MEDARO MINING CORP.
FINANCIAL STATEMENTS
For the years ended September 30, 2022 and 2021

(Expressed in Canadian Dollars)

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Independent Auditor's Report

To the Shareholders of Medaro Mining Corp.

Opinion

We have audited the financial statements of Medaro Mining Corp. (the "Company"), which comprise the statements of financial position as at September 30, 2022 and September 30, 2021 and the statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at September 30, 2022 and September 30, 2021, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

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 Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 to the financial statements which describes the material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis

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

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

We obtained the other information 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 Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

"Crowe MacKay LLP"

Chartered Professional Accountants
Vancouver, Canada
January 30, 2023

MEDARO MINING CORP.
STATEMENTS OF FINANCIAL POSITION
As at September 30, 2022 and 2021
(Expressed in Canadian Dollars)

	Note		September 30, 2022		September 30, 2021
ASSETS					
Current assets					
Cash		**$**	**2,579,910**	$	4,259,818
Receivables			**415,568**		115,267
Prepaid expenses			**236,488**		330,081
Total current assets			**3,231,966**		4,705,166
Exploration and evaluation assets	6		**1,142,800**		245,000
Total assets		**$**	**4,374,766**	$	4,950,166
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities	7,9	**$**	**559,035**	$	298,970
SHAREHOLDERS' EQUITY					
Share capital	8		**15,796,079**		6,453,331
Reserves	8		**1,723,855**		898,093
Deficit			**(13,704,203)**		(2,700,228)
Total shareholders' equity			**3,815,731**		4,651,196
Total liabilities and shareholders' equity		**$**	**4,374,766**	$	4,950,166

Going concern (Note 2(c))
Commitments (Notes 5 and 6)
Subsequent events (Note 13)

APPROVED ON BEHALF OF THE BOARD:

"Faizaan Lalani" Director *"Charles Hugh Maddin"* Director

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

MEDARO MINING CORP.
STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
For the years ended September 30, 2022 and 2021
(Expressed in Canadian Dollars)

	Note		2022		2021
Operating and administrative expenses					
Consulting fees	9	**$**	**131,248**	$	115,458
Management fees	9		**367,335**		44,000
Exploration expenditures	6		**2,359,154**		303,350
Filing fees			**24,398**		38,450
Marketing and development			**4,217,633**		985,180
Office and general			**53,593**		9,063
Professional fees	9		**311,743**		140,333
Share-based compensation	8,9		**2,893,633**		397,688
Seed research and development	5		**645,238**		577,528
Net loss and comprehensive loss for the year		**$**	**(11,003,975)**	$	(2,611,050)

Basic and diluted loss per share	8	**$**	**(0.21)**	$	(0.09)
Weighted average number of common shares outstanding – basic and diluted	8		**53,042,185**		30,312,909

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

MEDARO MINING CORP.
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
For the years ended September 30, 2022 and 2021
(Expressed in Canadian Dollars)

		Share capital						
	Note	Number of shares	Share capital	Special warrants	Reserves	Share subscriptions received	Deficit	Total shareholders' equity
Balance, September 30, 2020		24,999,961	$ 754,998	$ -	$ -	$ 114,550	$ (89,178)	$ 780,370
Issuance of special warrants	8	-	-	347,550	-	(114,550)	-	233,000
Conversion of special warrants	8	3,475,500	173,775	(347,550)	173,775	-	-	-
Private placement	8	10,489,347	5,280,922	-	-	-	-	5,280,922
Shares issued for CYR South Lithium Property option	6,8	250,000	175,000	-	-	-	-	175,000
Shares issued for Global Lithium Joint Venture	5,8	450,000	450,000	-	-	-	-	450,000
Shares issued for exercised warrants		1,093,000	303,250	-	(49,650)	-	-	253,600
Share issuance costs		-	(684,614)	-	376,280	-	-	(308,334)
Share-based compensation	8	-	-	-	397,688	-	-	397,688
Net loss for the year		-	-	-	-	-	(2,611,050)	(2,611,050)
Balance, September 30, 2021		40,757,808	6,453,331	-	898,093	-	(2,700,228)	4,651,196
Shares issued for exercised warrants	8	5,591,745	2,590,758	-	(306,824)	-	-	2,283,934
Shares issued for Yurchison Uranium Property	6,8	704,225	500,000	-	-	-	-	500,000
Shares issued for Lac La Motte Lithium Property	6,8	110,000	52,800	-	-	-	-	52,800
Shares issued for Superb Lake Property	6,8	250,000	77,500	-	-	-	-	77,500
Shares issued for Darlin Li-Be Property	6,8	100,000	27,500	-	-	-	-	27,500
Shares issued for flow-through private placement	8	6,459,899	4,521,929	-	-	-	-	4,521,929
Share issuance costs		-	(396,539)	-	207,753	-	-	(188,786)
Share-based compensation	8,9	-	-	-	2,893,633	-	-	2,893,633
Shares issued for exercised RSRs	8	2,140,000	1,968,800	-	(1,968,800)	-	-	-
Net loss for the year		-	-	-	-	-	(11,003,975)	(11,003,975)
Balance, September 30, 2022		**56,113,677**	**$ 15,796,079**	**$ -**	**$ 1,723,855**	**$ -**	**$(13,704,203)**	**$ 3,815,731**

