 2024

FORZA LITHIUM CORP.
Statements of Financial Position
As at October 31, 2023 and 2022
(Expressed in Canadian dollars)

	October 31, 2023	October 31, 2022
	$	$
Assets		
Current		
Cash	**90,876**	105,385
GST receivable	**25,177**	18,840
Deferred financing costs	**-**	36,000
Prepaid expenses	**-**	4,988
Total assets	**116,053**	165,213
Liabilities		
Current		
Accounts payable and accrued liabilities – note 7	**27,387**	26,295
Shareholders' equity		
Share capital – note 6	**816,478**	347,500
Reserve – note 6	**64,239**	24,900
Deficit	**(792,051)**	(233,482)
	88,666	138,918
Total liabilities and shareholders' equity	**116,053**	165,213

Operations and going concern – Note 1
Commitments – Note 8
Subsequent event – Note 13

These financial statements were approved and authorized for issue by the Board of Directors on February 28, 2024 and are signed on its behalf by:

"Robert Coltura" Director *"Nicholas Coltura"* Director

(The accompanying notes are an integral part of these financial statements)

FORZA LITHIUM CORP.
Statements of Loss and Comprehensive Loss
For the Year Ended October 31, 2023 and for the Period from Incorporation on March 3, 2022 to October 31, 2022
(Expressed in Canadian dollars)

		October 31, 2023		For the period from incorporation on March 3, 2022 to October 31, 2022
Expenses				
Resource property exploration – notes 5 & 7	$	**184,827**	$	139,867
Legal and accounting – note 7		**153,292**		26,946
Management fees – note 7		**125,000**		28,000
Regulatory and transfer agent fees		**25,811**		-
Travel and entertainment		**18,577**		5,648
Office and miscellaneous		**13,012**		2,871
Shareholder relations		**10,233**		-
Rent – note 7		**9,000**		5,250
Consulting fees – note 7		**7,500**		-
Share-based payments – notes 6 & 7		**11,317**		24,900
Net loss and comprehensive loss		**(558,569)**		(233,482)
Loss per share, basic and diluted	$	**(0.04)**	$	(0.03)
Weighted average number of common shares outstanding		**14,264,863**		7,836,054

(The accompanying notes are an integral part of these financial statements)

FORZA LITHIUM CORP.
Statements of Changes in Shareholders' Equity
For the Year Ended October 31, 2023 and for the Period from Incorporation on March 3, 2022 to October 31, 2022
(Expressed in Canadian dollars)

	Share Capital				Total
	Shares #	Amount $	Reserve $	Deficit $	Shareholders' equity $
Balance, March 3, 2022	**-**	**-**		**-**	**-**
Incorporation share	1	-	-	-	-
Issuance of common shares	6,499,999	235,000	-	-	235,000
Issuance of flow-through shares	5,625,000	112,500	-	-	112,500
Share-based payments	-	-	24,900	-	24,900
Net loss and comprehensive loss	-	-	-	(233,482)	(233,482)
Balance, October 31, 2022	**12,125,000**	**347,500**	**24,900**	**(233,482)**	**138,918**

	Share Capital				Total
	Shares #	Amount $	Reserve $	Deficit $	Shareholders' equity $
Balance, October 31, 2022	**12,125,000**	**347,500**	**24,900**	**(233,482)**	**138,918**
Issuance of common shares, IPO	5,750,000	575,000	-	-	575,000
Share issuance costs	-	(146,022)	28,022	-	(118,000)
Share-based payments	-	-	11,317	-	11,317
Share issuance for property acquisition	400,000	40,000	-	-	40,000
Net loss and comprehensive loss	-	-	-	(558,569)	(558,569)
Balance, October 31, 2023	**18,275,000**	**816,478**	**64,239**	**(792,051)**	**88,666**

(The accompanying notes are an integral part of these financial statements)

FORZA LITHIUM CORP.
Statements of Cash Flows
For the Year Ended October 31, 2023 and for the Period from incorporation on March 3, 2022 to October 31, 2022
(Expressed in Canadian dollars)

