



One World Lithium Inc.

Consolidated Financial Statements
Expressed in Canadian Dollars, unless otherwise noted

For the Years Ended December 31, 2024 and 2023

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of One World Lithium Inc.

Opinion

We have audited the consolidated financial statements of One World Lithium Inc. and its subsidiary (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2024 and 2023, and the consolidated statements of loss and comprehensive loss, changes in shareholders' deficit and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS).

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 *Auditor's Responsibilities for the Audit of the Consolidated 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 consolidated 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 consolidated financial statements of the current period. 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 auditor's report.

Other Information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis for the year ended December 31, 2024.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated 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 consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the Management's Discussion and Analysis for the year ended December 31, 2024 prior to the date of this auditor's report. 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 in this auditor's report. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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 consolidated financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 consolidated 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 consolidated 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 auditor's 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 auditor's 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 consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

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.

The engagement partner on the audit resulting in this independent auditor's report is Eugene Shalamov.

Handwritten signature in black ink that reads "Fernandez Young LLP". The signature is written in a cursive, flowing style.

Fernandez Young LLP
Chartered Professional Accountants
Vancouver, Canada
July 3, 2025



One World Lithium Inc.
Consolidated Statements of Financial Position
As of December 31, 2024 and December 31, 2023
Expressed in Canadian Dollars

As at	Notes	December 31, 2024	December 31, 2023
ASSETS			
Current			
Cash		\$ -	\$ 7,446
Receivables and advances		46,012	38,871
Prepaid expenses and deposits	4	5,309	4,773
Total current assets		51,321	51,090
Intangible assets	5	15,000	-
TOTAL ASSETS		\$ 66,321	\$ 51,090
LIABILITIES			
Current liabilities			
Accounts payables and accrued liabilities	6	1,608,514	1,151,247
Due to related parties	10	566,745	311,976
Loans and borrowings	7	1,500	21,508
Interest payable	7	1,537	-
Share subscriptions payable	8(ii)	-	60,254
		2,178,296	1,544,985
Loans and borrowings	7	60,000	60,000
TOTAL LIABILITIES		\$ 2,238,296	\$ 1,604,985
SHAREHOLDERS' DEFICIT			
Share capital	8	\$ 24,081,365	\$ 23,694,382
Contributed surplus	9	445,362	428,088
Share-based payments and warrants reserve	9	1,393,578	833,297
Accumulated deficit		(28,092,280)	(26,509,662)
TOTAL SHAREHOLDERS' DEFICIT		\$ (2,171,975)	\$ (1,553,895)
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIT		\$ 66,321	\$ 51,090

Events after reporting period (Notes 14)

Approved on behalf of the Board of Directors on July 3, 2025

"Douglas Fulcher"

Director

"Kevin Milledge"

Director

One World Lithium Inc.
Consolidated Statements of Loss and Comprehensive Loss
For the years ended December 31, 2024 and 2023
Expressed in Canadian Dollars except number of shares

	Notes	December 31, 2024	December 31, 2023
Expenses			
Exploration and evaluation		\$ -	\$ -
General and administration	10	250,241	414,880
Professional and consulting fees	10	822,269	862,714
Share-based payments	8,10	63,911	287,089
Total expenses		\$ (1,136,421)	\$ (1,564,683)
Operating loss		\$ (1,136,422)	\$ (1,564,683)
Other income (expenses)			
Net financing cost		(617,844)	(41,772)
Foreign exchange loss/gain		(3,255)	(1,514)
Gain from debt extinguishment		-	-
Gain from debt write-off		16,252	6,968
Other expenses		-	(20,000)
Net loss and comprehensive loss		\$ (1,741,268)	\$ (1,621,001)
Basic and diluted loss per common share		\$ (0.01)	\$ (0.01)
Weighted average number of common shares outstanding – basic and diluted		201,250,233	194,866,032

The accompanying notes are an integral part of these consolidated financial statements

One World Lithium Inc.
Consolidated Statements of Changes in Shareholders' Deficit
For the Years Ended December 31, 2024 and 2023
Expressed in Canadian Dollars

	Notes	Share capital	Contributed surplus	Share-based payments and warrants reserve	Accumulated Deficit	Total shareholders' equity
Balance as at December 31, 2022		\$ 23,594,542	\$ 428,088	\$ 1,029,048	\$ (25,412,611)	\$ (360,933)
Shares issued in private placement, net of share issuance costs	8(a)	99,840	-	24,960	-	124,800
Share based payments	9(a)	-	-	287,089	-	287,089
Warrants modified	8(b)	-	-	9,250	-	9,250
Warrants issued on loan payable	8(b(i))	-	-	6,900	-	6,900
Transfer of share based payments expired	9(a(iv))	-	-	(523,950)	523,950	-
Net loss and comprehensive loss		-	-	-	(1,621,001)	(1,621,001)
Balance as at December 31, 2023		\$ 23,694,382	\$ 428,088	\$ 833,297	\$ (26,509,662)	\$ (1,553,895)
Balance as at December 31, 2023		\$ 23,694,382	\$ 428,088	\$ 833,297	\$ (26,509,662)	\$ (1,553,895)
Shares issued in private placement	8(a)	347,983	-	95,028	-	443,011
Shares issued to acquire intangible assets	8(a)	15,000	-	-	-	15,000
Shares issued to settle loans and borrowings	8(a)	24,000	-	-	-	24,000
Share based payments	8(a)	-	-	63,911	-	63,911
Warrant modification	8(b)	-	-	571,026	-	571,026
Warrants issued on loan payable	8(b(i))	-	-	6,240	-	6,240
Transfer of share warrants expired	8(b)	-	17,274	(17,274)	-	-
Transfer of share-based payments expired	9(a(iv))	-	-	(158,650)	158,650	-
Net loss for the year		-	-	-	(1,723,325)	(1,723,325)
Balance as of December 31, 2024		\$ 24,081,365	\$ 445,362	\$ 1,393,578	\$ (28,074,337)	\$ (2,154,032)