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

MEDARO MINING CORP.
STATEMENTS OF CASH FLOWS
For the years ended September 30, 2022 and 2021
(Expressed in Canadian Dollars)

		2022		2021
OPERATING ACTIVITIES				
Net loss for the year	**$**	**(11,003,975)**	$	(2,611,050)
Adjustments for non-cash items:				
Share-based compensation		**2,893,633**		397,688
Shares issued for seed research and development		**-**		450,000
Changes in non-cash working capital items related to operations:				
Receivables		**(300,301)**		(114,284)
Prepaid expenses		**93,593**		(322,081)
Accounts payable and accrued liabilities		**260,065**		287,345
Cash used in operating activities		**(8,056,985)**		(1,912,382)
INVESTING ACTIVITY				
Exploration and evaluation asset		**(240,000)**		(70,000)
Cash used in investing activity		**(240,000)**		(70,000)
FINANCING ACTIVITIES				
Proceeds from private placements		**4,521,929**		5,280,922
Share issuance costs		**(188,786)**		(308,334)
Proceeds from warrants exercised		**2,283,934**		253,600
Proceeds from special warrant issuance		**-**		233,000
Cash provided by financing activities		**6,617,077**		5,459,188
Change in cash during the year		**(1,679,908)**		3,476,806
Cash, beginning of the year		**4,259,818**		783,012
Cash, end of the year	**$**	**2,579,910**	$	4,259,818

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:				
Cash paid during the year				
Interest	**$**	**-**	$	-
Income taxes	**$**	**-**	$	-
Non-cash investing and financing transactions				
Shares issued for exploration and evaluation asset	**$**	**657,800**	$	175,000
Shares issued for exercised RSRs	**$**	**1,968,800**	$	-
Shares issued for seed research and development	**$**	**-**	$	450,000
Warrants issued for share issuance costs	**$**	**207,753**	$	376,280

1. CORPORATE INFORMATION

Medaro Mining Corp. (the "Company" or "Medaro") was incorporated on June 19, 2020, in British Columbia. The registered and records office and head office of the Company is located at 220 – 333 Terminal Avenue, Vancouver, BC, V6A 4C1.

The Company received a receipt on March 24, 2021 from the British Columbia Securities Commission for its long-form prospectus dated March 24, 2021, was listed on April 6, 2021 and commenced trading on the Canadian Securities Exchange ("CSE") on April 7, 2021 under the trading symbol "MEDA".

The Company is in the business of acquiring, exploring, and evaluating mineral resource properties in Canada.

2. BASIS OF PREPARATION

(a) Statement of Compliance

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

These financial statements were authorized for issue by the Board of Directors on January 30, 2023.

(b) Basis of Measurement

These financial statements have been prepared on a historical cost basis and are presented in Canadian dollars which is the functional currency of the Company. All amounts are rounded to the nearest dollar. The financial statements of the Company have been prepared on an accrual basis, except for cash flow information.

(c) Going Concern

These financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations.

The Company has not generated revenue from operations. The Company incurred a loss of $11,003,975 for the year ended September 30, 2022 (2021 - $2,611,050), and as of that date the Company's accumulated deficit was $13,704,203 (September 30, 2021 - $2,700,228). The Company's continuation as a going concern is contingent on the completion of financings to cover the Company's planned exploration activities.

