



CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2025 and 2024

(Expressed in US Dollars)

VOLT LITHIUM CORP.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at March 31, 2025 and December 31, 2024

(Expressed in US dollars)

	Note	March 31, 2025	December 31, 2024
ASSETS			
Cash		\$1,769,574	\$2,372,121
Accounts receivable	5	153,640	154,968
Goods and sales tax receivable		36,444	149,627
Prepaid expenses		113,432	322,332
		2,073,090	2,999,048
Intangible asset	8	2,337,985	2,411,047
Right of use asset	4	298,628	329,672
Royalty interest	10	332,216	351,781
Property, plant and equipment	6	2,087,948	1,791,342
Restricted deposit		48,731	48,731
Mining property and rights acquisition costs	9	3,331,035	3,330,874
Total assets		\$10,509,633	\$11,262,495
LIABILITIES			
Accounts payable and accrued liabilities	11	\$134,196	\$633,918
Deferred income	7	1,061,171	-
Current lease liability	4	84,759	83,086
		1,280,126	717,004
Derivative liabilities	13	1,694,207	1,981,064
Long term lease liability	4	235,402	257,229
Total liabilities		3,209,735	2,955,297
SHAREHOLDERS' EQUITY			
Share capital (net of issuance costs)	14	23,587,591	22,516,715
Share-based payments reserve	14	1,579,872	1,632,746
Warrants reserve	14	265,185	265,185
Contributed surplus	14	951,855	924,880
Deficit		(19,084,605)	(17,032,328)
		7,299,898	8,307,198
Total Liabilities and Shareholders' Equity		\$10,509,633	\$11,262,495
Nature of Operations and Going Concern	1		

Approved on behalf of the Board of Directors by

"Alex Wylie", CEO
Alex Wylie

"Andrew Leslie", Chairman
Andrew Leslie

VOLT LITHIUM CORP.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**

For the three months ended March 31, 2025 and 2024

(Expressed in US dollars, except number of shares)

	Note	For the three months ended March 31, 2025	For the three months ended March 31, 2024 (restated - note 2(c))
Expenses			
Consulting fees	15	\$519,833	\$293,333
Salary and wages	15	352,982	56,161
Field supplies		36,276	-
Filing and transfer fees		30,064	36,183
General and administrative	4	138,600	52,627
Amortization on intangible asset	8	73,062	73,062
Depreciation on property, plant and equipment	6	73,639	5,044
Insurance		14,130	4,236
Share-based compensation	14,15	49,039	4,062
Marketing and promotion		43,386	95,952
Research and development	7, 15	907,780	326,301
Travel		45,051	33,322
Professional fees		18,240	40,705
Loss before other items		2,302,082	1,020,988
Other income/(expense)			
Interest income		-	(19,861)
Royalty income	10	42,057	16,332
Amortization of royalty interest	10	(19,565)	(7,598)
Change in fair value of derivative liabilities	13	227,313	-
Recovery of flow-through premium liability	12	-	2,957
		249,805	(8,170)
Loss and Comprehensive Loss		\$2,052,277	\$1,029,158
Loss per share			
Basic and diluted		(\$0.01)	(\$0.01)
Weighted average common shares outstanding			
Basic and diluted		167,096,663	130,303,603

VOLT LITHIUM CORP.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**

(Expressed in US dollars, except number of shares)

	Note	Common Shares	Share Capital	Share-based payments reserve	Warrants reserve	Contributed surplus	Deficit	Total Shareholders' Equity
		#	\$	\$	\$	\$	\$	\$
As at January 1, 2024		130,303,603	17,840,944	1,580,141	217,219	748,214	(11,566,184)	8,820,334
Options granted	14	-	-	4,062	-	-	-	4,062
Warrants exercised	14	195,555	42,863	-	-	-	-	42,863
Options expired	14	-	-	(10,901)	-	10,901	-	-
Net loss for the period		-	-	-	-	-	(1,029,158)	(1,029,158)
As at March 31, 2024		130,499,158	17,883,807	1,573,302	217,219	759,115	(12,595,342)	7,838,101
As at January 1, 2025		164,724,400	22,516,715	1,632,746	265,185	924,880	(17,032,328)	8,307,198
Options granted	14	-	-	49,039	-	-	-	49,039
Options exercised	14	750,000	168,759	(74,938)	-	-	-	93,821
Options expired	14	-	-	(26,975)	-	26,975	-	-
Warrants exercised	14	4,000,414	902,117	-	-	-	-	902,117
Net loss for the period		-	-	-	-	-	(2,052,277)	(2,052,277)
As at March 31, 2025		169,474,814	23,587,591	1,579,872	265,185	951,855	(19,084,605)	7,299,898

VOLT LITHIUM CORP.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**

For the three months ended March 31, 2025 and 2024

(Expressed in US dollars)

	For the three months ended March 31, 2025	For the three months ended March 31, 2024
OPERATING ACTIVITIES		
Net loss	(\$2,052,277)	(\$1,029,158)
Items not affecting cash		
Share-based compensation	49,039	4,062
Recovery of flow-through premium liability	-	(2,956)
Amortization of royalty interest	19,565	7,598
Amortization on intangible asset	73,062	73,062
Depreciation on property, plant and equipment	73,639	5,044
Interest on lease liability	6,869	10,703
Depreciation on right of use asset	31,044	21,098
Change in fair value of derivative liabilities	(227,313)	-
Changes in non-cash working capital		
Prepaid expenses and deposits	208,900	7,149
Accounts receivable	1,328	(16,012)
Goods and services tax receivable	113,183	96,998
Accounts payable and accrued liabilities	(336,549)	(107,419)
Deferred income	1,061,171	-
Net cash provided by (used in) operating activities	(978,339)	(929,831)
INVESTING ACTIVITIES		
Mining property and rights acquisition and exploration costs	(161)	(480,403)
Property, plant and equipment costs, net	(533,418)	-
Net cash provided by (used in) investing activities	(533,579)	(480,403)
FINANCING ACTIVITIES		
Cash received on exercise of options	93,821	-
Cash received on exercise of warrants	842,573	42,863
Principal payment on lease	(27,023)	(29,313)
Net cash provided by (used in) financing activities	909,371	13,550
Increase (decrease) in cash	(602,547)	(1,396,684)
Cash, beginning of period	2,372,121	2,397,475
Cash, end of period	\$1,769,574	\$1,000,791
Supplemental disclosure of non-cash activities		
Reclassification of fair value of warrants from derivative liabilities on exercise	59,544	-
Accounts payable related to property, plant and equipment costs	779	-

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. Nature of Operations and Going Concern

Volt Lithium Corp. (the "Company") is an emerging lithium producer and lithium extraction technology innovator aiming to initiate commercial production of lithium hydroxide monohydrate and lithium carbonates by utilizing oilfield brine sources in North America.