The accompanying notes are an integral part of these consolidated financial statements

One World Lithium Inc.
Consolidated Statements of Cash Flows
For the Years Ended December 31, 2024 and 2023
Expressed in Canadian Dollars

For the year ended:	December 31, 2024		December 31, 2023	
Cash (used in) provided by:				
OPERATING ACTIVITIES				
Net loss	\$	(1,741,268)	\$	(1,621,001)
Non-cash items:				
Share-based payments		63,911		287,089
Gain from debt write-off		(16,252)		-
Other expenses		-		20,000
Net financing cost		617,844		41,772
Changes in non-cash working capital items				
Receivables and advances		(7,141)		(16,152)
Prepaid expenses and deposits		(536)		5,655
Accounts payable and accrued liabilities		443,986		530,537
Due to related parties		254,769		266,290
Net cash used in operating activities	\$	(384,687)	\$	(485,810)
FINANCING ACTIVITIES				
Repayment of loans and borrowings	\$	(14,516)	\$	(14,200)
Proceeds from loans, net of transaction costs		9,000		15,000
Advance for private placement		-		60,254
Proceeds from private placement, net of share issuance costs		382,757		199,800
Net cash provided by financing activities	\$	377,241	\$	260,854
Net decrease in cash in the year	\$	(7,446)	\$	(224,956)
Cash – beginning of the year	\$	7,446	\$	232,402
Cash – ending of the year	\$	-	\$	7,446

Supplemental cash flow information

For the year ended:	Notes	December 31, 2024		December 31, 2023	
Share purchase warrants issued in lieu of financing cost	7	\$	6,240	\$	6,900
Shares issued to acquire intangible assets			15,000		-
Shares issued to settle loans and borrowings			24,000		-

The accompanying notes are an integral part of these consolidated financial statements

One World Lithium Inc.

Notes to Consolidated Financial Statements

For the Years Ended December 31, 2024 and 2023

Expressed in Canadian Dollars except otherwise noted

NOTE 1 – NATURE OF OPERATIONS AND GOING CONCERN

One World Lithium Inc., together with its subsidiary (collectively referred to as the "Company") was incorporated under the laws of the province of British Columbia on November 9, 1982. The Company is focused on the acquisition, exploration and development of lithium resource properties and a new lithium separation extraction technology. The Company is in an early stage of development of lithium separation technology. The Company's head office and records offices are located at Suite 615, 800 West Pender Street, Vancouver, British Columbia, V6C 2V6. On January 19, 2018, the Company changed its name to One World Lithium Inc. to align with its primary exploration and evaluation asset and the trading symbol on the CSE was changed to OWLI. On March 7, 2019, the Company also began trading on the OTCQB Venture Market under the trading symbol OWRDF.

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") on a going concern basis, which contemplates the realization of assets and discharge of liabilities at their carrying values in the ordinary course of operations for the foreseeable future rather than through the process of forced liquidation.

During the year ended December 31, 2024, the Company had a net loss of \$1,741,268 and cash used in operating activities of \$384,687. As at December 31, 2024, the Company has an accumulated deficit of \$28,092,280 and a working capital deficit of \$2,126,975. As a result, the Company may not have sufficient capital to fund its current planned operations for the foreseeable future.

These consolidated financial statements do not include any adjustments to the classification and amounts of assets and liabilities that may be required should the Company be unable to continue as a going concern. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. The Company's continuing operations as intended are dependent upon its ability to identify, evaluate and negotiate the acquisition of, participation in or interest in new properties, assets or business opportunities, as well as the successful results from exploration activities, development of its lithium separation technology and its ability to attain profitable operations and generate funds therefrom, and raise equity capital or obtain the necessary financing sufficient to meet current and future obligations. These conditions indicate the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern. Although the Company has been successful at raising funds in the past through the issuance of securities, it is uncertain whether it will be successful in doing so in the future.

NOTE 2 - BASIS OF PREPARATION AND PRESENTATION, STATEMENT OF COMPLIANCE

These consolidated financial statements, including comparatives, have been prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB").

These consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments that have been measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The significant accounting policies, as disclosed, have been applied consistently to all periods presented in these consolidated financial statements.

These consolidated financial statements include the accounts of the Company and Lithium Investments Ltd., its wholly-owned subsidiary, incorporated in British Columbia, Canada. The Canadian Dollar is a functional currency of the Company and its subsidiary.

These consolidated financial statements were approved and authorized for issuance by the Board of Directors on July 3, 2025.