As the Company is in the exploration stage, the recoverability of the costs incurred to date on exploration properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financial resources to complete the exploration and development of its properties and upon future profitable production or proceeds from the disposition of the properties and deferred exploration expenditures. The Company will periodically have to raise funds to continue operations.

During the year ended September 30, 2022, the Company raised $4,521,929 from a flow-through private placement (Note 8). Subsequent to September 30, 2022, the Company raised $2,894,414 from a flow-through private placement and $1,102,565 from a non-flow-through private placement (Note 13).

2. BASIS OF PREPARATION – (continued)

(c) Going Concern - (continued)

There can be no guarantee that the Company will be able to continue to secure additional financing in order to be able to continue operations for the foreseeable future, and if so, on terms that are favorable. These factors comprise a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. These financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate.

COVID-19

In March of 2020, the World Health Organization declared an outbreak of COVID-19 Global pandemic. The COVID-19 has impacted vast array of businesses through the restrictions put in place by most governments internationally, including the Canadian federal government as well as provincial and municipal governments, regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown to what extent the impact of the COVID-19 outbreak may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place world-wide to fight the virus. While the extent of the impact is unknown, the COVID-19 outbreak may hinder the Company's ability to raise financing for exploration or operating costs due to uncertain capital markets, supply chain disruptions, increased government regulations and other unanticipated factors, all of which may also negatively impact the Company's business and financial condition.

3. SIGNIFICANT ACCOUNTING POLICIES

The significant policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently by the Company to all periods presented during the most recent fiscal year.

Exploration and Evaluation Assets

Exploration and evaluation right to explore

The Company capitalizes direct mineral property acquisition costs. Mineral property acquisition costs include cash consideration, option payment under an earn-in arrangement and the fair value of common shares issued for mineral property interests, pursuant to the terms of the relevant agreement. Once the technical feasibility and commercial viability of extracting the mineral resources has been determined, the property is considered to be a mine under development and development costs are capitalized to "mines under construction" on the statement of financial position. These costs are amortized over the estimated life of the property following commencement of commercial production, or written off if the property is sold, allowed to lapse or abandoned, or when impairment in value has been determined to have occurred. A mineral property is reviewed for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable.

3. SIGNIFICANT ACCOUNTING POLICIES – (continued)

Exploration and evaluation expenditures

Exploration and evaluation expenditures are charged to operations in the year incurred until such time as it has been determined that a property has economically recoverable resources, in which case subsequent exploration costs and the costs incurred to develop a property are capitalized into property, plant and equipment.

Impairment of Assets

The Company's assets are reviewed for an indication of impairment at each statement of financial position date. If indication of impairment exists, the asset's recoverable amount is estimated.

An impairment loss is recognized when the carrying amount of an asset, or its cash-generating unit, exceeds its recoverable amount. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Impairment losses are recognized in profit or loss for the period. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

The recoverable amount is the greater of the asset's fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

Financial Instruments

Financial Assets

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, the transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Financial assets are considered in the entirety when determining whether their cash flows are solely payment of principal and interest.

Subsequent measurement of financial assets depends on their classification. The classification depends on the Company's business model for managing the financial assets and contractual terms of the cash flows. These are the measurement categories under which the Company classifies its financial assets:

- Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

3. SIGNIFICANT ACCOUNTING POLICIES – (continued)

- Fair value through OCI ("FVOCI"): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Financial assets classified at FVTOCI are subsequently measured at fair value with unrealized gains or losses recognized in other comprehensive income (loss). When the financial instrument is sold, the cumulative gain or loss remains in accumulated other comprehensive income or loss and is not reclassified to profit or loss.

- Fair value through profit or loss: Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss on an investment that is subsequently measured at FVTPL is recognized in profit or loss and presented net as other income in the statement of loss in the period which it arises.

The Company's cash is measured at amortized cost.

Impairment of Financial Assets at Amortized Cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses of the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of income (loss), as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Financial Liabilities

The Company classifies its financial liabilities into the following categories: financial liabilities at FVTPL and amortized cost.

