



CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the period ended June 30, 2025 and 2024

(Expressed in U.S. Dollars)

LIBERTYSTREAM INFRASTRUCTURE PARTNERS INC.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at June 30, 2025 and December 31, 2024

(Expressed in U.S. dollars)

	Note	June 30, 2025	December 31, 2024
ASSETS			
Cash		\$136,890	\$2,372,121
Accounts Receivable	5	109,325	154,968
Goods and sales tax receivable		61,262	149,627
Prepaid expenses and deposits		30,046	322,332
		337,523	2,999,048
Intangible asset	7	2,264,923	2,411,047
Right of use asset	4	284,213	329,672
Royalty interest	9	323,108	351,781
Property, plant and equipment	6	2,743,629	1,791,342
Restricted deposit		77,481	48,731
Mining property and rights acquisition costs	8	1	3,330,874
Total assets		6,030,878	11,262,495
LIABILITIES			
Accounts payable and accrued liabilities	10, 15	758,133	633,918
Deferred revenue	13	589,613	-
Current lease liability	4	86,744	83,086
		1,434,490	717,004
Derivative liabilities	12	752,876	1,981,064
Long term lease liability	4	213,822	257,229
Total liabilities		2,401,188	2,955,297
SHAREHOLDERS' EQUITY			
Share capital (net of issuance costs)	14	23,587,591	22,516,715
Share-based payments reserve	14	1,595,848	1,632,746
Warrants reserve	14	265,185	265,185
Contributed surplus	14	951,855	924,880
Retained Earnings (Deficit)		(22,770,789)	(17,032,328)
		3,629,690	8,307,198
Total Liabilities and Shareholders' Equity		\$6,030,878	\$11,262,495
Nature of Operations and Going Concern	1		
Subsequent Events	18		
Approved on behalf of the Board of Directors by			
<u>"Alex Wylie",</u> CEO		<u>"Andrew Leslie",</u> Chairman	
Alex Wylie		Andrew Leslie	

LIBERTYSTREAM INFRASTRUCTURE PARTNERS INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

For the periods ended June 30, 2025 and 2024

(Expressed in U.S. dollars, except number of shares)

	Note	For the three months ended June 30, 2025	For the three months ended June 30, 2024 (restated - note 2(c))	For the six months ended June 30, 2025	For the six months ended June 30, 2024 (restated - note 2(c))
Expenses					
Consulting fees	15	\$506,983	\$372,052	\$1,026,816	\$665,385
Salary and wages	15	290,035	97,355	643,017	153,516
Field supplies		24,629	-	60,905	-
Filing and transfer fees		20,732	3,288	50,796	39,470
General and administrative	4	82,248	134,102	220,848	186,729
Amortization on intangible asset	7	73,062	73,062	146,124	146,124
Depreciation on property, plant and equipment	6	125,107	5,044	198,746	10,088
Insurance		13,455	5,880	27,585	10,116
Share-based compensation	14	15,976	61,782	65,015	65,845
Marketing and promotion		52,030	85,202	95,416	181,154
Research and development	13, 15	-	487,924	907,780	814,225
Travel		61,800	20,525	106,851	53,847
Professional fees		41,752	53,043	59,992	93,748
Loss before other items		1,307,809	1,399,259	3,609,891	2,420,247
Other income/(expense)					
Interest income		859	49,935	859	30,075
Royalty income	9	19,577	49,820	61,634	66,152
Amortization of royalty interest	9	(9,108)	(23,640)	(28,673)	(31,238)
Change in fair value of derivative liabilities	12	941,331	145,223	1,168,644	145,223
Refundable tax credit		-	(170,069)	-	(170,069)
Impairment of mining property and rights acquisition costs	8	(3,331,034)	-	(3,331,034)	-
Recovery of flow-through premium liability	11	-	-	-	2,956
		(2,378,375)	51,269	(2,128,570)	43,099
Loss and Comprehensive Loss		\$3,686,184	\$1,347,990	\$5,738,461	\$2,377,148
Loss per share					
Basic and diluted		(\$0.02)	(\$0.01)	(\$0.03)	(\$0.02)
Weighted average common shares outstanding					
Basic and diluted		169,474,814	135,024,954	168,258,953	132,664,279