The Company trades on the TSX Venture Exchange under the symbol "VLT", the OTCQB under the symbol "VLTLF" and the Frankfurt Exchange under the symbol "I2D". The address of the Company's corporate office and principal place of business is Suite 1925, 639 5th Avenue SW, Calgary, Alberta, Canada T2P 0M9.

The Company is an early-stage company with no revenues from operations and its activities currently include acquiring mineral exploration properties and developing lithium extraction technology. The mineral exploration and lithium extraction businesses are considered risky, and most projects will not result in producing assets.

These condensed interim consolidated financial statements have been prepared on a going concern basis, which contemplates that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. The business of extraction of lithium from oilfield brines involves a high degree of risk and there can be no assurance that current extraction methods will result in profitable operations. The Company has incurred losses to date resulting in a cumulative deficit of \$19,084,605 as at March 31, 2025 (December 31, 2024 - \$17,032,328). The recoverability of the carrying value of its long-lived assets and the Company's continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise alternative financing, if necessary, or alternatively upon the Company's ability to dispose of its interest on an advantageous basis. Changes in future conditions could require material write-downs of the carrying values.

The Company is subject to risks and challenges similar to companies in a comparable stage of exploration and development. As a result of these risks, there is significant doubt as to the appropriateness of the going concern assumption. There is no assurance that the Company's funding initiatives will continue to be successful, and these condensed interim consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statements of financial position classifications that would be necessary if the going concern assumption was inappropriate. These adjustments could be material. The Company expects to finance its property acquisitions, exploration activities and extraction technologies primarily through the issuance of Common Shares. The Company will have to raise additional funds to advance its exploration and development efforts and, while it has been successful in doing so in the past, there can be no certainty that the Company will be able to obtain necessary financing or that such financing will be available in a timely manner or on terms acceptable to the Company. As of March 31, 2025, the Company had current assets of \$2,073,090 (December 31, 2024 - \$2,999,048) to cover current liabilities of \$1,280,126 (December 31, 2024 - \$717,004). The Company's ability to obtain financing depends on numerous factors including, but not limited to, a positive mineral exploration environment, positive stock market conditions, the Company's track record and experience of management. The Company has no

proven history of performance, earnings or success. These conditions raise material uncertainties which cast significant doubt as to whether the Company will be able to continue as a going concern over the next twelve months should it not be able to obtain the necessary financing to fund exploration programs and working capital requirements.

2. Basis of Presentation

(a) Statement of compliance

These condensed interim consolidated financial statements have been prepared in accordance with the IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. The condensed interim consolidated financial statements should be read in conjunction with the annual audited financial statements for the six months ended December 31, 2024, which have been prepared in accordance with IFRS as issued by the IASB.

These condensed interim consolidated financial statements were approved and authorized for issuance by the Board of Directors of the Company on May 30, 2025.

(b) Basis of presentation

These condensed interim consolidated financial statements have been prepared on a historical cost basis except for those financial instruments which have been classified at fair value through profit or loss. In addition, except for cash flow information, these condensed interim consolidated financial statements have been prepared using the accrual method of accounting.

(c) Functional and presentation currency

Effective July 1, 2024, the Company reassessed its functional currency due to changes in underlying transactions, events, and conditions. As a result of this reassessment, the Company determined that its functional currency changed from the Canadian dollar ("C\$") to the United States dollar ("US\$"). This change reflects the Company's increased operations in the United States (the "US") and the planned scale-up of activities in the US, which will represent the primary focus of the business going forward. The change in functional currency was accounted for prospectively from July 1, 2024, with no impact on prior year comparative information. Determining the functional currency involved significant judgments to assess the primary economic environment in which the Company operates, including factors such as the currency of underlying transactions, the location of key operations, and the currency of expected cash flows.

Concurrent with the change in functional currency, the Company also elected to change its presentation currency from C\$ to US\$, effective July 1, 2024. The change in presentation currency was made to better reflect the Company's business activities, provide consistency with its functional currency, and improve comparability of its financial results with other publicly traded businesses in the industry.

The change in presentation currency was accounted for retrospectively. Comparative financial information for prior

periods has been restated to reflect the US\$ presentation currency. Profit and loss statement amounts previously reported in Canadian dollars were translated into US dollars for the three months ended March 31, 2024 using the foreign exchange rate of 1.3687 C\$/US\$, which was the rate prevailing on July 1, 2024.

A reconciliation of the prior period comparative amounts restated to reflect the US\$ presentation currency is provided below:

CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

	For the three months ended	
	March 31, 2024	
	<u>As reported</u>	<u>Restated</u>
	<u>C\$</u>	<u>US\$</u>
Expenses		
Salary and wages	76,867	56,161
Consulting fees	401,485	293,333
Filing and transfer fees	49,523	36,183
General and administrative	72,030	52,627
Amortization on intangible asset	100,000	73,062
Depreciation on property, plant and equipment	6,904	5,044
Insurance	5,798	4,236
Share-based compensation	5,561	4,062
Marketing and promotion	131,330	95,952
Research and development	446,608	326,301
Travel	45,608	33,322
Professional fees	55,713	40,705
Loss before other items	1,397,427	1,020,988
Other income/(expense)		
Interest expense	(27,182)	(19,861)
Royalty income	22,353	16,332
Amortization of royalty interest	(10,399)	(7,598)
Recovery of flow-through premium liability	4,046	2,957
	(11,182)	(8,170)
Loss and Comprehensive Loss	1,408,609	1,029,158
Loss per share		
Basic and diluted	(0.01)	(0.01)

(d) Basis of consolidation

Subsidiaries are entities controlled by the Company and are included in these condensed interim consolidated financial statements from the date that control commences until the date that control ceases. Control exists when the Company has the power, directly and indirectly, to govern the financial operating policies of an entity and be exposed to the variable returns from its activities.