A financial liability is classified as FVTPL if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognized in profit or loss as incurred. The fair value changes to financial liabilities at FVTPL are presented as follows: the amount of change in fair value that is attributable to changes in the credit risk of the liability is presented in OCI; and the remaining amount of the change in the fair value is presented in profit or loss. The Company does not designate any financial liabilities at FVTPL.

Other non-derivative financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest rate method. The Company classifies its accounts payable and accrued liabilities as financial liabilities held at amortized cost.

<u>Provisions</u>

Rehabilitation Provision

The Company is subject to various government laws and regulations relating to environmental disturbances caused by exploration and evaluation activities. The Company records the present value of the estimated costs of legal and constructive obligations required to restore the exploration sites in the year in which the obligation is incurred. The nature of the rehabilitation activities includes restoration, reclamation and re-vegetation of the affected exploration sites.

3. SIGNIFICANT ACCOUNTING POLICIES – (continued)

The rehabilitation provision generally arises when the environmental disturbance is subject to government laws and regulations. When the liability is recognized, the present value of the estimated costs is capitalized by increasing the carrying amount of the related exploration and evaluation assets. Over time, the discounted liability is increased for the changes in present value based on current market discount rates and liability specific risks.

Additional environment disturbances or changes in rehabilitation costs will be recognized as additions to the corresponding assets and rehabilitation liability in the year in which they occur.

Other Provisions

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

Basic and Diluted Loss Per Share

Basic loss per share is computed by dividing the loss for the year by the weighted average number of common shares outstanding during the year. Diluted earnings/loss per common share is computed by dividing the net income or loss applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding, if potentially dilutive instruments were converted. There were no potentially dilutive common shares related to warrants or stock options outstanding at September 30, 2022 and 2021. Accordingly, there is no difference in the amounts presented for basic and diluted loss per share.

Income Taxes

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

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

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

Deferred tax is recognized in respect of all qualifying temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the statement of financial position date and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that the assets can be recovered.

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

3. SIGNIFICANT ACCOUNTING POLICIES – (continued)

Share Capital

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The fair value of the common shares issued in the private placements was determined to be the more easily measurable component and were valued at their fair value, as determined by the closing quoted bid price on the date of issuance. The balance, if any, was allocated to the attached warrants. Any fair value attributed to the warrants is recorded to reserve.

Flow-through shares

Resource expenditure deductions for income tax purposes related to exploratory activities funded by flow-through share arrangements are renounced to investors in accordance with income tax legislation. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability and share capital. Upon expenses being incurred, the Company derecognizes the liability and recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The premium is recognized as other income and the related deferred tax is recognized as a tax provision.

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures within a two-year period.

The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Look-back Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financing expense until qualifying expenditures are incurred.

Share-based Payments

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespectively of whether these vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where non-vesting condition is not satisfied. Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods and services received or at the fair value of the equity instruments issued if it is determined the fair value of goods or services cannot be reliably measured and are recorded at the date the goods or services are received.

For restricted share rights (“RSRs”), the fair value of the grant is determined by multiplying the Company’s share price at grant date by the number of RSRs granted. The resulting fair value of the RSRs is then adjusted for an estimated forfeiture rate which is determined based on historical data and is recognized over the vesting period. Actual number of RSRs that will eventually vest is likely to be different from estimation.

3. SIGNIFICANT ACCOUNTING POLICIES – (continued)

All equity-settled share-based payments are reflected in reserve until exercised. Upon exercise, shares are issued from treasury and the amount reflected in reserve is credited to share capital, adjusted for any consideration paid.

Where a grant of options is cancelled and settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

Where options are cancelled or expired, the fair value of the options is left in reserve.

Investments in Associates

Associates are all entities over which the Company has significant influence but not control or joint control. This is generally the case where the Company holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognized at cost. Under the equity method, the investment is adjusted to recognize changes in the Company's share of net assets of the associate since the acquisition date.

The statement of loss and comprehensive loss reflects the Company's share of the results of operations of the associate. In addition, when there has been a change recognized directly in the equity of the associate, the Company recognizes its share of any changes, when applicable, in the statement of changes in equity. Unrealized gains and losses resulting from transactions between the Company and the associate are eliminated to the extent of the interest in the associate.