LIBERTYSTREAM INFRASTRUCTURE PARTNERS INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Expressed in U.S. 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 (restated - note 2(c))		130,303,603	17,840,944	1,580,141	217,219	748,214	(11,566,184)	8,820,334
Reclassification of fair value allocated to warrants		-	(1,071,100)	-	1,071,100	-	-	-
Shares issued - private placement		6,818,182	1,504,355	-	-	-	-	1,504,355
Derivative liabilities		-	(410,408)	-	-	-	-	(410,408)
Share issuance costs		-	(31,471)	-	-	-	-	(31,471)
Broker warrants issued		-	(24,088)	-	24,088	-	-	-
Options expired		-	-	(12,832)	-	12,832	-	-
Warrants exercised		240,972	59,072	-	(6,255)	-	-	52,817
Warrants expired		-	-	-	-	-	-	-
Share-based compensation		-	-	65,845	-	-	-	65,845
Net loss for the period		-	-	-	-	-	(2,377,148)	(2,377,148)
As at June 30, 2024		137,362,757	17,867,304	1,633,154	1,306,152	761,046	(13,943,332)	7,624,324
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 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
Options granted	14	-	-	65,015	-	-	-	65,015
Net loss for the period		-	-	-	-	-	(5,738,461)	(5,738,461)
As at June 30, 2025		169,474,814	23,587,591	1,595,848	265,185	951,855	(22,770,789)	3,629,690

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

LIBERTYSTREAM INFRASTRUCTURE PARTNERS INC.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**

For the periods ended June 30, 2025 and 2024

(Expressed in U.S. dollars)

	For the six months ended June 30, 2025	For the six months ended June 30, 2024 (restated - note 2(c))
OPERATING ACTIVITIES		
Net loss	(\$5,738,461)	(\$2,377,148)
Items not affecting cash		
Share-based compensation	65,015	65,845
Impairment of mining property and rights acquisition costs	3,331,034	-
Recovery of flow-through premium liability	-	(2,956)
Amortization of royalty interest	28,673	31,238
Amortization on intangible asset	146,124	146,124
Depreciation on property, plant and equipment	198,746	10,088
Interest on lease liability	12,821	16,060
Depreciation on right of use asset	45,459	46,003
Change in fair value of derivative liabilities	(1,168,644)	(145,223)
Changes in non-cash working capital		
Prepaid expenses and deposits	292,286	32,695
Accounts receivable	14,188	176,025
Goods and services tax receivable	119,820	96,739
Accounts payable and accrued liabilities	(172,738)	48,634
Deferred revenue	589,613	-
Net cash provided by (used in) operating activities	(2,236,064)	(1,855,876)
INVESTING ACTIVITIES		
Mining property and rights acquisition and exploration costs	(161)	(496,513)
Property, plant and equipment costs	(854,080)	(581,539)
Restricted deposit	(28,750)	(21,005)
Net cash provided by (used in) investing activities	(882,991)	(1,099,057)
FINANCING ACTIVITIES		
Shares issued - private placement (net of issuance costs)	-	1,481,801
Cash received on exercise of options	93,821	-
Cash received on exercise of warrants	842,573	52,817
Principal payment on lease	(52,570)	(53,655)
Net cash provided by (used in) financing activities	883,824	1,480,963
Increase (decrease) in cash	(2,235,231)	(1,473,970)
Cash, beginning of period	2,372,121	2,397,476
Cash, end of period	\$136,890	\$923,506
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	460,905	32,784
Accounts payable related to share issue costs	-	8,916



NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. *Nature of Operations and Going Concern*

LibertyStream Infrastructure Partners Inc. (formerly 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 “LIB”, the OTCQB under the symbol “VLTLF” and the Frankfurt Exchange under the symbol “3ZM”. 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. On June 25, 2025, the Company changed its name from Volt Lithium Corp. to LibertyStream Infrastructure Partners Inc.