Critical accounting judgments and estimates

The preparation of consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and revenue and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

One World Lithium Inc.
Notes to Consolidated Financial Statements
For the Years Ended December 31, 2024 and 2023
Expressed in Canadian Dollars except otherwise noted

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

Critical judgments exercised in the application of accounting policies and estimates having the most significant effects on the amounts recognized in these consolidated financial statements include:

Impairment of mineral properties – Expenditures on mineral properties are expensed. The Company makes estimates and applies judgment about future events and circumstances in determining whether the carrying amount of a mineral property exceeds its recoverable amount. The recoverability of amounts shown as exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, the Company's ability to obtain financing to develop the properties, and the ultimate realization of profits through future production or sale of the properties. Management looks for impairment indicators and then reviews the carrying values of its mineral properties on an annual basis, or when an impairment indicator exists, to determine whether an impairment should be recognized. In making its assessment, management considers, among other things, exploration results to date and future exploration plans for a particular property. In addition, capitalized costs related to relinquished property rights are written off in the period of relinquishment. Capitalized costs in respect of the Company's mineral properties may not be recoverable and there is a risk that these costs may be written down in future periods.

While management believes that these estimates, critical judgment and assumptions are reasonable, actual results could differ and could impact future results of operation and cash flows.

NOTE 3 – MATERIAL ACCOUNTING POLICIES

New standards, interpretations and amendments

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

The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.

Cash

Cash consists of demand deposits that are subject to an insignificant risk of change in value.

Financial instrument classification and measurement

Financial assets are classified according to their contractual cash flow characteristics and the business models under which they are held. On initial recognition, a financial asset is classified as: amortized cost, fair value through profit or loss (FVPL) or fair value through other comprehensive income (FVOCI).

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as FVPL:

- it is held with the objective of collecting contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to measure the investment at FVOCI whereby changes in the investment's fair value (realized and unrealized) will be recognized permanently in OCI with no reclassification to profit or loss. The election is made on an investment-by-investment basis. All financial assets not classified as amortized cost or FVOCI are classified as and measured at FVPL. This includes all derivative assets. On initial recognition, a financial asset that otherwise meets the requirements to be measured at amortized cost or FVOCI may be irrevocably designated as FVPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

One World Lithium Inc.
Notes to Consolidated Financial Statements
For the Years Ended December 31, 2024 and 2023
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Financial instruments are measured on initial recognition at fair value, plus, in the case of financial instruments other than those classified as FVPL, directly attributable transaction costs. Measurement of financial assets in subsequent periods depends on whether the financial asset has been classified as amortized cost, FVPL or FVOCI. Measurement of financial liabilities subsequent to initial recognition depends on whether they are classified as amortized cost or FVPL. Financial assets and financial liabilities classified as amortized cost are measured subsequent to initial recognition using the effective interest method.

Loss allowances for 'expected credit losses' are recognized on financial assets measured at amortized cost, contract assets and investments in debt instruments measured at FVOCI, but not to equity investments. A loss event is not required to have occurred before a credit loss is recognized.

The Company has classified and measured its financial instruments as described below:

- Cash and receivables are classified as and measured at amortized cost.
- Accounts payable and accrued liabilities, loans and borrowings, shares subscriptions payables are classified as and measured at amortized cost. Borrowings and other financial liabilities are classified as current or non-current based on their maturity date. The liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

Intangible assets

Intangible assets acquired separately

Intangible assets acquired separately are measured on initial recognition at cost and intangible assets acquired in a business combination are recognized at fair value at the date of acquisition. Intangible assets include customer agreements and relationships, and technologies. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. 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. The amortization expense for finite life intangible assets is recognized in profit or loss. Intangible assets with indefinite lives are not amortized, however they are tested annually or more frequently when circumstances indicate that the carrying value may not be recoverable.

Intangible assets are amortized over their estimated useful lives, on a straight-line basis. The useful life of patent applications is not determinable as of December 31, 2024 due to the current status of technology.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss when the asset is derecognized.

Internally generated intangible assets

Expenditures on research activities are recognized as an expense in the period in which they were incurred.

Internally-generated intangible assets arising from development or from the development phase of an internal project are recognized if all of the following factors have been demonstrated:

- Technical feasibility of completing the intangible asset results in the intangible asset being available for use or sale;
- There is an intention to complete the intangible asset and use or sell it;
- There is an ability to use or sell the intangible asset;
- Evidence to suggest how the intangible asset will generate probable future economic benefits;
- There is availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and,
- An ability to reliably measure the expenditure(s) attributable to the intangible asset during its development exists.

The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

One World Lithium Inc.
Notes to Consolidated Financial Statements
For the Years Ended December 31, 2024 and 2023
Expressed in Canadian Dollars except otherwise noted

The internally-generated intangible asset is recognized as the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above.

Where no internally-generated intangible asset can be recognized, development expenditures are recognized in profit or loss in the period in which it is incurred.

Income taxes

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Deferred income tax assets also result from unused loss carry-forwards, resource related pools and other deductions. A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized.

When applicable, deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Share capital and share-based payments

Share capital represents the amount received in exchange for the issuance of shares. Shares issued for consideration other than cash are recorded at their fair value according to the quoted market price on the day the shares are issued. Proceeds from the exercise of share options and warrants are recorded as share capital in the amount for which the option or warrant enabled the holder to purchase a share in the Company along with the fair value of the option or warrant, if any, at the time of its grant.

The Company uses the residual method in determining the fair value of warrants issued to subscribers, which provides for the allocation of the consideration received to the fair value to the shares issued and allocating any residual amount to the warrants issued. Upon expiry of the warrants, the amount allocated to the warrants is transferred to contributed surplus.

Costs directly identifiable with the raising of share capital financing are charged against share capital. Share issuance costs incurred in advance of share subscriptions are recorded as equity. Share issuance costs related to uncompleted share subscriptions are charged to operations.