The financial statements of the associate are prepared for the same reporting period as the Company. When necessary, adjustments are made to bring the accounting policies in line with those of the Company.

After application of the equity method, the Company determines whether it is necessary to recognize an impairment loss on its investment in its associate. At each reporting date, the Company determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Company calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognizes the loss within 'Share of profit of an associate' in profit or loss.

Foreign currency translation

The functional currency of the Company is the Canadian dollar. Transactions in foreign currencies are translated to the functional currency of each entity at a rate of exchange approximating the prevailing rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rate in effect at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Realized and unrealized exchange gains and losses are recognized in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES – (continued)

Recent accounting pronouncements and changes in accounting policies

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for future accounting periods are as follows:

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

The amendments to IAS 1 provide a more general approach to the classification of liabilities based on the contractual arrangements in place at the reporting date. These amendments are effective for reporting periods beginning on or after January 1, 2023 and are not expected to have a material impact on the Company.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

Key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year include, but are not limited to the following:

- The application of the Company's accounting policy for exploration and evaluation assets and impairment of the capitalized expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after an expenditure is capitalized, information becomes available suggesting that the recovery of the expenditure is unlikely, the amount capitalized is written off in profit or loss in the year the new information becomes available.

- The assessment of the Company's ability to continue as a going concern requires significant judgement. (Note 2(c)).

- The classification of Global Lithium as an associate involves judgment and the determination of the carrying value of the investment requires estimates (Note 5).

- Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title or interest therein. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

5. INVESTMENT IN ASSOCIATE

Global Lithium Joint Venture

On June 30, 2021, the Company entered into an arrangement (the "JV Agreement") with Dr. James G. Blencoe, PhD of Tennessee, and Charn Deol with respect to the operation of a joint venture (the "Joint Venture") to develop and commercialize a new, low-cost process for extracting lithium from spodumene concentrate (the "Technology"). The Joint Venture will be operated through Global Lithium Extraction Technologies, Inc. ("Global Lithium"), a new corporation that was formed for this purpose.

Pursuant to the JV Agreement, Dr. Blencoe will contribute his and his related companies' intellectual property, personnel, laboratory facilities and services to the Joint Venture and the Company will fund the research and development costs of the Joint Venture through (i) the contribution of USD$500,000 over the first ten months of the Joint Venture; (ii) the contribution of USD$3,000,000 towards commission of a pre-commercial facility for the large-scale testing and implementation of the Technology and (iii) contribution of funds to cover costs and expenses related to the preparation, filing, and prosecution of any nonprovisional patent applications related to the Technology, and other reasonable expenses incurred in connection therewith, including reasonable fees and expenses paid to outside legal counsel, if and when Global Lithium pursues such applications. The Company will acquire an ownership interest in Global Lithium in stages, as certain cash contributions are made, as the Joint Venture achieves certain operational and research milestones, and upon the Company issuing up to an aggregate of 1,850,000 common shares of the Company to Dr. Blencoe and Mr. Deol. As at September 30, 2022, the Company had paid USD$100,000 ($127,528) and issued 450,000 common shares. Subsequent to the year ended September 30, 2022, the Company issued 400,000 common shares (Note 13).

Once the Company owns 80% of Global Lithium's shares and the Technology has been completed, the Company will be entitled to acquire the remaining 20% interest in Global Lithium for USD$10,000,000 payable in cash or shares.

As at September 30, 2022, the Company had a 20% (September 30, 2021 – 20%) interest in Global Lithium. The Company's interest in Global Lithium is accounted for using the equity method. On acquisition of the investment, a comparison is made between the cost of the investment and the Company's share of the net fair value of the investee's identifiable assets and liabilities, which may result in recognizing some assets (often intangible) and liabilities that the investee had not previously recognized as assets and liabilities in its financial statements. The investee had a nominal amount of net assets on the acquisition date, accordingly, the consideration paid was expensed to seed research and development ($577,528). During the year ended September 30, 2022, the Company continued to advance cash to support research and development activities recognizing $646,142 in expenses.

(Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS

The following table represents expenditures incurred on the exploration and evaluation asset during the years ended September 30, 2022 and 2021:

	Superb Lake Property	CYR South Lithium Property	Yurchison Uranium Property	Lac La Motte Lithium Property	Darlin Li-Be Property	Total
Balance as at September 30, 2020	$ -	$ -	$ -	$ -	$ -	$ -
Options payments - cash	40,000	30,000	-	-	-	70,000
Options payments - shares issued	-	175,000	-	-	-	175,000
Balance as at September 30, 2021	40,000	205,000	-	-	-	245,000
Options payments - cash	50,000	-	150,000	20,000	20,000	240,000
Options payments - shares issued	77,500	-	500,000	52,800	27,500	657,800
Balance as at September 30, 2022	$167,500	$205,000	$650,000	$72,800	$47,500	$ 1,142,800

The following tables represent exploration expenditures incurred during the years ended September 30, 2022 and 2021 which have been included in exploration expenditures on the statements of loss and comprehensive loss:

For the year ended September 31, 2021	Superb Lake Property	CYR South Lithium Property	Yurchison Uranium Property	Lac La Motte Lithium Property	Darlin Li-Be Property	Total
Field cost	$ 48,882	$ 58,250	$ -	$ -	$ -	$ 107,132
Geological	81,607	26,850	-	-	-	108,457
Reports and admin	23,011	18,750	-	-	-	41,761
Surveys	-	46,000	-	-	-	46,000
Total	**$ 153,500**	**$ 149,850**	**$ -**	**$ -**	**$ -**	**$ 303,350**

For the year ended September 31, 2022	Superb Lake Property	CYR South Lithium Property	Yurchison Uranium Property	Lac La Motte Lithium Property	Darlin Li-Be Property	Total
Community relations	$ 19,724	$ -	$ 9,095	$ 30,000	$ -	$ 58,819
Consulting	-	14,000	42,340	8,260	63,475	128,075
Drilling	-	-	-	381,068	-	381,068
Field cost	50,830	4,800	155,098	34,050	-	244,778
Geological	190,204	187,700	179,000	77,108	-	634,012
Helicopter	-	-	189,593	-	-	189,593
Reports and admin	20,230	30,000	17,250	35,650	-	103,130
Surveys	89,205	-	315,564	-	-	404,769
Travel and accommodations	-	65,150	66,621	83,139	-	214,910
Total	**$ 370,193**	**$ 301,650**	**$ 974,561**	**$ 649,275**	**$ 63,475**	**$ 2,359,154**

(Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS – (continued)

Superb Lake Property

On September 11, 2020 (the "Effective Date"), the Company obtained an option to acquire up to a 100% interest in the Superb Lake Property. This property consists of 8 mining claims and is located in the Thunder Bay Mining District, Northwestern Ontario. As consideration, the Company must make total cash payments of $165,000, issue 750,000 common shares of the Company and incur $370,000 in exploration expenditures as follows:

	Cash	Common shares	Aggregate exploration expenditures
Within seven days of signing on the Effective Date *(paid)*	$ 40,000	-	$ -
Within one year of the Effective Date *(incurred)*	-	-	120,000
Within one year of the date on which the Company's shares become listed on the CSE (April 6, 2021, the "Listing Date") *(paid, issued)*	50,000	250,000	-
Within two years of the Effective Date *(outstanding)*	75,000	-	250,000
Within two years of the Listing Date	-	500,000	-
Total	$ 165,000	750,000	$ 370,000

Should the Company acquire 100% of the property, the optionor will retain a 3% net smelter return royalty ("NSR Royalty"). The Company may request a right to purchase from the optionor 1% NSR Royalty for $1,000,000 thereby reducing the NSR Royalty held to 2%.

The Company is currently negotiating an extension for the outstanding $75,000 cash payment which was due on September 11, 2022 and remains unpaid as of September 30, 2022.

(Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS – (continued)

CYR South Lithium Property

On April 13, 2021 (the "Effective Date"), the Company obtained an option to acquire up to a 100% interest in the CYR South lithium property located in James Bay area of Quebec. The CYR south lithium property consists of 52 mineral claims for a total of 2,748 hectares. As consideration, the Company agrees to pay the optionor cash of $30,000, issue 250,000 common shares of the Company and incur $250,000 in exploration expenditures as follows:

	Cash	Common shares	Aggregate exploration expenditures
Within five days of signing on the Effective Date *(paid)*	$ 30,000	-	$ -
Subject to a pooling agreement providing for the release of the shares 8 months after the Company's shares become DTC eligible *(issued)*	-	250,000	-
Within one year of the Effective Date *(incurred)*	-	-	250,000
Total	$ 30,000	250,000	$ 250,000

Should the Company acquire 100% of the property, the optionor will retain a 3% NSR Royalty. The Company may request a right to purchase from the optionor 1% NSR Royalty for $1,000,000 thereby reducing the NSR Royalty held to 2%.

(Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS – (continued)

Yurchison Uranium Property

On November 1, 2021 (the "Effective Date"), the Company obtained an option to acquire up to a 70% interest in the Yurchison Uranium Property. This property consists of 12 mining claims and is located in the Wollaston Domain, Northern Saskatchewan. As consideration, the Company must make total cash payments of $800,000, issue common shares having a total value of $3,000,000, and incur $5,000,000 in exploration expenditures as follows:

	Cash	Common shares	Aggregate exploration expenditures
Within five days of signing on the Effective Date *(paid and issued)*	$ 150,000	$ 500,000	$ -
Within one year of the Effective Date *(paid and subsequently issued (Note 13), incurred)*	150,000	500,000	500,000
Within two years of the Effective Date	250,000	1,000,000	1,500,000
Within three years of the Effective Date	250,000	1,000,000	3,000,000
Total	$ 800,000	$ 3,000,000	$ 5,000,000

The Company can acquire an additional 30% for a total 100% interest, subject to the NSR Royalty and an underlying NSR Royalty of 2% on one of the mining claims, by making an additional cash payment of $7,500,000 and issuing common shares with a total value of $7,500,000.

The optionor will retain a 2% NSR Royalty. The Company may request a right to purchase from the optionor 1% NSR Royalty for $1,000,000 thereby reducing the NSR Royalty held to 1%.

(Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS – (continued)

Lac La Motte Lithium Property

On May 6, 2022 (the "Effective Date"), the Company obtained an option to acquire up to a 100% interest in the Lac La Motte Lithium Property. This property consists of 11 mining claims, covering approximately 519 hectares, and is located in northwestern Quebec, Canada. As consideration, the Company must make total cash payments of $160,000, to issue 350,000 common shares of the Company, and incur an aggregate of $800,000 in exploration expenditures on the Property as follows:

		Cash	Common shares		Aggregate exploration expenditures
On Effective Date *(paid and issued)*	$	20,000	100,000	$	Nil
Within one year of the Effective Date *(incurred)*		45,000	50,000		150,000
Within two years of the Effective Date *(incurred)*		45,000	50,000		150,000
Within three years of the Effective Date		50,000	150,000		500,000
Total	$	160,000	350,000	$	800,000

The optionor will retain a 2% NSR Royalty. The Company may request a right to purchase from the optionor 1% NSR Royalty for $1,500,000 thereby reducing the NSR Royalty held to 1%. The Company has agreed to make a one-time payment of $1,000,000 in the event a 43-101 compliant mineral resource of 1 megatonne or more is established with respect to the Property, which may be satisfied through payment of cash or issuance of shares of the Company, at the Company's discretion.

On May 27, 2022, in connection with the agreement, the Company issued 10,000 common shares with a fair value of $5,300 as finder's fees.

(Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS – (continued)

Darlin Li-Be Property

On July 18, 2022 (the "Effective date"), the Company entered into an option agreement to acquire up to a 100% interest in and to the Darlin Li-Be property in northwestern Quebec, Canada. The Darlin Property is comprised of 37 mineral claims covering approximately 2,133 hectares located in Abitibi, Quebec. Pursuant to the agreement, the Company may acquire up to a 100% interest in and to the Darlin Property by (i) making aggregate cash payments of $160,000; (ii) issuing an aggregate of 350,000 common shares of the Company; and (iii) incurring an aggregate of $800,000 in exploration expenditures on the Darlin Property:

		Cash	Common shares		Aggregate exploration expenditures
On Effective Date *(paid, issued)*	$	20,000	100,000	$	Nil
Within one year of the Effective Date		45,000	50,000		150,000
Within two years of the Effective Date		45,000	50,000		150,000
Within three years of the Effective Date		50,000	150,000		500,000
Total	$	160,000	350,000	$	800,000

Upon exercise of the Option by the Company, the Optionor will retain a 2.0% net smelter returns royalty on the Darlin Property, 1.0% of which may be purchased by Medaro for $1,500,000. Further, in the event a 43-101 compliant mineral resource of 1 megatonne or more is established with respect to the Darlin Property, the Company has agreed to make a one-time payment of $1,000,000 to the Optionor, which may be satisfied through payment of cash or issuance of shares of the Company, at the Company's discretion.