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

These consolidated interim financial statements (the “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 \$22,770,789 as at June 30, 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 June 30, 2025, the Company had current assets of \$337,523 (December 31, 2024 - \$2,999,048) to cover current liabilities of \$1,434,490 (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, and 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, including comparatives, have been prepared in accordance with 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 August 29, 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. Balance sheet and profit and loss amounts previously reported in Canadian dollars were translated into US dollars as at June 30, 2024 and July 1, 2023 using the foreign exchange rate of 1.3687 C\$/US\$, which was the rate prevailing on July 1, 2024.



2. Basis of Presentation (continued)

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

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

	<u>Three months ended</u>		<u>Six months ended</u>	
	<u>June 30, 2024</u>		<u>June 30, 2024</u>	
	<u>As reported</u>	<u>Restated</u>	<u>As reported</u>	<u>Restated</u>
	<u>C\$</u>	<u>US\$</u>	<u>C\$</u>	<u>US\$</u>
Operating expenses				
Consulting fees	509,228	372,052	910,713	665,385
Salary and wages	133,250	97,355	210,117	153,516
Filing and transfer fees	4,500	3,288	54,023	39,470
General and administrative	183,546	134,102	255,576	186,729
Amortization on intangible asset	100,000	73,062	200,000	146,124
Depreciation on property, plant and equipment	6,904	5,044	13,808	10,088
Insurance	8,048	5,880	13,846	10,116
Share based compensation	84,561	61,782	90,121	65,845
Marketing and promotion	116,616	85,202	247,946	181,154
Research and development	667,821	487,924	1,114,430	814,225
Travel	28,092	20,525	73,700	53,847
Professional fees	72,600	53,043	128,313	93,748
	<u>1,915,166</u>	<u>1,399,259</u>	<u>3,312,593</u>	<u>2,420,247</u>
Other income (expense)				
Interest income	68,346	49,935	41,164	30,075
Royalty income	68,189	49,820	90,542	66,152
Amortization of royalty interest	(32,356)	(23,640)	(42,755)	(31,238)
Change in fair value of derivative liabilities	198,767	145,223	198,767	145,223
Refundable tax credit	(232,773)	(170,069)	(232,773)	(170,069)
Recovery of flow through premium liability	-	-	4,046	2,956
	<u>70,173</u>	<u>51,269</u>	<u>58,991</u>	<u>43,099</u>
Net loss and comprehensive loss for the period	<u>1,844,993</u>	<u>1,347,990</u>	<u>3,253,602</u>	<u>2,377,148</u>
Loss per share:				
Basic and diluted		(0.01)		(0.02)



2. Basis of Presentation (continued)

(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. ("Volt Operations")	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) Material accounting policies

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 annual audited consolidated financial statements for the year ended December 31, 2024.

(b) Material judgments, estimates and assumptions

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.



3. Material Accounting Policy Information (continued)

The areas which require management to make critical judgments include:

Going concern

These condensed interim consolidated 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 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 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.



3. Material Accounting Policy Information (continued)

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.



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 June 30, 2025, \$284,213 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	(45,459)
As at June 30, 2025	284,213

(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	234,571
	341,880
Effect of discounting	(41,314)
Present value of minimum lease payments	300,566
Less current portion	(86,744)
Long-term portion	213,822



4. Leases (continued)

(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	(52,570)
Interest	12,821
As at June 30, 2025	300,566

During the three and six months ended June 30, 2025, interest of, \$5,952 and \$12,821, respectively, (2024 – \$5,357 and \$16,060, respectively) and depreciation of \$14,415 and \$45,459, respectively (2024 - \$24,905 and \$46,003, respectively) is included in the general and administrative expense on the consolidated statements of loss and comprehensive loss.