The Company grants stock options to acquire common shares of the Company to directors, officers, employees and consultants. The Board of Directors grants such options for periods of up to ten years, with vesting periods determined at its discretion and at prices not less than the closing market price on the grant date.

The fair value of the options is measured at either the grant date or date goods or services are received, using the Black-Scholes option pricing model, and is recognized over the period during which the options are earned. A forfeiture rate is estimated on the grant date and is adjusted to reflect the actual number at options that vest. For directors and employees, the fair value of the options is measured at the date of grant. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The offset to the recorded cost is to share-based payments reserve. Consideration received on the exercise of stock options is recorded as share capital and the related share-based payments reserve is transferred to share capital. Upon expiry, the recorded value is transferred to accumulated deficit.

Loss per share

Loss per share is calculated using the weighted average number of common shares outstanding during the period. The dilutive effect on earnings per share is calculated presuming the exercise of outstanding options, warrants and similar instruments. It assumes that the proceeds of such exercise would be used to re-purchase common shares for years presented at the average market price during the period. However, the calculation of diluted loss per share excludes the effects of exercise of options and warrants as they would be anti-dilutive.

Shares subject to escrow restrictions are excluded from the weighted average number of common shares unless their release is subject only to the passage of time.

One World Lithium Inc.

Notes to Consolidated Financial Statements

For the Years Ended December 31, 2024 and 2023

Expressed in Canadian Dollars except otherwise noted

NOTE 4 – PREPAID EXPENSES AND DEPOSITS

	December 31, 2024		December 31, 2023	
Prepaid consulting fees	\$	-	\$	-
Prepaid advertising and promotion		1,458		1,250
Other prepaid expenses		3,851		3,523
Total prepaid expenses and deposits	\$	5,309	\$	4,773

NOTE 5 – INTANGIBLE ASSETS

On September 28, 2023, the Company signed an Assignment and License Agreement ((the “Definitive Agreement”) with MatterGreen LLC (“MG”), an arm’s length Oregon limited liability company, pursuant to which MG shall file and assign to the Company (the “Assignment”) two separate patent applications for Lithium Carbonation that is a lithium extraction technology (together, the “OWL Patent Applications”). Following the Assignment, the Company will be the sole and exclusive owner of the OWL Patent Applications and, under the terms of the Definitive Agreement, MG will be continuing to develop the technology on behalf of the Company to commercialize the Company’s ability to extract lithium in a commercial and cost-effective producing plant. The OWL Patent Applications are for natural brine and for slurries made from pegmatite, clay, volcanic rock and sediment. Additional patents may be filed in the future as a result of the research & development (“R&D”) work to be carried out with MG. The assignment of the OWL Patent Applications was completed in November 2024 for the consideration of 1,000,000 common shares of the Company valued at \$15,000; refer to Note 8 for additional information.

NOTE 6 – ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	December 31, 2024		December 31, 2023	
Trade payables and accrued liabilities	\$	1,282,569	\$	854,842
Part XII.6 tax payable		325,945		296,405
Total accounts payable and accrued liabilities	\$	1,608,514	\$	1,151,247

NOTE 7 – LOANS AND BORROWINGS

The loans and borrowings on December 31, 2024 and December 31, 2023 and the changes for the years then ended, respectively, are as follows:

	December 31, 2024		December 31, 2023	
Opening balance	\$	81,508	\$	60,133
Proceeds (i)		9,000		15,000
Financing cost (i) (Note 8(b(i)))		(3,000)		(6,900)
Non-forgivable portion of debt		-		20,000
Interest		4,184		1,597
Accretion		9,861		5,878
Repayments		(38,516)		(14,200)
Ending balance	\$	63,037	\$	81,508

	December 31, 2024		December 31, 2023	
Unsecured term loan with \$15,000 principal and accrued interest at a fixed rate of 8% due on or before April 30, 2024 (i).	\$	1,223	\$	8,340
Unsecured federal government term loan with principal due on December 31, 2026 with monthly interest payments beginning in January 2024 and ending in December 2026 at a fixed rate of 5%. The portion of the loan may be forgiven with early repayment by January 2024 (ii).		61,500		60,000
Unsecured promissory note principal with interest accrued at an annual fixed rate of 6.00% and repayable on July 31, 2024 (iii).		-		13,168

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	December 31, 2024	December 31, 2023
Unsecured term loan with \$9,000 principal and accrued interest at a fixed rate of 8% due on or before August 31, 2024 (iv).	314	-
Total loans and borrowings	\$ 63,037	\$ 81,508
Less: current portion of loans and borrowings	\$ 3,037	\$ 21,508
Non-current loans and borrowings	\$ 60,000	\$ 60,000

(i) On October 20, 2023, the Company closed an unsecured term loan in the amount of \$15,000 with bonus warrants. The Term Loan matures on January 31, 2024, and has an interest rate of 8% per annum. The bonus warrants consist of 300,000 share purchase warrants which will entitle the holder thereof to purchase 300,000 common shares of the Company at a price of \$0.05 for a period of 24 months from the close of the Term Loan.

On January 31, 2024, the Company issued 300,000 share purchase warrants as a consideration to extend the term loan's maturity date from January 31, 2024 to April 30, 2024. The Company settled the principal balance of \$15,000 through a conversion of the principal into common shares in connection with the Company's 2024 private placement; refer to the Note 8(a)(iii) for additional information. The accrued interest of \$1,223 remains outstanding as of December 31, 2024 and presented as interest payable in the consolidated statement of financial position.