All intercompany balances, transactions, revenues and expenses have been eliminated on consolidation. These condensed interim consolidated financial statements incorporate the accounts of the Company and the following subsidiaries:

Name of subsidiary	Country of incorporation	Percentage of ownership	Functional currency
Volt Lithium Operations Corp.	Canada	100%	USD
1330340 B.C. Ltd.	Canada	100%	USD
Gold Rush Caribou Inc.	Canada	100%	USD
Red Bluff VLT LLC	USA	100%	USD
Volt Management Services USA LLC	USA	100%	USD
Volt Nevada Inc.	USA	100%	USD

3. Material Accounting Policy Information

(a) Estimates and critical judgements by management

The preparation of these condensed interim consolidated financial statements require management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, revenues and expenses. Management continually evaluates these judgments, estimates and assumptions based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates and judgments, which may cause a material adjustment to the carrying amounts of assets and liabilities.

The areas which require management to make critical judgments include:

Going concern

These audited financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The assessment of the Company's ability to source future operations and continue as a going concern involves judgment. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. If the going concern assumption was not appropriate for the condensed interim consolidated financial statements, then adjustments to the carrying value of assets and liabilities, the reported expenses and the consolidated statements of financial position would be necessary (see Note 1).

The areas which require management to make significant estimates and assumptions include:

Common Share purchase warrants

The Company determines the fair value of Common Share purchase warrants issued using the Black Scholes option pricing model. This option pricing model requires the development of market-based subjective inputs, including the risk-free interest rate, expected price volatility and expected life of the warrant. Changes in these inputs and the underlying assumption used to develop them can materially affect the fair value estimate.

Deferred tax assets and liabilities

Management judgment and estimates are required in assessing whether deferred tax assets and deferred tax liabilities are recognized in the condensed interim consolidated statements of financial position. Judgments are made as to whether future taxable profits will be available in order to recognize deferred tax assets. Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. These depend on estimates of future production and sales volumes, commodity prices, reserves, operating costs, and other capital management transactions. These judgments and assumptions are subject to risk and uncertainty and changes in circumstances may alter expectations, which may impact the amount of deferred tax assets and deferred tax liabilities recognized on the condensed interim consolidated statements of financial position and the benefit of other tax losses and temporary differences not yet recognized.

Intangible assets

The Company acquired an intangible asset, being Volt Operations' proprietary direct lithium extraction (DLE) technology (the "DLE Technology"), as a result of the Volt Transaction. Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets acquired in connection with an asset acquisition are initially recorded at fair value. Following initial recognition, intangible assets are carried at initial carrying value less any accumulated amortization and any accumulated impairment losses. Subsequent expenditures are capitalized only when they increase the future economic benefits embodied in the specific asset to which they relate. All other expenditures are recognized in profit or loss as incurred.

The Company does not hold any intangible assets with indefinite lives. Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Research costs are charged to operations when they are incurred. Development costs are capitalized as intangible assets when the Company can demonstrate that the technical feasibility of the project has been established; the Company intends to complete the asset for use or sale and has the ability to do so; the asset can generate probable future economic benefits; the technical and financial resources are available to complete the development, and the Company can reliably measure the expenditure attributable to the intangible assets during its development. The amortization method of an intangible asset with a finite life is reviewed at least annually. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. Amortization is recognized in profit or loss on a straight-line basis or units of production method over the estimated useful lives of intangible assets.

Royalty Interest

The valuation of royalty interest necessitates significant judgment and estimation.

Initial Recognition and Measurement: Upon recognition, the royalty interest is taken up at its fair value. This value is arrived at by calculating the net present value (NPV) of the projected future cash flows arising from the royalty agreement. An 8% discount rate is employed to determine the NPV. This rate mirrors current market evaluations of both the time value of money and the specific uncertainties tied to the royalty agreement.

Subsequent Measurement – Amortization: After its initial recognition, the royalty interest's value is reduced in proportion to the actual royalty amounts that are received or receivable. This ensures that the book value of the royalty interest consistently represents the expected future receipts, and these condensed interim consolidated financial statements provide a true representation of the outstanding potential income from the royalty agreement.

Derecognition - The royalty interest is derecognized when the contractual rights to the cash flows from the royalty expire or when the royalty interest is transferred, and the transfer qualifies for derecognition under IFRS.

Impairment - At each reporting date, an assessment is made to determine whether there is objective evidence that the royalty interest is impaired. If such evidence exists, an impairment loss is recognized in profit or loss. The impairment loss is calculated as the difference between the royalty interest's carrying amount and the present value of the estimated future cash flows, discounted using the original effective interest rate.

Functional currency

The determination of an entity's functional currency requires judgment where the operations of the Company are changing or current indicators are mixed. Additionally, the timing of a change in functional currency is a judgment as the balance of currency indicators may change over time.

The accounting policies applied in the preparation of these condensed interim consolidated financial statements are consistent with those applied and disclosed in Note 3 to the audited consolidated financial statements for the six months ended December 31, 2024.

4. Leases

Commencing December 1, 2023, the Company entered into a lease agreement for the Demonstration Plant for a term of five years at a monthly base rent of \$7,408 for the first three years of the lease and \$7,847 for the fourth and fifth years of the lease.

On December 6, 2023, the Company entered into another lease agreement for a skid steer for a term of three years at a lease payment of \$1,534 per month.