5. Accounts Receivable

The Company's accounts receivable was comprised of the following as at June 30, 2025 and December 31, 2024:

	June 30, 2025	December 31, 2024
	\$	\$
Subscription receivable	-	17,374
Royalty receivable (Note 9)	99,325	115,083
Other receivables	10,000	22,511
	109,325	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, the BPED unit, Manlift and the North Dakota Test unit are not installed and have not been depreciated during the three and six months ended June 30, 2025. In addition, DLE Field units costing \$21,254 are also not installed and therefore, have not been depreciated.

**6. Property, Plant and Equipment (continued)**

A summary of the Company's property and equipment is as follows

	Motor Vehicles	Demonstration Plant Units	Carbonation Unit	BPED Unit	DLE Field Units	Manlift	North Dakota Test Unit	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	-	-	487,064	-	992,373	18,500	42,897	1,540,834
North Dakota Field Study Grant (Note 13)	-	-	-	-	(389,801)	-	-	(389,801)
Balance, June 30, 2025	54,343	201,765	611,564	68,299	2,026,486	18,500	42,897	3,023,854
Accumulated Depreciation								
Balance June 30, 2024	-	11,770	-	-	-	-	-	11,770
Depreciation	3,564	9,920	-	-	56,225	-	-	69,709
Balance, December 31, 2024	3,564	21,690	-	-	56,225	-	-	81,479
Depreciation	5,493	10,256	-	-	182,997	-	-	198,746
Balance, June 30, 2025	9,057	31,946	-	-	239,222	-	-	280,225
Net Book Value								
December 31, 2024	50,779	180,075	124,500	68,299	1,367,689	-	-	1,791,342
June 30, 2025	45,286	169,819	611,564	68,299	1,787,264	18,500	42,897	2,743,629



7. Intangible Asset

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	(146,124)
As at June 30, 2025	2,264,923

8. 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
Impairment	(3,331,034)
As at June 30, 2025	\$ 1

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 June 30, 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). Due to the permits lapsing during the period ended June 30, 2025, the property was impaired to \$1.



9. 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 June 30, 2025, the Company has accrued royalty receivables of \$99,325 (December 31, 2024 - \$115,083) and recognized the royalty income of \$19,577 and \$61,634, respectively, for the three and six months ended June 30, 2025 (2024 - \$49,820 and \$66,152, respectively).

During the three and six months ended June 30, 2025, the Company has recognized amortization of royalty interest of \$9,108 and \$28,673, respectively (2024 – \$23,640 and \$31,238, respectively).

The following table presents a continuity of the royalty interest:

	\$
Balance, June 30, 2024	394,679
Amortization expense	(42,898)
Balance, December 31, 2024	351,781
Amortization expense	(28,673)
Balance, June 30, 2025	323,108

10. Accounts Payable and Accrued Liabilities

As at June 30, 2025 and December 31, 2024, the Company's accounts payable and accrued liabilities were composed of the following:

	June 30, 2025	December 31, 2024
	\$	\$
Accounts payable	732,933	603,928
Accrued liabilities	25,200	29,990
	758,133	633,918



11. 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 has recognized \$153,245 as recovery of flow-through premium liability during the period ended December 31, 2024 (year ended June 30, 2024 - \$15,223).

12. 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 Canadian dollars; 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 six months ended June 30, 2025 and 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 June 30, 2025	-



12. Derivative Liabilities (continued)

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 initial recognition and the revaluations 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 derivative liabilities is transferred to share capital. During the six months ended June 30, 2025, 4,000,414 warrants with a fair value of \$59,544 were exercised resulting in a transfer to share capital and 4,400,209 warrants with a fair value of \$65,494 expired. The outstanding warrants at June 30, 2025 were re-measured at fair value determined to be \$752,876, resulting in a gain on change in fair value of derivative liabilities for the three and six months ended June 30, 2025 of \$941,331 and \$1,168,644, respectively (2024 - \$145,223 and \$145,223, respectively).