	October 31, 2023	For the period from incorporation on March 3, 2022 to October 31, 2022
Cash provided by (used for)	**$**	$
Operating activities		
Net loss for the period	**(558,569)**	(233,482)
Items not affecting cash:		
Shares issued for property acquisition	**40,000**	-
Share-based payments	**11,317**	24,900
	(507,252)	(208,582)
Net change in non-cash working capital:		
GST receivable	**(6,337)**	(18,840)
Prepaid expenses	**4,988**	(4,988)
Accounts payable and accrued liabilities	**1,092**	26,295
Cash used in operating activities	**(507,509)**	(206,115)
Financing activities		
Deferred financing costs	**-**	(36,000)
Share issuance cost	**(82,000)**	-
Proceeds from share issuances	**575,000**	347,500
Cash provided by financing activities	**493,000**	311,500
Increase (decrease) in cash during the period	**(14,509)**	105,385
Cash, beginning of period	**105,385**	-
Cash, end of period	**90,876**	105,385
Supplemental cash flow information		
Shares issued for property acquisition	**$ 40,000**	$ -

(The accompanying notes are an integral part of these financial statements)

1. OPERATIONS AND GOING CONCERN

Forza Lithium Corp. (the "Company" or "Forza") was incorporated on March 3, 2022 under the Business Corporations Act (British Columbia). The address of the Company's corporate office and principal place of business is 9285 – 203B Street, Langley, British Columbia, V1M 2L9. The common shares of the Company are listed on the Canadian Securities Exchange ("CSE") under the symbol "FZ" and have commenced for trading on June 28, 2023.

The Company is in the exploration stage and its principal business activity is the identification, acquisition and exploration of resource properties.

The Company is in the process of exploring its principal resource property in Ontario and has not yet determined whether the property contains ore reserves that are economically recoverable.

The Company incurred a net loss of $558,569 for the year ended October 31, 2023, and has an accumulated deficit of $792,051 as at October 31, 2023, which has been funded by the issuance of equity. The Company's ability to continue as a going concern is uncertain and is dependent upon the generation of profits from resource properties, obtaining additional financing or maintaining continued support from its shareholders and creditors. While the Company has been successful in obtaining financing in the past, there is no assurance that such financing will continue to be available or be available on favourable terms in the future. An inability to raise additional financing may impact the future assessment of the Company as a going concern. In the event that additional financial support is not received, or operating profits are not generated, the carrying values of the Company's assets may be adversely affected. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

The Company's continuation as a going concern is dependent upon the successful results from its mineral property exploration activities and its ability to attain profitable operations and generate funds from and/or raise equity capital or borrowings sufficient to meet current and future obligations.

These financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying financial statements. In assessing the appropriateness of the going concern assumption management is required to consider all available information about the future, which is at least, but not limited to, 12 months from the statements of financial position date. Management has carried out an assessment of the going concern assumption and has concluded that it is appropriate that the financial statements are prepared on a going concern basis. Accordingly, these financial statements do not reflect any adjustments to the carrying value of assets and liabilities, or the impact on the statements of loss and comprehensive loss and statements of financial position classifications that would be necessary were the going concern assumption not appropriate.

2. BASIS OF PREPARATION

(a) Statement of Compliance

These financial statements have been prepared in accordance the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These financial statements were reviewed by the Audit Committee and approved and authorized for issuance by the Board of Directors on February 28, 2024.

(b) Presentation and Measurement

These financial statements are prepared on an accrual basis and are based on historical costs except for certain financial instruments which are measured at fair value as explained in the accounting policies set out in Note 4. The financial statements are presented in Canadian dollars, which is also the Company's functional currency, unless otherwise noted. The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

3. ADOPTION OF NEW OR AMENDED ACCOUNTING STANDARDS

Accounting Standards and Amendments Issued but not yet Effective

The Company has performed an assessment of new standards issued by the IASB that are not yet effective. The Company has assessed that the impact of adopting these accounting standards on its financial statements would not be significant.