(ii) The Company did not repay the loan by January 2024, therefore the Company recognized an additional liability of \$20,000 as the terms of loan forgiveness were not met. The corresponding expense was recognized as other expense in the consolidated statement of loss and comprehensive loss. The loan is due on December 31, 2026 and accrued a fixed interest rate of 5%.

(iii) On December 31, 2023, the Company entered into an amending agreement to extend the maturity date from January 31, 2024 to July 31, 2024. The Company repaid the principal and accrued interest during the year ended December 31, 2024.

(iv) On May 31, 2024, the Company closed an unsecured term loan in the amount of \$9,000 with bonus warrants. The Term Loan matures on August 31, 2024, and has an interest rate of 8% per annum. The bonus warrants consist of 180,000 share purchase warrants which will entitle the holder thereof to purchase 180,000 common shares of the Company at a price of \$0.05 for a period of 36 months from the close of the Term Loan. The Company settled the principal balance of \$9,000 through a conversion of the principal into common shares in connection with the Company's 2024 private placement; refer to the Note 8(a)(iii) for additional information. The accrued interest of \$314 remains outstanding as of December 31, 2024 and presented as interest payable in the consolidated statement of financial position.

Repayments due on loans and borrowings, including interest, for the next five years and thereafter are as follows:

Year	
2025	\$ 3,037
2026	60,000
2027	-
2028	-
2029	-
Thereafter	-
	\$ 63,037

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NOTE 8 – SHARE CAPITAL

a) Common shares

Authorized: unlimited common shares without par value

	Number of Shares	Amount
Balance, December 31, 2022	194,120,651	\$ 23,594,542
Common shares upon private placement (i)	2,496,000	99,840
Balance, December 31, 2023	196,616,651	\$ 23,694,382
Common shares issued on private placement (ii)(iii)	14,767,001	347,983
Common shares issued to settle loans and borrowings (iii)	800,000	24,000
Common shares issued to acquire intangible assets (iv)	1,000,000	15,000
Balance, December 31, 2024	213,183,652	\$ 24,081,365

- (i) On September 14, 2023, the Company closed the first tranche of its non-brokered private placement (the "Offering"). The Company received a total of \$124,800 in cash proceeds through the issuance of 2,496,000 Units at a price of \$0.05 per Unit. Each Unit consists of one common share of the Company and one non-transferable common share purchase warrant (each a "Warrant"). The Company incurred \$nil of share issuance costs in connection with the private placement.

A total of 2,496,000 Warrants were issued in connection with the private placement. Each Warrant will entitle the holder to purchase one common share at a price of \$0.08 for a period of 36 months from the closing of the Offering. The fair value of the Company's common shares on closing was \$99,840 with a residual fair value of \$24,960 allocated to the Warrants.

During the year ended December 31, 2023, the Company collected an additional \$60,254 in cash proceeds in connection with the open 2nd tranche of its Offering. No Units have been issued in connection with these specific cash proceeds and the total cash collected has been presented as a share payable obligation as at December 31, 2023.

- (ii) On June 14, 2024, the Company reprised and reduced its Offering from a price of \$0.05 per Unit, originally announced on October 25, 2023, to a non-brokered private placement of up to 16,666,666 units at a price of \$0.03 per unit for gross proceeds of up to \$500,000 to be closed in one or more tranches (the "2024 Offering"). Each Unit will consist of one common share of the Company (each, a "Common Share") and one non-transferable Warrant. Each Warrant will entitle the holder thereof to purchase one Common Share at a price of \$0.06 for a period of 36 months from the closing of the Offering.

On August 14, 2024, the Company closed the first tranche of the 2024 Offering. The Company received a total of \$276,955 in cash proceeds through the issuance of 9,231,835 Units at a price of \$0.03 per Unit. Each Unit consists of one common share of the Company and one non-transferable common share purchase warrant (each a "Warrant"). The Company incurred \$nil of share issuance costs in connection with the private placement. All securities issued are subject to a four (4) month and one day hold period, from the closing of the 2024 Offering.

A total of 9,231,835 Warrants were issued in connection with the first tranche of the 2024 Offering. Each Warrant will entitle the holder to purchase one common share at a price of \$0.06 for a period of 36 months from the closing of the Offering. The fair value of the Company's common shares on closing was \$276,955 with a residual fair value of \$nil allocated to the Warrant component of the Units.

- (iii) On November 13, 2024, the Company closed the second and final tranche of the 2024 Offering. The Company received a total of \$166,055 in cash proceeds and also converted into the private placement, \$24,000 of outstanding principal from loans payable (Note 7). As part of the second tranche closing, the Company issued a total 6,335,166 Units at a price of \$0.03 per Unit. Each Unit consists of one common share of the Company and one non-transferable common share purchase warrant (each a "Warrant"). The Company incurred \$nil of share issuance costs in connection with the private placement. All securities issued are subject to a four (4) month and one day hold period, from the closing of the 2024 Offering.

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A total of 6,335,166 Warrants were issued in connection with the second tranche of the 2024 Offering. Each Warrant will entitle the holder to purchase one common share at a price of \$0.06 for a period of 36 months from the closing of the Offering. The fair value of the Company's common shares on closing was \$95,027 with a residual fair value of \$95,028 allocated to the Warrant component of the Units.