**12. Derivative Liabilities (continued)**

The following table summarizes the continuity of the derivative liabilities for the C\$ denominated warrants for the six months ended June 30, 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 and transferred to share capital	(5,372,289)	(253,046)
Change in fair value of derivative liabilities	-	(351,318)
Balance, December 31, 2024	33,643,287	1,981,064
Warrants expired	(4,400,209)	(65,494)
Warrants exercised and transferred to share capital	(4,000,414)	(59,544)
Change in fair value of derivative liabilities	-	(1,103,150)
Balance, June 30, 2025	25,242,664	752,876

A summary of the warrants with C\$ exercise prices outstanding and exercisable as at June 30, 2025 is as follows:

Expiry Date	Warrants outstanding	Exercise Price
August 4, 2025 (Note 18)	12,497,433	C\$0.33
August 4, 2025 (Note 18)	757,973	C\$0.22
November 19, 2026	10,744,677	C\$0.44
November 19, 2026	1,242,581	C\$0.31
	25,242,664	

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

	June 30, 2025	December 31, 2024	November 19, August 12 and August 22, 2024	July 1, 2024
Risk-free interest rate*	2.80%	2.92%	3.21% - 3.41%	2.94% - 4.02%
Expected life	0.1 – 1.39 years	0.15 – 0.19 years	0.95 – 2 years	0.65 – 1.09 years
Expected volatility**	97% - 103%	65% - 112%	119% - 205%	100% - 105%
Forfeiture rate	0%	0%	0%	0%
Dividend rate	0%	0%	0%	0%

*The risk-free interest rate of periods within the expected life of the stock options is based on the Canadian government bond rate.

**The computation of expected volatility was based on the Company's historical price volatility, over a period which approximates the expected life of the warrant.



13. 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 six months ended June 30, 2025 and 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		(1,049,079)
Grant applied to carrying amount of the DLE Field unit (note 6)		(389,801)
Unspent portion of grant, June 30, 2025		589,613

\$1,049,079 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.



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 ("Units") 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 C\$0.31 per Unit and expires on November 19, 2026. The Company also incurred additional share issue costs of \$74,082 in connection 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 C\$0.31 per unit and expires on November 19, 2026.

During the six months ended June 30, 2025, 4,000,414 warrants were exercised at an exercise price of C\$0.30 for total proceeds of \$842,573, resulting in the issuance of 4,000,414 common shares and transfer of \$59,544 from derivative liabilities to share capital. In addition, 750,000 options were exercised for total proceeds of \$93,821 resulting in the issuance of 750,000 common shares and the transfer of \$74,938 from share-based payments reserve to share capital. The exercise of these options occurred at various strike prices.



14. Share Capital (continued)

(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, June 30, 2025	28,651,755	0.24	0.72

*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 June 30, 2025 and December 31, 2024 are as follows:

Expiry date	Exercise price	June 30, 2025	December 31, 2024
	\$	#	#
February 24, 2025***	C\$0.30	-	8,400,623
August 4, 2025 (Note 18)	C\$0.33	12,497,433	12,497,433
August 4, 2025 (Note 18)	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		0.72 years	0.98 years

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

***On February 24, 2025, 4,400,209 of these warrants expired unexercised.



14. Share Capital (continued)

The weighted average share price of warrants exercised during 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



14. Share Capital (continued)

The weighted average share price of warrants exercised during the six months ended June 30, 2025 are detailed below:

	Exercise Date	Exercise Price	Number of warrants exercised	Weighted average share price on exercise date
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, June 30, 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		Weighted average contractual remaining life (years)
	outstanding #	Weighted average exercise price \$	
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, June 30, 2025	10,585,000	0.19	1.84



14. Share Capital (continued)

- 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 \$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 \$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 six months ended June 30, 2025 and 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 risk-free interest rate of periods within the expected life of the stock options is based on the Canadian government bond rate.

**The computation of expected volatility was based on the Company's historical price volatility, over a period which approximates the expected life of the option.