4. SIGNIFICANT ACCOUNTING POLICIES

(a) Cash and cash equivalents

Cash equivalents consist of cash on hand, balances with banks and highly liquid market investments with original terms of maturity of less than 90 days at time of acquisition, or which are redeemable at the option of the Company. The Company did not hold any cash equivalents as at October 31, 2023.

(b) Resource property interests

Resource properties' exploration and evaluation activities involve the search for minerals, the determination of technical feasibility and the assessment of commercial viability of an identified resource.

Costs incurred before the Company has obtained the legal rights to explore an area are recognized in profit or loss. All exploration and evaluation expenditures incurred after the legal title and rights in mineral claims are secured are also recognized in profit or loss. Such expenditures include, but are not limited to, mineral title maintenance expenditures, acquisition costs per option agreements, evaluation costs including drilling costs directly attributable to a property, and directly attributable general and administrative costs including share-based payments to geologists.

From time to time the Company may acquire or dispose of a resource property pursuant to the terms of an option agreement. As the options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded. Option payments are recorded as property costs or recoveries when the payments are made or received.

The Company's entitlement to mineral exploration tax credits are accounted for on an accrual basis and are credited against exploration costs recognized in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Resource property interests (continued)

i) Decommissioning liabilities

An obligation to incur decommissioning and site rehabilitation costs occurs when environmental disturbance is caused by exploration, evaluation, development or on-going production.

Decommissioning and site rehabilitation costs arising from the installation of plant and other site preparation work, discounted to their net present value, are provided when the obligation to incur such costs arises and are capitalized into the cost of the related asset. These costs are charged against operations through depreciation of the asset and unwinding of the discount on the provision.

Depreciation is included in operating costs while the unwinding of the discount is included as a financing cost. Changes in the measurement of a liability relating to the decommissioning or site rehabilitation of plant and other site preparation work are added to, or deducted from, the cost of the related asset.

The costs for the restoration of site damage, which arises during production, are provided at their net present values and charged against operations as extraction progresses.

Changes in the measurement of a liability, which arises during production, are charged against operating profit. The discount rate used to measure the net present value of the obligations is the pre-tax rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. As at October 31, 2023, the Company does not have any material decommissioning liabilities.

(c) Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Share-based payments

The Company grants share options to acquire common shares of the Company to directors, officers, employees and consultants. The fair value of share-based payments to employees is measured at grant date, using the Black-Scholes option pricing model, and is recognized over the vesting period for employees using the graded vesting method. Fair value of share-based payments for non-employees is recognized and measured at the date the goods or services are received based on the fair value of the goods or services received. If the fair value of goods and services received cannot be reliably measured, the share-based payment is measured at the fair value of the equity instruments issued using the Black-Scholes option pricing model.

For both employees and non-employees, the fair value of share-based payments is recognized as an expense in profit or loss with a corresponding increase in options reserve. The amount recognized as an expense is adjusted to reflect the number of share options expected to vest. Consideration received on the exercise of stock options is recorded in share capital and the related share-based payment in options reserve is transferred to share capital.

Where the terms of an equity-settled award are modified, the minimum expense recognized is the expense as if the terms had not been modified. An additional amount is recognized on the same basis as the amount of the original award for any modification which increases the total fair value of the share-based payment arrangement or is otherwise beneficial to the employee as measured at the date of modification.

(e) Valuation of equity units issued in private placements

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the most easily measurable component, being the share, based on fair value and then the residual value, if any, to the less easily measurable component, being the warrant.

(f) Share issue costs

Professional, consulting, regulatory and other costs directly attributable to financing transactions are recorded as deferred financing costs until the financing transactions are completed, if the completion of the transaction is considered likely; otherwise they are expensed as incurred. Share issue costs are charged to share capital when the related shares are issued. Deferred financing costs related to financing transactions that are not completed are charged to profit or loss.