- (iv) On November 7, 2024, the Company issued 1,000,000 common shares to acquire intangible assets (Note 5). The common shares were fair-valued at \$15,000 based on the closing adjusted market share price of each common share on the date of issuance.

b) Warrants

The Company's warrants outstanding as at December 31, 2024 are as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, December 31, 2022	97,070,114	\$ 0.10
Issued (i),(ii)	2,796,000	0.08
Expired	(6,720,500)	0.10
Balance, December 31, 2023	93,145,614	\$ 0.10
Issued (Note 8(a),(iii))	16,047,001	0.06
Expired	(625,000)	0.14
Balance, December 31, 2024	108,567,615	0.10

- (i) The Company issued 300,000 share purchase warrants on October 19, 2023 in connection with a loan financing (Note 7). The grant date fair value of the warrants was \$6,900 estimated using the Black-Scholes option-pricing model with the following weighted average assumptions:

	December 31, 2023
Grant date share price	\$0.04
Exercise price	\$0.07
Risk free rate	4.88%
Expected life (years)	2.00
Expected volatility	137%
Expected dividends	0%
Forfeiture rate	0%
Fair-value per warrant	\$0.02

- (ii) The Company amended various warrants previously issued during the year ended December 31, 2023. On February 28, 2023, 500,000 warrants, which were previously granted on February 28, 2021, were extended for an additional one year with an amended expiry date of February 28, 2024. On August 24, 2023, 125,000 warrants, which were previously granted on August 24, 2020, and previously amended on August 24, 2022, were extended for an additional one year with an amended expiry date of August 24, 2024. The grant date fair value of the amended warrants was estimated using the Black-Scholes option-pricing model with the following weighted average assumptions:

	Amended Warrants	Original Warrants
Grant date share price	\$ 0.05	\$ 0.09
Exercise Price	\$ 0.14	\$ 0.14
Expected Life	1.00	-
Volatility	131%	0%
Dividend Yield	0%	0%
Risk Free Rate	4.32%	4.32%
Forfeiture Rate	0%	0%

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The total cost of the warrant amendments is \$9,250 which has been recorded as net financing expense during the year ended December 31, 2023.

- (iii) The Company issued 300,000 and 180,000 share purchase warrants on January 31, 2024 and May 31, 2024 respectively. The share purchase warrants were granted in connection with separate loan financings during the year ended December 31, 2024 (Note 7). The total grant date fair value of the warrants was \$6,240 estimated using the Black-Scholes option-pricing model with the following weighted average assumptions:

	December 31, 2024
Grant Date Share Price	\$0.02
Exercise Price	\$0.05
Expected Life	2.38
Volatility	137.85%
Dividend Yield	0.00%
Risk Free Rate	4.06%
Forfeiture rate	0.00%
Fair-value per warrant	\$ 0.01

- (iv) On February 7, 2024, the Company amended 45,022,210 warrants, which were previously granted on March 1, 2021, by extending the expiry date of the warrants for an additional two years with an amended expiry date of March 1, 2026.

On October 17, 2024, the Company amended 12,770,341 and 17,350,843 warrants which were previously granted on November 8, 2021 and December 7, 2021 respectively. The amendment was only on the expiry date of the warrants, with an extension of the expiry dates from November 3, 2024 and December 7, 2024 respectively, to November 3, 2026 and December 7, 2026 respectively.

The grant date fair value of all the amended warrants during the year ended December 31, 2024 was estimated using the Black-Scholes option-pricing model with the following weighted average assumptions:

	Amended Warrants	Original Warrants
Grant Date Share Price	\$0.018	\$0.018
Exercise Price	\$0.108	\$0.108
Expected Life (years)	2.08	0.08
Volatility	145%	215%
Dividend Yield	0.00%	0.00%
Risk Free Rate	3.66%	3.66%
Forfeiture rate	0.00%	0.00%
Fair-value per warrant	\$ 0.008	\$ -

The total cost of warrant amendments during the year ended December 31, 2024 is \$571,026 which has been recorded as net financing expense.

Warrants outstanding as of December 31, 2024 are as follows:

Expiry Date	Exercise Price	Outstanding Warrants
March 1, 2026	\$0.10	45,022,210
December 20, 2025	\$0.08	14,581,220
September 14, 2026	\$0.08	2,496,000
October 19, 2025	\$0.05	300,000
January 31, 2026	\$0.05	300,000
May 31, 2027	\$0.05	180,000
August 14, 2027	\$0.06	9,231,835
November 3, 2026	\$0.12	12,770,341
December 7, 2026	\$0.12	17,350,843
November 7, 2027	\$0.06	6,335,166
	\$0.10	108,567,615

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The weighted average remaining contractual life of warrants outstanding as of December 31, 2024 is 1.58 years (December 31, 2023 – 0.76 years).

NOTE 9 – SHARE-BASED PAYMENTS

On February 4, 2013, the Company adopted a “rolling” stock option plan for its employees, directors, officers and self-employed consultants, which plan received regulatory approval in 2013. The terms of the plan provide for options to be granted to a maximum of 10% of the issued and outstanding common shares of the Company at the time of grant of the stock options. The exercise price of each option shall not be less than the minimum price permitted by the policies of the Exchange. The options may be granted for a maximum term of ten years from the date of grant, and at the Board’s election, may include vesting provisions. The total amount of share-based payments expense, if any, which is expected to be recognized over the vesting period of options, is recognized during the period in which it occurs.