(a) Right-of-Use Asset

As at March 31, 2025, \$298,628 of right-of-use assets is recorded as follows:

	\$
As at June 30, 2024	375,131
Depreciation	(45,459)
As at December 31, 2024	329,672
Depreciation	(31,044)
As at March 31, 2025	298,628

(b) Lease Liability

Minimum lease payments in respect of lease liability and the effect of discounting is as follows:

	\$
Undiscounted minimum lease payments:	
Less than one year	107,309
Two to five years	261,398
	<u>368,707</u>
Effect of discounting	(48,546)
Present value of minimum lease payments	<u>320,161</u>
Less current portion	<u>(84,759)</u>
Long-term portion	235,402

(c) Lease Liability Continuity

The lease liability continuity is as follows:

	\$
As at June 30, 2024	379,439
Principal payments	(53,655)
Interest	14,531
As at December 31, 2024	340,315
Principal payments	(27,023)
Interest	6,869
As at March 31, 2025	320,161

During the three months ended March 31, 2025, interest of \$6,869 (March 31, 2024 - \$10,703) and depreciation of \$31,044 (March 31, 2024 - \$21,098) is included in the general and administrative expense on the condensed interim consolidated statements of loss and comprehensive loss.

5. Accounts Receivable

The Company's accounts receivable was comprised of the following as at March 31, 2025 and December 31, 2024:

	March 31, 2025	December 31, 2024
	\$	\$
Subscription receivable	-	17,374
Royalty receivable (Note 10)	114,344	115,083
Other receivables	39,296	22,511
	153,640	154,968

6. Property, Plant and Equipment

The Demonstration Plant was commissioned on November 22, 2023, and is depreciated on a straight-line basis for an estimated useful life of 10 years. The DLE field units were installed and ready for use during the year ended December 31, 2024 and have been depreciated on a straight-line basis over 5 years. The Company also purchased a motor vehicle which has been depreciated on a straight-line basis over 5 years.

The Carbonation unit and the BPED unit are not installed and have not been depreciated during the three months ended March 31, 2025. A portion of the DLE Field units costing \$1,341,254 were installed and ready for use on March 1, 2025 and has been depreciated on a straight line basis over 5 years.

	Motor Vehicles	Demonstration Plant Units	Carbonation Unit	BPED Unit	DLE Field Units	Total
	\$	\$	\$	\$	\$	\$
Cost						
Balance, June 30, 2024	-	201,765	-	-	614,322	816,087
Additions	54,343	-	124,500	68,299	809,592	1,056,734
Balance, December 31, 2024	54,343	201,765	124,500	68,299	1,423,914	1,872,821
Additions	-	-	-	-	760,046	760,046
North Dakota Field Study Grant	-	-	-	-	(389,801)	(389,801)
Balance, March 31, 2025	54,343	201,765	124,500	68,299	1,794,159	2,243,066
Accumulated Depreciation						
Balance, June 30, 2024	-	11,770	-	-	-	11,770
Additions	3,564	9,920	-	-	56,225	69,709
Balance, December 31, 2024	3,564	21,690	-	-	56,225	81,479
Additions	2,536	9,004	-	-	62,099	73,639
Balance, March 31, 2025	6,100	30,694	-	-	118,324	155,118
Net Book Value						
December 31, 2024	50,779	180,075	124,500	68,299	1,367,689	1,791,342
March 31, 2025	48,243	171,071	124,500	68,299	1,675,835	2,087,948

7. North Dakota Field Study Grant

On November 27, 2024, the Company entered into a field study agreement with Triple 8 LLC dba Wellspring Hydro (“WSH”) to deploy and test Volt’s proprietary Direct Lithium Extraction (“DLE”) field unit in North Dakota’s Bakken formation. As part of this initiative, the State of North Dakota, through the Industrial Commission’s Research and Renewable Energy Program, provided grant funding to support equipment procurement and operational testing.

The Company has received an initial cash grant of \$450,000 (the “Grant”) through WSH, with an additional \$50,000 expected upon submission and approval of a final deployment report. The total funding of \$500,000 is designated to support the assessment of DLE technology viability in field operations and promote the use of renewable energy and development of the North Dakota workforce. The grant proceeds are being applied toward both capital expenditures and operating costs.

On March 18, 2025, the Company entered into another Development Agreement with WSH. This agreement is supported by a follow-on government grant of \$2,028,493 awarded by the State of North Dakota through the Clean Sustainable Energy Authority Program and Renewable Energy Program. The funding was provided to support the deployment and scaling of Volt’s proprietary DLE technology in the Bakken formation.

In accordance with *IAS 20*, the portion of the grant related to capital equipment has been deducted from the carrying amount of the related assets. The portion relating to testing and field operations has been recognized as a reduction to research and development expenses in the period in which the related costs were incurred.

Management has assessed that all grant conditions have been met or are expected to be met, and there is reasonable assurance of full entitlement to the grant.

The following table shows the application of the grant received during the three months ended March 31, 2025 and, the six months ended December 31, 2024:

Grant received	\$	450,000
Grant applied to Research and Development expense		(450,000)
Balance, December 31, 2024		-
Grant received		2,028,493
Grant applied to Research and Development expense		(577,521)
Grant applied to carrying amount of the DLE Field unit (note 6)		(389,801)
Unspent portion of grant, March 31, 2025	\$	1,061,171

\$577,521 of the grant related to testing and field operations and has been recognized as a reduction to research and development expenses included in the condensed interim consolidated statements of loss and comprehensive loss.

8. Intangible Asset Amortization

As of April 1, 2023, after the successful conclusion of bench scale testing, the Company initiated the amortization of the DLE Technology as an intangible asset. The amortization is being carried out on a straight-line basis, spanning an estimated 10-year useful life for the DLE Technology based on current assumptions and considering the prevailing technological landscape. Given the rapid pace of technological advancements, it is anticipated that the effectiveness of the present DLE Technology may diminish after this 10-year period, rendering it potentially obsolete.