(g) Flow-through shares

Resource expenditures for income tax purposes related to Canadian exploration and development activities funded by flow-through share arrangements are renounced to investors in accordance with income tax legislation. At the time flow-through shares are issued, there may be a potential premium paid on the flow-through shares calculated based on the share issuance price and the market price at the time of closing. A liability is recognized for the premium on the flow-through shares reducing share capital and is subsequently reversed as the Company incurs qualifying Canadian exploration expenses and recorded to other income. In instances where the Company has sufficient deductible temporary differences available to offset the deferred income tax liability created from renouncing qualifying expenditures, the realization of the deductible temporary differences will be shown as a recovery in profit or loss in the period of renunciation.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Income taxes

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

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

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

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

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

(i) Basic and diluted loss per share

Basic net loss per share is computed by dividing net loss by the weighted average number of common shares outstanding during the year. The treasury stock method is used for the calculation of diluted net loss per share. Stock options and share purchase warrants are dilutive when the average market price of the common shares during the period exceeds the exercise price of the options and warrants.

As the Company has recorded a net loss in the period presented, basic and diluted net loss per share are the same as the exercise of stock options or share purchase warrants are anti-dilutive.

(j) Financial instruments

<u>Financial assets</u>

The Company recognizes a financial asset when it becomes party to a contract. On initial recognition, financial assets are recognized at fair value and are subsequently classified and measured at: (i) amortized cost; (ii) fair value through other comprehensive income (“FVOCI”); or (iii) fair value through profit or loss (“FVTPL”). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial asset is measured at fair value net of transaction costs that are directly attributable to its acquisition except for financial assets at FVTPL where transaction costs are expensed. All financial assets not classified and measured at amortized cost or FVOCI are measured at FVTPL. On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment’s fair value in other comprehensive income.

The classification determines the method by which the financial assets are carried on the statements of financial position subsequent to inception and how changes in value are recorded. Cash is classified as FVTPL.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Financial instruments (continued)

Impairment

An 'expected credit loss' impairment model applies which requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset's original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period

In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Financial liabilities

The Company recognizes a financial liability when it becomes party to a contract. Financial liabilities are classified as either: (i) fair value through profit or loss; or (ii) amortized cost. All financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities at FVTPL. The classification determines the method by which the financial liabilities are carried on the statements of financial position subsequent to inception and how changes in value are recorded. Accounts payable are classified as amortized cost.

As at October 31, 2023, the Company does not have any derivative financial liabilities.

Derecognition of financial assets and liabilities

Financial assets are derecognized either when the Company has transferred substantially all the risks and rewards of ownership of the financial asset, or when cash flows expire.

A write-off of a financial asset (or a portion thereof) constitutes a derecognition event. Write-off occurs when the Company has no reasonable expectations of recovering the contractual cash flows on a financial asset.

A financial liability is derecognized when the contractual obligation under the liability is discharged, cancelled or expires or its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Use of accounting estimates and judgments

The preparation of the Company's 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 consolidated financial statements and reported amounts of income and expenses during the reporting period. 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 may differ significantly from these estimates.

Areas requiring a significant degree of judgment that have the most significant effect on the amounts recognized in the Company's financial statements are as follows:

Going Concern

The assessment of the Company's ability to continue as a going concern involves critical judgement based on historical experience and expectations of the Company's ability to generate adequate financing. Significant judgements are used in the Company's assessment of its ability to continue as a going concern.

Income Taxes

Deferred tax assets and liabilities are determined based on differences between the financial statement carrying values of assets and liabilities and their respective income tax bases ("temporary differences"), and losses carried forward.

The determination of the ability of the Company to utilize tax loss carry-forwards to offset deferred tax liabilities requires management to exercise judgement and make certain assumptions about the future performance of the Company. Management is required to assess whether it is probable that the Company will benefit from these prior losses and other deferred tax assets. Change in economic conditions, metal prices and other factors could result in revision to the estimates of the benefits to be realized or the timing of utilizing the losses.

Share-based payments

In determining the fair value of share-based payments, the Company uses the Black-Scholes option pricing model. The Black-Scholes option pricing model requires the input of highly subjective assumptions such as the expected life of the options, estimates of interest rates and share price volatility that can materially affect the fair value estimate.