On October 31, 2018, at the Company’s Annual General Meeting the shareholders approved a new stock option plan to incorporate the policies of the Canadian Stock Exchange (“CSE”). Under the new stock option plan the maximum number of shares of the Company reserved for issuance will be limited to 10% of the issued shares of the Company at the time of any granting of options (on a non-diluted basis). In addition, the number of shares which may be reserved for issuance to any one individual may not exceed 5% of the issued shares on a yearly basis or 2% if the optionee is engaged in investor relations activities or is a consultant. The Board may from time to time authorize the issue of options to directors, officers, employees and consultants of the Company and its subsidiaries or employees of companies providing management or consulting services to the Company or its subsidiaries. The exercise price of each option shall be determined by the Board provided that such exercise price shall be not lower than the greater closing price of the Company’s shares on the CSE on the trading day prior to the date of grant. The options may be granted for a maximum term of ten years from the date of grant, and at the Board’s election, may include vesting provisions. The total amount of share-based payments expense, if any, which is expected to be recognized over the vesting period of options, is recognized during the period in which it occurs.

a) Stock options

The Company’s recorded share-based compensation expense for years ended December 31, 2024 and 2023 comprised of the following:

	December 31, 2024		December 31, 2023	
Stock Options	\$	63,911	\$	287,089

Movements in the number of stock options outstanding and their related weighted average exercise prices are as follows:

	Number of options		Weighted average exercise price
Balance, December 31, 2022	12,600,000	\$	0.10
Granted (i)	9,000,000		0.06
Expired (ii)	(8,550,000)		0.11
Balance, December 31, 2023	13,050,000	\$	0.06
Granted (iii)	4,600,000		0.050
Expired (iv)	(4,050,000)		0.070
Balance, December 31, 2024	13,600,000	\$	0.053

- (i) During the year ended December 31, 2023, the Company granted a total of 9,000,000 incentive stock options with 1,500,000 granted to officers of the Company. The remaining 7,500,000 were granted to consultants of the Company.

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The Company fair valued the options granted during the year ended December 31, 2023 using the Black-Scholes option pricing model and the following weighted average inputs:

	December 31, 2023
Grant Date Share Price	\$0.05
Exercise Price	\$0.056
Expected Life	2.07
Volatility	131.85%
Dividend Yield	0.00%
Risk Free Rate	3.89%
Fair-value per option	\$0.03

- (ii) During the year ended December 31, 2023 a total of 8,550,000 stock options expired without exercise resulting in a transfer of \$523,950 from share-based payment reserve to accumulated deficit
- (iii) During the year ended December 31, 2024, the Company granted a 3,100,000 and 1,500,000 incentive stock options to consultants and key management respectively. The Company fair valued the options granted during the year ended December 31, 2024 using the Black-Scholes option pricing model and the following weighted average inputs:

	December 31, 2024
Grant Date Share Price	\$0.017
Exercise Price	\$0.050
Expected Life	2.78
Volatility	155.50%
Dividend Yield	0.00%
Risk Free Rate	3.38%
Fair-value per option	\$0.01

- (iv) During the year ended December 31, 2024 a total of 4,050,000 stock options expired without exercise resulting in a transfer of \$158,650 from share-based payment reserve to accumulated deficit.

Stock options outstanding and exercisable as at December 31, 2024 are as follows:

Number of Options Outstanding	Number of Options Exercisable	Exercise Price	Expiry Date
5,100,000	5,100,000	\$ 0.060	March 24, 2025
500,000	500,000	\$ 0.060	March 29, 2025
800,000	800,000	\$ 0.050	September 6, 2025
2,000,000	2,000,000	\$ 0.050	October 23, 2025
600,000	600,000	\$ 0.050	November 16, 2026
1,000,000	1,000,000	\$ 0.050	March 13, 2026
3,600,000	3,600,000	\$ 0.050	November 13, 2027
13,600,000	13,600,000	\$ 0.053	

The weighted average remaining contractual life of stock options outstanding and exercisable at December 31, 2024 is 1.18 years (2023 – 1.18 years).

NOTE 10 – RELATED PARTY TRANSACTIONS AND BALANCES

Key management personnel compensation

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company defines key management personnel as being the directors and key officers.

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The compensation awarded to key management personnel is as follows:

For the year ended December 31:	2024	2023
Professional and consulting fees	\$ 276,000	\$ 220,500
Director fees	54,000	48,535
Share-based payments	16,500	58,500
Total compensation	\$ 346,500	\$ 327,535

Other related party transactions

Effective May 1, 2016, the Company entered into an office rental agreement in which an officer and director is a shareholder. The Company was charged rent, office and parking expenses:

For the year ended December 31:	2024	2023
Rent, office and parking	\$ 93,943	\$ 92,196

Due to related parties

Balances owed to key management personnel and related parties, which are included in accounts payable and accrued liabilities are as follows:

As at:	December 31, 2024	December 31, 2023
Due to Chief Financial Officer	\$ 439,255	\$ 223,173
Due to Chief Executive Officer and President	90,094	-
Due to directors	34,650	25,725
Rent, office and parking payable	2,746	63,078
Total balance due to related parties	\$ 566,745	\$ 311,976

NOTE 11 – FINANCIAL INSTRUMENTS

Fair values

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs in the valuation techniques as follows:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

The carrying values of cash, receivables, accounts payable and accrued liabilities, and share subscriptions payable approximate their fair values due to the immediate or short-term nature of these instruments. The fair values of loans and borrowings approximate their carrying values due to the market rate of interest being applied. There has been no significant change in credit and market interest rates since the date of its receipt.