	\$
As at June 30, 2024	2,557,171
Amortization	(146,124)
As at December 31, 2024	2,411,047
Amortization	(73,062)
As at March 31, 2025	2,337,985

9. Mining Property and Rights Acquisition Costs

	Rainbow Lake Property
As at June 30, 2024	\$ 3,327,731
Exploration expenditures	3,143
As at December 31, 2024	\$ 3,330,874
Exploration expenditures	161
As at March 31, 2025	\$ 3,331,035

Rainbow Lake

The Rainbow Lake property is in northwest Alberta and is defined by 20 contiguous Alberta Metallic and Industrial Mineral Permits (173,990 hectares) for which the Company has 100% mineral interest ownership (the "Rainbow Lake Property").

As of March 31, 2025, the Company has incurred exploration and evaluation expenditures of \$3,331,035 related to the Rainbow Lake Property (December 31, 2024 - \$3,330,874).

10. Royalty Agreement

On December 9, 2022, the Company entered into an amending agreement to the overriding royalty agreement, which was previously entered into on September 19, 2022, by Volt Operations. The overriding royalty agreement with a producing oil and gas is calculated at 3% of the production. The rate will be reduced to a non-convertible 2% overriding royalty subsequent to the Company receiving 100% of its original investment. Once the Company receives 300% of its original investment the royalty agreement is terminated. As part of this agreement, the Company agreed to, and has made, the following payments:

- C\$125,000 on execution of the agreement;
- C\$125,000 upon execution of the definitive agreement; and

- C\$250,000 is due within 5 business days of the Volt Operations shares being listed on the TSX Venture Exchange.

At March 31, 2025, the Company has accrued royalty receivables of \$114,344 (December 31, 2024 - \$115,083) and recognized the royalty income of \$42,057 for the three months ended March 31, 2025 (March 31, 2024 - \$16,332).

	\$
Balance, June 30, 2024	394,679
Amortization expense	(42,898)
Balance, December 31, 2024	351,781
Amortization expense	(19,565)
Balance, March 31, 2025	332,216

11. Accounts Payable and Accrued Liabilities

As at March 31, 2025 and December 31, 2024, the Company's accounts payable and accrued liabilities were composed of the following:

	March 31, 2025	December 31, 2024
	\$	\$
Accounts payable	112,450	603,928
Accrued liabilities	21,746	29,990
	134,196	633,918

12. Liability and Income Tax Effect on Flow-through Shares

Funds raised through the issuance of flow-through common shares are expected to be expended on qualified Canadian mineral exploration expenditures, as defined pursuant to Canadian income tax legislation. The flow-through gross proceeds less the qualified expenditures made to date represent the funds received from flow-through share issuances that have not been spent and are held by the Company for such expenditures.

In August 2023, in connection with the Unit Financing, the Company issued 11,529,166 flow-through common shares at C\$0.24 per share for gross proceeds of \$2,021,626 and recognized a liability for the flow-through common shares of \$168,468. As of December 31, 2024, the Company spent all of the flow-through funds raised in the Unit Financing and recognized \$153,245 as recovery of flow-through premium liability during the period ended December 31, 2024 (year ended June 30, 2024 - \$15,223).

13. Derivative Liabilities

- (a) On May 1, 2024, the Company issued 3,409,091 warrants (for a period of two years) with an exercise price of \$0.35 in connection with the non-brokered private placement. Prior to July 1, 2024, the Company's functional currency was the C\$; as such, the Company recorded a derivative liability on the warrants outstanding with US\$ exercise prices. This derivative liability was being revalued at each reporting period.

The Company revalued its derivative liability upon the change in functional currency, which resulted in a loss on revaluation of \$145,223.

Due to the change in functional currency on July 1, 2024, the derivative liability was measured at fair value using the Black-Scholes Option Pricing Model with a valuation date of July 1, 2024. The derivative liability of the Company on that date was \$265,185, which upon reclassification, was charged to equity as an increase in warrant reserves of \$265,185.

As a result of change in functional currency from C\$ to US\$, the following table summarizes the changes in the derivative liabilities during the three months ended March 31, 2025 and the six months ended December 31, 2024:

	\$
Balance, June 30, 2024	265,185
Reclassification of derivative liabilities per change in functional currency	(265,185)
Balance, December 31, 2024 and March 31, 2025	-

A summary of the warrants with US\$ exercise prices outstanding and exercisable as at July 1, 2024, upon the change in functional currency was as follows:

Warrants outstanding	Exercise Price	Expiry Date
3,409,091	\$0.35	May 1, 2026

The following weighted average assumptions were used in the Black-Scholes option-pricing model for the revaluation of the warrants priced in US\$:

	July 1, 2024
Risk-free interest rate	3.99%
Expected life	1.84 years
Expected volatility	127%
Forfeiture rate	0%
Dividend rate	0%

- (b) On July 1, 2024, the Company's functional currency changed to the US\$ from the C\$; as such, the Company recorded derivative liabilities on the warrants outstanding with previously issued C\$ exercise prices. The derivative liabilities are being revalued at each reporting period.

As at July 1, 2024, the Company charged \$1,200,222 to warrants reserve to reclassify the derivative liabilities for the warrants with exercise prices denominated in C\$ using the Black-Scholes Option Pricing Model. On July 1, 2024, 30,058,422 warrants were re-valued which resulted in \$1,200,222 of the derivative liabilities being reclassified from warrants reserve.

Upon warrant exercise, the fair value previously recognized in the derivative liabilities is transferred to share capital. During the three months ended March 31, 2025, the Company exercised warrants with a value of \$59,544, revalued the remaining derivative liabilities to \$1,694,207 and recorded a gain on fair value revaluation of \$161,819 and transferred the fair value of \$65,494 on the expiry of warrants to the statements of loss and comprehensive loss.