(Expressed in Canadian dollars)

5. RESOURCE PROPERTY INTEREST

On March 23, 2022 and as amended on January 9, 2023, the Company entered into an option agreement with Gravel Ridge Resources Ltd. and 1544230 Ontario Inc. (collectively, the "Optionors") to acquire a 100% undivided interest in the unpatented mining claims associated with the Jeanette lithium property which consists of four claims comprising 1,820 hectares (the "Property") and is located 80 km northeast of Ear Falls, Ontario (the "Agreement").

The Property is also subject to a 1.5% net smelter royalty ("NSR"), of which up to one-third may be purchased by way of a one-time payment to the Optionors the sum of $500,000.

Under the terms of the Agreement, the Company can earn a 100% interest in the Property by making aggregate cash payments of $80,000 and issuing 400,000 common shares as set out in the table below.

Payment term	Common shares	Cash payment
Upon the signing of the Agreement	Nil	$12,000 (paid)
The earlier of the date of listing on the CSE and September 30, 2023	400,000 shares (issued)	$16,000 (paid)
The earlier of the first anniversary of the CSE listing date and September 30, 2024	Nil	$22,000
The earlier of the second anniversary of the CSE listing date and September 30, 2025	Nil	$30,000
	400,000 shares	$ 80,000

6. SHARE CAPITAL

a) **Authorized** – Unlimited common shares without par value.

b) **Issued and outstanding –** As at October 31, 2023, there were 18,275,000 issued and outstanding, and 3,262,500 common shares were in escrow.

During the period ended October 31, 2022, the Company had the following transactions:

On March 3, 2022, the Company issued a common share on incorporation.

On March 9, 2022, the Company issued 1,999,999 common shares to the Directors and Officers of the Company at a fair value of $0.005 per share.

On April 13, 2022, the Company issued 4,125,000 flow-through shares at a fair value of $0.02 per share.

On April 14, 2022, the Company issued 1,500,000 flow-through shares at a fair value of $0.02 per share and issued 900,000 common shares at a fair value of $0.05 per share.

On September 29, 2022, the Company issued 3,600,000 common shares at a fair value of $0.05 per share.

During the year ended October 31, 2023, the Company had the following transactions:

On June 27, 2023, the Company finalized its Initial Public Offering (the "IPO") of 5,000,000 common shares at a price of $0.10 per share for gross proceeds of $500,000. The Company also issued an additional 750,000 common shares at $0.10 per share to the Underwriter Agent for gross proceeds of $75,000. In connection with the IPO, the Company incurred an aggregate amount of $118,000 as financing costs and issued 517,500 agent options ("Agent Option") with a fair value of $28,022 to the Underwriter.

Pursuant to the Jeanette Property option agreement dated March 23, 2022 and amended agreement dated January 9, 2023 (note 5), the Company issued a total of 400,000 common shares to the optionors, Gravel Ridge Resources Ltd. and 1544230 Ontario Inc. The shares were valued at $40,000.

(Expressed in Canadian dollars)

6. SHARE CAPITAL (continued)

c) Options

The Company has an incentive stock option plan (the "Plan") pursuant to which the Board may, from time to time, grant options to directors, officers, employees and consultants of the Company. The number of common shares granted under each option and the vesting terms thereof are at the discretion of the Board after discussion with management. Options granted under the Plan must have a term of no more than ten years from the date of grant. The exercise price of each option granted under the Plan is at the discretion of the Board, provided that the exercise price is not lower than the greater of the closing market prices of the underlying securities on (a) the trading day prior to the date of grant of the stock options: and (b) the date of grant of the stock options. The number of common shares that may be optioned under the Plan is limited to 10% of the outstanding common shares from time to time; provided, that any one participant under the Plan shall not be entitled to receive options to acquire an aggregate of greater than 5% (2% in the case of consultants and those providing investor relations services) of the outstanding common shares in any 12-month period.

On October 14, 2022, the Company granted incentive stock options to various directors, officers and consultants to purchase up to 750,000 common shares exercisable on or before October 14, 2027, at an exercise price of $0.10 per share. The options, with a fair value of $24,900, vested immediately upon grant.