Fair value estimates are made at a specific point in time, based on relevant market information and information about the financial instruments. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and, therefore, cannot be determined with precision. Change in assumptions could significantly affect the estimates.

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The following table summarizes the classification of the Company's financial instruments under IFRS 9 – *Financial Instruments*:

Financial assets	
Cash	Amortized cost
Receivables and advances	Amortized cost
Financial liabilities	
Accounts payable and accrued liabilities	Amortized cost
Due to related parties	Amortized cost
Loans and borrowings	Amortized cost
Interest payable	Amortized cost
Share subscriptions payable	Amortized cost

Capital and risk management

The Company's objective and policies for managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Company manages its capital structure and makes changes based on economic conditions, risks that impact the operations and future significant capital investment opportunities. In order to maintain or adjust its capital structure, the Company may issue new equity instruments or raise additional debt financing.

The Company is exposed to a variety of financial risks by virtue of its activities: market risk, interest rate risk, liquidity risk and foreign currency risk. The Board of Directors has overall responsibility for the determination of the Company's capital and risk management objectives and policies while retaining ultimate responsibility for them. The Company's overall capital and risk management program has not changed throughout the period. It focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on financial performance. Risk management is carried out by the finance department under policies approved by the Board of Directors. The finance department identifies and evaluates financial risks in close cooperation with management.

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's interest-bearing debt instrument has a fixed interest rate and is not subject to interest rate cash flow risk.

The interest-bearing financial instruments, as reported in the consolidated financial statements, have the following interest rate profile:

As at:	December 31, 2024	December 31, 2023
Fixed rate instruments	\$ 63,037	\$ 81,508

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company generally relies on external financing or key management to provide sufficient liquidity to meet budgeted operating requirements. The following table sets forth details of the payment profile of financial liabilities based on their undiscounted cash flows:

	Total carrying amount	Contractual cash flows	Less than 1 year	1 to 5 years	More than 5 years
Accounts payable and accrued liabilities	\$ 1,608,514	\$ 1,608,514	\$ 1,608,514	\$ -	\$ -
Due to related parties	566,745	566,745	566,745	-	-
Loans and borrowings	61,500	61,500	1,500	60,000	-
Interest payable	1,537	1,537	1,537	-	-
Totals	\$ 2,238,296	\$ 2,238,296	\$ 2,178,296	\$ 60,000	\$ -

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Taking into consideration the Company's current cash position, volatile equity markets, global uncertainty in the capital markets and increasing cost pressures, the Company is continuing to review its needs to seek financing opportunities in accordance to its capital risk management strategy.

Foreign currency risk

Foreign currency risk is defined as the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company maintains financial instruments and enters into transactions denominated in foreign currencies, principally in U.S. dollar, which exposes the Company to fluctuating balances and cash flows due to various in foreign exchange rates.

NOTE 12 – INCOME TAXES

The total income tax recovery (expense) recorded in the consolidated financial statements differs from the amount computed by applying the combined federal and provincial tax rates of 27% (2023 – 27%) to income (loss) before tax as follows:

For the year ended December 31:	2024	2023
Loss before taxes	\$ (1,741,268)	\$ (1,621,001)
Statutory income tax rate	27%	27%
Expected recovery at statutory rate	(470,000)	(438,000)
Increase in taxes resulting from:		
Non-deductible items and other	17,000	76,000
Change in unrecognized deferred income tax assets	453,000	362,000
Income tax expense (recovery)	\$ -	\$ -

Deferred income tax assets are recorded to the extent that the realization of the related tax benefit is probable based on estimated future earnings. Deferred income tax assets have not been recognized with respect to the following deductible temporary differences:

As at December 31:	2024	2023
Non-capital loss carried forward	\$ 12,721,000	\$ 11,624,000
Exploration and evaluation assets	8,074,000	8,074,000
Capital assets	389,000	389,000
Financing costs	2,000	4,000
Total gross deferred income tax assets	21,186,000	20,091,000
Unrecognized deferred income tax assets	(21,186,000)	(20,091,000)
Net deferred income tax asset	\$ -	\$ -

The Company has a non-capital loss of \$12.721 million (2023 – \$11.624 million) which is available to reduce future year's taxable income. The non-capital loss expires in 2026 through 2044 if not utilized. Management estimates future income using forecasts based on the based available current information.

NOTE 13 – SEGMENT REPORTING

All of December 31, 2024, the Company's operations are based in Canada.

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NOTE 14 – EVENTS AFTER REPORTING PERIOD

- On April 04, 2025, the Company announced a Term Loan Offering (the “Loan”) of up to \$500,000. The Loan will be unsecured and will bear interest of 8% per annum. The term of the Loan will be twelve (12) months from the closing of the Loan or five (5) business days following a written notice of the Company that the Company has raised a minimum of one million dollars through an equity or debt financing. As an inducement for the Loan the Company will issue common shares of the Company to each Lender (an aggregate of 3,333,333 common shares) (the “Loan Bonus Shares”) or share purchase warrants to each Lender (an aggregate of 16,666,667 share purchase warrants) (the “Loan Bonus Warrants”) or a combination of 50% of the Loan Bonus Shares and 50% of the Loan Bonus Warrants. Each share purchase warrant will entitle the holder to purchase one common share of the Company at an exercise price of C\$0.05 for a period of twenty-four (24) months from the closing of the Loan.
- The Company has been working with a major mining company to enter into an Agreement to assist in funding of ongoing research and development.