The following table summarizes the continuity of the derivative liabilities for the C\$ denominated warrants for the three months ended March 31, 2025:

	Number of warrants	\$
Balance, June 30, 2024	-	-
Reclassification of derivative liabilities per change in functional currency	26,649,331	1,200,222
Warrants issued	12,366,245	1,385,206
Warrants exercised	(5,372,289)	(253,046)
Change in fair value of derivative liabilities	-	(351,318)
Balance, December 31, 2024	33,643,287	1,981,064
Transfer of fair value on the expiry of warrants	(4,400,209)	(65,494)
Warrants exercised	(4,000,414)	(59,544)
Change in fair value of derivative liabilities	-	(161,819)
Balance, March 31, 2025	25,242,664	1,694,207

A summary of the warrants with C\$ exercise prices outstanding and exercisable as at March 31, 2025 is as follows:

Warrants outstanding	Exercise Price	Expiry Date
12,497,433	C\$0.33	August 4, 2025
757,973	C\$0.22	August 4, 2025
10,944,677	C\$0.44	November 19, 2026
1,242,581	C\$0.31	November 19, 2026
25,242,664		

The following weighted average assumptions were used in the Black-Scholes option-pricing model for the initial recognition and revaluations of the warrants denominated in C\$:

	March 31, 2025	December 31, 2024	November 19, August 12 and August 22, 2024	July 1, 2024
Risk-free interest rate	2.47%	2.92%	3.21% - 3.41%	2.94% - 4.02%
Expected life	0.35 – 1.64 years	0.15 – 1.90 years	0.95 – 2 years	0.65 – 1.09 years
Expected volatility	86% - 104%	65% - 112%	119% - 205%	100% - 105%
Forfeiture rate	0%	0%	0%	0%
Dividend rate	0%	0%	0%	0%

14. Share Capital

(a) Authorized

An unlimited number of voting common shares without par value.

(b) Issued and outstanding

On November 19, 2024, the Company closed its upsized marketed public offering of units (a "Unit") and concurrent private placement (the "Offering"). Pursuant to the marketed public offering, the Company issued a total of 19,930,000 Units at a price of C\$0.31 per Unit, raising aggregate gross proceeds of \$4,419,069 (C\$6,178,300). Each Unit consists of one common share of the Company and one-half of one common share purchase warrant, with each whole warrant exercisable into one common share of the Company at an exercise price of C\$0.44 and expiring on November 19, 2026.

The Company paid a total of \$265,144 (C\$370,698) in broker fees to Canaccord Genuity Corp. ("Canaccord Genuity") for the public offering, representing 6% of the gross proceeds, and issued 1,195,800 broker warrants, representing 6% of the Units issued. Each broker warrant is exercisable for one Unit at an exercise price of C\$0.31 per Unit and expires on November 19, 2026. The Company also incurred additional share issue costs of \$74,082 in connection with the marketed public offering.

Pursuant to the concurrent private placement, the Company issued a total of 1,559,354 Units at a price of C\$0.31 per Unit, raising aggregate gross proceeds of \$345,755 (C\$483,400) and paid \$10,373 (C\$14,502) in broker fees, representing 3% of gross proceeds to Canaccord Genuity and issued 46,781 broker warrants, representing 3% of Units issued under the private placement. Each broker warrant issued under the private placement is exercisable for one Unit at an exercise price of C\$0.31 per unit and expires on November 19, 2026.

During the six months ended December 31, 2024, 5,372,289 warrants and 500,000 stock options were exercised for total gross proceeds of 1,278,240.

During the three months ended March 31, 2025, 4,000,414 warrants were exercised at an exercise price of \$0.30 for total proceeds of \$842,573, resulting in the issuance of additional common shares. In addition, 750,000 options were exercised for total proceeds of \$93,821. The exercise of these options occurred at various strike prices, leading to an increase in share capital.

(c) Share purchase warrants

The continuity of the Company's share purchase warrants is as follows:

	Warrants outstanding	Weighted average exercise price	Weighted average contractual remaining life
	#	\$	(years)
Balance, June 30, 2024	30,058,422	0.20	1.01
Exercised (includes 70,000 Broker warrants)	(1,928,416)	C\$0.30	
Exercised (FT Units)	(497,900)	C\$0.33	
Exercised (HD Units)	(2,188,000)	C\$0.33	
Exercised (Broker Warrants)	(757,973)	C\$0.22	
Issued on exercise of broker warrants	378,987	C\$0.33	
Issued	10,744,677	C\$0.44	
Issued (broker warrants)*	1,242,581	C\$0.31	
Balance, December 31, 2024	37,052,378	0.22	0.98
Exercised	(4,000,414)	C\$0.30	
Expired	(4,400,209)	C\$0.30	
Balance, March 31, 2025	28,651,755	0.23	0.97

*These broker warrants are exercisable into one unit. Each unit consists of one common share of the Company and one-half of one common share purchase warrant, with each whole warrant exercisable into one common share of the Company at an exercise price of C\$0.44 and expiring on November 19, 2026.

The Company's share purchase warrants outstanding and exercisable as at March 31, 2025 and December 31, 2024 are as follows:

Expiry date	Exercise price	March 31, 2025	December 31, 2024
	\$	#	#
February 24, 2025	C\$0.30	-	8,400,623
August 4, 2025	C\$0.33	12,497,433	12,497,433
August 4, 2025	C\$0.22	757,973**	757,973
May 1, 2026	0.35	3,409,091	3,409,091
November 19, 2026	C\$0.44	10,744,677	10,744,677
November 19, 2026	C\$0.31	1,242,581*	1,242,581
Total		28,651,755	37,052,378
Weighted average remaining contractual life		0.97 years	0.98 years

**These broker warrants are exercisable into one HD Unit.

The weighted average share price of warrants exercised during the three months ended March 31, 2025 and the six months ended December 31, 2024 are detailed below:

	Exercise Date	Exercise Price	Number of warrants exercised	Weighted average share price on exercise date
Exercised	July 25, 2024	C\$ 0.33	75,000	0.005
Exercised	July 25, 2024	C\$ 0.30	475,000	0.029
Exercised	July 26, 2024	C\$ 0.33	100,000	0.006
Exercised	July 26, 2024	C\$ 0.30	349,666	0.022