During the year ended October 31, 2023, the Company granted 150,000 stock options to a former director of the Company. The stock options, with a fair value of $11,317, vested immediately upon grant and are exercisable for 5 years at $0.10 per share. In connection with the IPO, the Company issued 517,500 Agent Options, with a fair value of $28,022. The Agent Options are exercisable for 2 years at $0.10 per share. The fair values of the stock options and Agent Options were estimated using Black-Scholes option pricing model with the following assumptions:

	Year ended October 31, 2023	Period from incorporation on March 3, 2022 to October 31, 2022
Share price	$0.10	$0.05
Exercise price	$0.10	$0.10
Risk free interest rate	2.81% to 4.45%	3.64%
Expected life of stock options	2 - 5 years	5 years
Expected annualized volatility	100%	100%
Expected dividend rate	0%	0%

Expected annualized volatility was based on historical stock prices of comparable public companies.

(Expressed in Canadian dollars)

6. SHARE CAPITAL (continued)

c) Options (continued)

A summary of the Company's stock options at October 31, 2023 and 2022 and the changes for the periods then ended is presented below:

	October 31, 2023		October 31, 2022	
	Options Outstanding	Weighted Average Exercise Price	Options Outstanding	Weighted Average Exercise Price
Opening balance	750,000	$ 0.10	-	$ -
Granted	150,000	$ 0.10	750,000	$ 0.10
Forfeited/cancelled	(150,000)	$ 0.10	-	-
Ending balance	750,000	$ 0.10	750,000	$ 0.10

Details of stock options outstanding and exercisable as at October 31, 2023 are as follows:

Expiry Date	Exercise Price	Outstanding and exercisable
October 14, 2027	$0.10	750,000

The weighted average remaining contractual life of stock options outstanding at October 31, 2023 was 3.96 years (2022 – 4.7 years).

The weighted average fair value at grant date of options granted during the period ended October 31, 2023 was $0.075 (2022 - $0.033) per option.

Subsequent to the year ended October 31, 2023, 150,000 stock options with expiry date of October 14, 2027 were forfeited.

Details of Agent Options outstanding and exercisable as at October 31, 2023 are as follows:

Expiry Date	Exercise Price	Outstanding and exercisable
June 27, 2025	$0.10	517,500

7. RELATED PARTY TRANSACTIONS AND BALANCES

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. The Company has identified the directors, president and chief executive officer and the chief financial officer as its key management personnel.

Included in accounts payable as at October 31, 2023 is $1,665 owing for services and expenses to directors and officers of the Company. These amounts are unsecured, non-interest bearing, and are due on demand.

(Expressed in Canadian dollars)

7. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

During the year ended October 31, 2023 and for the period from incorporation on March 3, 2022 to October 31, 2022, the Company had incurred the following compensations to key management personnel:

	2023	2022
Management fees	$ 125,000	$ -
Consulting fees	7,500	-
Accounting fees	6,500	3,500
	$ 139,000	**$ 3,500**

During the year ended October 31, 2023 and for the period from incorporation on March 3, 2022 to October 31, 2022, the Company had the following related party transactions with key management personnel:

	2023	2022
Resource property exploration	$ 123,316	$ 93,681
Rent	9,000	-
Share-based payments	11,317	19,920
	$ 143,633	**$ 113,601**

8. COMMITMENTS

The Company has a management agreement with a company controlled by the chief executive officer for management and administrative services in the amount of $4,000 per month. Either party may terminate this Agreement by giving written notice thereof to the other party. If the Company terminates this agreement, the Company shall provide working notice, payment in lieu of working notice, or a combination thereof, equal to 3 months of the fees.

9. MANAGEMENT OF CAPITAL

The Company defines capital as all components of shareholders' equity, totaling $88,666. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of resource properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company is not subject to any externally imposed capital requirements.

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

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

10. RISK AND FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, accounts payable and accrued liabilities. As at October 31, 2023, the Company classifies its cash as fair value through profit or loss, and its accounts payable and accrued liabilities as amortized cost. The fair value of accounts payable and accrued liabilities approximates carrying value because of their current nature. Cash is classified as a Level 1 financial instrument.