The weighted average exercise price of the stock options exercised during the six months ended June 30, 2025 and 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	\$	#	\$
Exercised	October 2, 2024	C\$ 0.155	100,000	0.05
Exercised	November 12, 2024	C\$ 0.25	100,000	0.07
Exercised		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
June 30, 2025			750,000	0.24



14. Share Capital (continued)

The Company's stock options outstanding and exercisable as at June 30, 2025 and December 31, 2024, are as follows:

Expiry date	Exercise price	June 30, 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, 2029	C\$ 0.30	250,000	-
Total outstanding		10,585,000	11,485,000
Total exercisable		10,360,000	10,660,000
Weighted average remaining contractual life		1.84 years	2.34 years

15. Related Party Transactions

Key management personnel are those who have 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 and six months ended June 30, 2025 and 2024 is comprised as follows:

	Three months ended		Six months ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
	\$	\$	\$	\$
Salary and Wages	239,748	96,756	422,799	153,379
Technical Services	519,561	692,674	780,264	1,107,974

Salary and wages includes management fees for the three and six months ended June 30, 2025 and 2024 that were allocated for services rendered by the Chief Executive Officer, Chief Financial Officer and Chief Technology 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, and is included in the research and development expense on the consolidated statements of loss and comprehensive loss.



15. Related Party Transactions (continued)

Payments categorized under 'Technical Services' were made to Sterling. \$483,765 of this amount was in conjunction with the Services Agreement. In addition, \$296,500 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 June 30, 2025, included, \$93,178 payable to Sterling (December 31, 2024 – receivables of \$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, royalty interest, restricted deposit, accounts payable and accrued liabilities, lease liability and derivative liabilities. Derivative liabilities are measured at FVTPL. Cash, accounts receivable, royalty interest, 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).

There were no transfers between levels of the fair value hierarchy during the period.

The carrying values of cash, accounts receivable, and accounts payable and accrued liabilities approximate their fair values because of their nature and short term to maturity.



16. Financial Instruments and Risk Management (continued)

(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 June 30, 2025, the Company had cash of \$136,890 and a working capital deficit of \$1,096,967 with total liabilities of \$2,401,188.

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 U.S. dollar against the Canadian dollar, the net loss of the Company and the equity for the period ended June 30, 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.



17. Capital Management (continued)

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 June 30, 2025, and capital management is consistent with the year ended December 31, 2024. The Company is not subject to any externally imposed capital requirements.

18. Subsequent Events

On July 31, 2025, the Company issued 454,784 units upon the exercise of 454,784 warrants at an exercise price of C\$0.22, generating gross proceeds of \$72,271. Each unit consists of one common share of the Company and one-half of a warrant. Each whole warrant entitles the holder to purchase one common share of the Company at a price of C\$0.33 per share until August 4, 2025.

On August 4, 2025, 12,724,825 warrants with an exercise price of C\$0.33 and 303,189 warrants with an exercise price of C\$0.22 expired unexercised.

On August 8, 2025, the Company issued promissory notes for aggregate gross proceeds of \$2,567,086 (C\$3,530,000) (the "Offering"). The promissory notes will bear simple interest at a rate of 12% per annum with interest and principal payable at the maturity date of August 8, 2026. The Company has the right to redeem and repay the promissory notes at any time prior to August 8, 2026.

In connection with the Offering, the Company issued an aggregate of 3,004,255 common shares in the capital of the Company (the "Bonus Shares") to the promissory note holders. The Bonus Shares represent a value equal to 20% of the principal amount of the promissory notes, calculated based on the market price at the time of issuance of C\$0.235 per Bonus Share. The Bonus Shares will be subject to a four month hold period commencing from the date of issuance, in accordance with applicable Canadian securities laws and the policies of TSXV.

On August 11, 2025, the Company approved the grant of 250,000 stock options to an officer of the Company. The options are exercisable at C\$0.23 per share, expire on August 11, 2029, and vest 50% on November 11, 2025, with the remaining 50% vesting on February 11, 2026.