Exercised	July 29, 2024	C\$ 0.33	50,000	0.003
Exercised	July 30, 2024	C\$ 0.33	364,000	0.023
Exercised	July 30, 2024	C\$ 0.30	85,500	0.005
Exercised	August 1, 2024	C\$ 0.30	37,500	0.002
Exercised	August 12, 2024	C\$ 0.33	237,500	0.015
Exercised	August 12, 2024	C\$ 0.22	357,973	0.022
Exercised	August 14, 2024	C\$ 0.30	50,000	0.003
Exercised	August 15, 2024	C\$ 0.33	38,500	0.002
Exercised	August 16, 2024	C\$ 0.33	90,400	0.006
Exercised	August 19, 2024	C\$ 0.33	137,500	0.008
Exercised	August 20, 2024	C\$ 0.33	35,400	0.002
Exercised	August 21, 2024	C\$ 0.33	133,600	0.009
Exercised	August 21, 2024	C\$ 0.30	50,000	0.003
Exercised	August 22, 2024	C\$ 0.33	200,000	0.014
Exercised	August 22, 2024	C\$ 0.22	400,000	0.027
Exercised	August 22, 2024	C\$ 0.30	50,000	0.003
Exercised	August 26, 2024	C\$ 0.30	75,000	0.006
Exercised	August 27, 2024	C\$ 0.33	200,000	0.015
Exercised	August 28, 2024	C\$ 0.33	425,000	0.029
Exercised	August 28, 2024	C\$ 0.30	115,000	0.008
Exercised	August 29, 2024	C\$ 0.30	68,750	0.004
Exercised	August 30, 2024	C\$ 0.33	250,000	0.017
Exercised	September 13, 2024	C\$ 0.30	37,500	0.002
Exercised	September 24, 2024	C\$ 0.30	159,500	0.009
Exercised	September 27, 2024	C\$ 0.33	114,000	0.009
Exercised	September 30, 2024	C\$ 0.33	10,000	0.001
Exercised	October 1, 2024	C\$ 0.30	200,000	0.013
Exercised	October 2, 2024	C\$ 0.33	100,000	0.006
Exercised	October 3, 2024	C\$ 0.33	25,000	0.002
Exercised	October 24, 2024	C\$ 0.30	50,000	0.003
Exercised	October 24, 2024	C\$ 0.33	100,000	0.006
Exercised	October 30, 2024	C\$ 0.30	125,000	0.007
Balance, December 31, 2024			5,372,289	0.31
Exercised	January 23, 2025	C\$ 0.30	150,000	0.01
Exercised	January 30, 2025	C\$ 0.30	100,000	0.01
Exercised	January 31, 2025	C\$ 0.30	25,000	0.00
Exercised	February 5, 2025	C\$ 0.30	150,000	0.01
Exercised	February 12, 2025	C\$ 0.30	100,000	0.01
Exercised	February 13, 2025	C\$ 0.30	15,000	0.00
Exercised	February 14, 2025	C\$ 0.30	875,000	0.05
Exercised	February 18, 2025	C\$ 0.30	300,000	0.02
Exercised	February 19, 2025	C\$ 0.30	340,500	0.02
Exercised	February 20, 2025	C\$ 0.30	575,000	0.03
Exercised	February 22, 2025	C\$ 0.30	660,850	0.04
Exercised	February 24, 2025	C\$ 0.30	709,064	0.04
Balance, March 31, 2025			4,000,414	0.23

(d) Stock options

The Company has a stock option plan (the "Option Plan") to provide employees, directors, officers and consultants with options to purchase Common Shares. Under the Option Plan, options are issued at an exercise price equal to the market price of the Common Shares on the day of grant and expire a maximum five years from the date of grant. The maximum number of Common Shares that may be issued under the Option Plan shall not exceed 10% of the issued and outstanding Common Shares.

The continuity of the Company's stock options is as follows:

	Stock Options outstanding	Weighted average exercise price	Weighted average contractual remaining life
	#	\$	(years)
Balance, June 30, 2024	11,860,000	0.17	2.79
Exercised	(100,000)	C\$ 0.155	
Exercised	(400,000)	C\$0.25	
Expired	(300,000)	C\$0.25	
Granted	425,000	C\$ 0.44	
Balance, December 31, 2024	11,485,000	0.17	2.34
Exercised	(450,000)	C\$ 0.155	
Exercised	(100,000)	C\$0.25	
Exercised	(200,000)	C\$0.20	
Expired	(400,000)	C\$0.20	
Granted	250,000	C\$ 0.30	
Balance, March 31, 2025	10,585,000	0.18	2.09

- On January 16, 2025, the Company granted a total of 250,000 stock options to two optionees under its stock option plan, as follows:
 - 200,000 options at an exercise price of C\$0.30 per share, expiring on January 16, 2029. The options will vest in two equal tranches of 100,000 options each on July 16, 2025 and January 16, 2026; and
 - 50,000 options at an exercise price of C\$0.30 per share, expiring on January 16, 2029. The options will vest in two equal tranches of 25,000 options each on April 16, 2025 and July 16, 2025.
- On August 23, 2024, the Company granted a total of 425,000 stock options ("Options") to new employees under the Company's stock option plan. Each Option entitles the holder to purchase one common share of the Company at an exercise price of C\$0.44 per Share. The Options vest over a six-month period and are exercisable for a period of four years, expiring on August 23, 2028.