The Company classifies financial instruments carried at fair value according to the following hierarchy based on the amount of observable inputs used to value the instrument:

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis. Cash is classified under Level 1.

Level 2 – Fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (derived from prices). The Company does not have any financial instruments classified under Level 2.

Level 3 – Valuations in the level are those with inputs for the asset or liability that are not based on observable market data. The Company does not have any financial instruments classified under Level 3.

During the year ended October 31, 2023, there were no transfers between level 1, level 2 and level 3 classified assets and liabilities.

(a) Credit risk
Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Financial instruments which are potentially subject to credit risk for the Company consist primarily of cash. The carrying amount of financial assets represents the maximum credit exposure. The Company has gross credit exposure at October 31, 2023 relating to cash of $90,876. The cash is held at a Canadian chartered bank and the Company considers the credit risk to be minimal.

(b) 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's ability to continue as a going concern is dependent on management's ability to raise the required capital through future equity or debt issuances but there can be no assurance that such financing will be available on a timely basis under terms acceptable to the Company. The Company manages its liquidity risk by forecasting cash flows to be used in operations and anticipating any investing and financing activities. As at October 31, 2023, the Company has a cash balance of $90,876 to settle its short-term liabilities of $27,387.

(c) 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. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

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 Company has cash balances with interest based on the prime rate. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institution. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

(Expressed in Canadian dollars)

10. RISK AND FINANCIAL INSTRUMENTS (continued)

(c) Market Risk (continued)

Other Price Risk
Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer or by factors affecting all similar financial instruments traded in the market. The Company's ability to raise capital to fund exploration or development activities is subject to risks associated with fluctuations in the market price of lithium. The Company closely monitors commodity prices to determine the appropriate course of actions to be taken.

11. SEGMENTED DISCLOSURE

The Company has one operating segment: mineral exploration. The Company operates in one geographical segment, Canada. Corporate administrative activities are conducted in Canada.

12. INCOME TAXES

The Company has losses carried forward of $431,140 available to reduce income taxes in future years which expire between 2042 and 2043.

The Company has not recognized any deferred income tax assets. The Company recognizes deferred income tax assets based on the extent to which it is probable that sufficient taxable income will be realized during the carry forward periods to utilize all deferred tax assets.

The following table reconciles the amount of income tax recoverable on application of the statutory Canadian federal and provincial income tax rates:

	2023	2022
Canadian statutory income tax rate	27%	27%
	$	$
Income tax (recovery) at statutory rate	(154,089)	(62,770)
Effect of income taxes of:		
Permanent differences	(22,920)	6,694
Change in rates and others	3,761	(241)
Change in deferred tax assets not recognized	173,246	56,317
Deferred income tax recovery	-	-

The temporary differences that give rise to significant portions of the deferred tax assets not recognized are presented below:

	2023	2022
	$	$
Non-capital loss carry forwards	116,408	18,553
Resource properties	87,667	37,764
Share issuance costs	25,488	-
Deferred tax assets not recognized	(229,563)	(56,317)
	-	-

13. SUBSEQUENT EVENT

On January 18, 2024, the Company entered into a share purchase agreement ("Agreement") with Planet Green Metals Inc. ("Planet Green") and all of the shareholders of Planet Green to acquire 100% of the issued and outstanding shares of Planet Green.

Pursuant to the Agreement, the Company will purchase all of the issued and outstanding common shares of Planet Green from Planet Green shareholders. As consideration, the Company will issue 11,300,000 common shares ("Payment Shares") of the Company to the shareholders of Planet Green. The Payment Shares will be subject to a hold period of four months plus one day from the date of completion of the Transaction. Additionally, 9,050,000 of the Payment Shares will be subject to a voluntary Pooling Agreement. 20% of the pooled Payment Shares will be released on each of June 26, 2024, December 26, 2024, June 26, 2025, December 26, 2025, and June 26, 2026.

The Closing of the Agreement is subject to regulatory approval, completion of due diligence and other conditions set forth in the Agreement.