The fair value of stock options is estimated by the Company using the Black-Scholes option-pricing model. The assumptions used during the three months ended March 31, 2025 and the six months ended December 31, 2024 are as follows:

	January 16, 2025	August 23, 2024
Risk-free interest rate	1.44%	3.35%
Expected life	4 years	4 years
Expected volatility	116%	125%
Forfeiture rate	0%	0%
Dividend rate	0%	0%

The weighted average exercise price of the stock options exercised during the three months ended March 31, 2025 and the six months ended December 31, 2024 are detailed below:

	Exercise Date	Exercise Price	Number of options exercised	Weighted average share price on exercise date
		\$	#	\$
Exercised	September 10, 2024	C\$ 0.155	100,000	0.05
Exercised	October 2, 2024	C\$ 0.25	100,000	0.07
Exercised	November 12, 2024	C\$ 0.25	300,000	0.14
December 31, 2024			500,000	0.25
Exercised	January 20, 2025	C\$ 0.155	450,000	0.16
Exercised	February 5, 2025	C\$ 0.20	200,000	0.06
Exercised	February 27, 2025	C\$ 0.25	100,000	0.03
March 31, 2025			750,000	0.24

The Company's stock options outstanding and exercisable as at March 31, 2025 and December 31, 2024, are as follows:

Expiry date	Exercise price	March 31, 2025	December 31, 2024
October 27, 2025	C\$ 0.405	650,000	650,000
January 11, 2026	C\$ 0.405	400,000	400,000
December 15, 2026	C\$ 0.155	4,000,000	4,450,000
March 24, 2027	C\$ 0.25	305,000	305,000
September 5, 2027	C\$ 0.30	3,855,000	3,855,000
February 14, 2028	C\$ 0.20	-	600,000
June 13, 2028	C\$ 0.25	700,000	800,000
August 23, 2028	C\$ 0.44	425,000	425,000
January 16, 2025	C\$ 0.30	250,000	-
Total outstanding		10,585,000	11,485,000
Total exercisable		10,285,000	10,660,000
Weighted average remaining contractual life		2.09 years	2.34 years

15. Related Party Transactions

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company or its subsidiaries, directly or indirectly. Key management personnel include the Company's directors and executive officers.

Compensation to key management for the three months ended March 31, 2025 and 2024 is comprised as follows:

	March 31, 2025	March 31, 2024
	\$	\$
Stock-based compensation	-	617,633
Salary and Wages	183,051	258,143
Technical Services	260,703	1,008,382
Consulting fees	-	7,306

Management fees for the three months ended March 31, 2025 were allocated for services rendered by the Chief Executive Officer and Chief Financial Officer.

Sterling Chemicals Ltd. ("Sterling"), a wholly owned subsidiary of Camber Resources Services Ltd ("Camber"), provides certain technical services to the Company pursuant to a technical services agreement dated April 12, 2022, as amended on September 1, 2023 (the "Services Agreement"). The technical services provided under the Services Agreement by Sterling are considered by the Board to be material to the Company's operations.

Payments categorized under 'Technical Services' were made to Sterling. \$229,548 of this amount was in conjunction with the Services Agreement. In addition, \$31,155 was paid to Sterling for reimbursement of media/consumables, equipment and additional personnel outside the scope of the Services Agreement. Alex Wylie, the Company's Chief Executive Officer, holds in excess of 10% of the issued and outstanding shares of Camber, and Martin Scase, a director of the Company, holds in excess of 10% of the issued and outstanding shares of Camber, is a director and officer of Camber and is a director and officer of Sterling.

Outstanding balances as of March 31, 2025, included, \$39,440 receivable from Sterling (December 31, 2024 – \$40,943), \$Nil payable to Alex Wylie (December 31, 2024 – \$2,580) and \$4,865 payable to Martin Scase (December 31, 2024 - \$4,865). These payables are non-interest-bearing, due on demand, and are included under the 'Accounts Payable and Accrued Liabilities' line item on the consolidated statements of financial position.

16. Financial Instruments and Risk Management

(a) Fair value of financial instruments

The Company's financial instruments consist of cash, accounts receivable, restricted deposit, royalty interest, accounts payable and accrued liabilities, lease liability and derivative liabilities. Cash, royalty interest and derivative liabilities are measured at FVTPL. Accounts receivable, restricted deposit, lease liability and accounts payable and accrued liabilities are measured at amortized cost.

IFRS requires disclosures about the inputs to fair value measurements for financial assets and liabilities recorded at fair value including their classification within a hierarchy that prioritized the inputs to fair value measurement. The three-level hierarchy is:

Level 1 – Quote prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices) for similar items in active markets; and

Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company believes that the carrying values of cash, accounts receivable, accounts payable and accrued liabilities approximate their fair values because of their nature and relatively short maturity dates or duration.

(b) Financial instruments risk

The Company's financial instruments are exposed in varying degrees to a variety of financial risks. The Board of Directors approves and monitors the risk management processes:

i. Credit risk

Credit risk exposure primarily arises with respect to the Company's cash and receivables. The risk exposure is limited because the Company places its instruments in banks of high creditworthiness within Canada and continuously monitors the collection of other receivables.

ii. Liquidity risk

Liquidity risk is the risk that the Company cannot meet its financial obligations as they become due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to settle obligations and liabilities when they become due. At March 31, 2025, the Company had cash of \$1,769,574 and a working capital surplus of \$792,964 with total liabilities of \$3,209,735.

iii. Market risk

a. 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. A change of 100 basis points in the interest rates would not be material to the condensed interim consolidated financial statements.

b. Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of the changes in the foreign exchange rates. Assuming all other variables constant, due to an increase or a decrease of 10% of the US dollar against the Canadian dollar, the net loss of the Company and the equity for the period ended March 31, 2025, would have varied by a negligible amount.

c. The Company had no hedging agreements in place with respect to foreign exchange rates.

17. Capital Management

The Company's objectives when managing capital are:

- i. To safeguard the Company's financial capacity and liquidity for future earnings in order to continue to provide an appropriate return to shareholders and other stakeholders.
- ii. To maintain a flexible capital structure that optimizes the cost of capital at an acceptable risk.
- iii. To enable the Company to maximize growth by meeting its capital expenditure budget, to expand its budget to accelerate projects, and to take advantage of acquisition opportunities.

The Company regularly monitors and reviews the amount of capital in proportion to the risk and future development and exploration opportunities.

The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new debt, equity or similar instruments to reduce debt levels or make adjustments to its capital expenditure program.

There were no changes in the Company's approach to capital management during the period ended March 31, 2025, and capital management is consistent with the period ended December 31, 2024. The Company is not subject to any externally imposed capital requirements.