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

		September 30, 2022		September 30, 2021
Trade payable	$	254,459	$	147,757
Accrued liabilities		304,576		151,213
	$	559,035	$	298,970

8. SHARE CAPITAL

(a) Authorized

Unlimited common shares with no par value.

(b) Issued

As at September 30, 2022, there were 56,113,677 (September 30, 2021 – 40,757,808) common shares issued and outstanding.

During the year ended September 30, 2022

On September 12, 2022, the Company issued 100,000 common shares with a fair value of $27,500 in accordance with the Darlin Li-Be Property option (Note 6).

On August 24, 2022, the Company issued 250,000 common shares with a fair value of $77,500 in accordance with the Superb Lake Property option (Note 6).

On May 12, 2022, the Company issued 100,000 common shares with a fair value of $47,500 in accordance with the Lac La Motte Lithium Property option (Note 6). In connection with the agreement, the Company issued an additional 10,000 common shares on May 27, 2022, with a fair value of $5,300 as finder's fees.

On April 22, 2022, the Company issued 10,000 common shares as a result of the RSRs vesting and being automatically converted at no cost to the holder. As a result, the Company recognized $9,200 from reserve to share capital.

On March 17, 2022, the Company issued 130,000 common shares as a result of the RSRs vesting and being automatically converted at no cost to the holder. As a result, the Company recognized $119,600 from reserve to share capital.

On December 1, 2021, the Company issued 2,000,000 common shares as a result of the RSRs vesting and being automatically converted at no cost to the holder. As a result, the Company recognized $1,840,000 from reserve to share capital.

On November 16, 2021, the Company completed a non-brokered flow-through private placement of 6,459,899 flow-through units (each, "FT Unit") at a price of $0.70 per FT Unit for aggregate gross proceeds of $4,521,929. Each FT Unit consists of one common flow-through share (each, "FT Share") and one-half of one common share purchase warrant. Each warrant will entitle the holder thereof to acquire an additional common share in the capital of the Company at a price of $0.90 per common share for a period of 24 months from the date of the issuance. All proceeds received were allocated to the common shares. No fair value was allocated to the attached warrants. No flow-through premium was recognized. In addition, the Company issued 269,694 finders' warrants (with the same terms as the common share purchase warrants) with a fair value of $207,753 and paid total cash finders' fees of $188,786. At September 30, 2022, the Company had a remaining commitment to incur exploration expenditures of $1,879,466 (2021 - $Nil).

On November 15, 2021, the Company issued 704,225 common shares with a fair value of $500,000 in accordance with the Yurchison Uranium Property option (Note 6).

During the year ended September 30, 2022, the Company issued 2,450,500 common shares at $0.20 per warrant, 2,920,745 common shares at $0.55 per warrant, and 220,500 common shares at $0.85 per warrant as a result of the exercise of share purchase warrants for total gross proceeds of $2,283,934. A total fair value of $306,824 for the valuation of the 2,450,500 warrants and the 409,787 finders' warrants were reallocated from reserves.

8. SHARE CAPITAL – (continued)

(b) Issued – (continued)

During the year ended September 30, 2021:

On September 8, 2021, the Company issued 450,000 common shares with a fair value of $450,000 in accordance with the JV Agreement (Note 5).

On July 12, 2021, the Company completed a private placement (the "July Private Placement") of 3,169,568 units (each, a "Unit") at a price of $0.65 per Unit, for gross proceeds of $2,060,219. Each Unit consists of one common share and one-half common share purchase warrant, with each whole warrant being exercisable at a price of $0.85 for a period of 24 months from issuance. All proceeds received were allocated to the common shares. The Company paid finders' fees of $128,032 and issued 196,973 finders' warrants (with the same terms as the common share purchase warrants) with a fair value of $191,981 to eligible parties who introduced subscribers to the July Private Placement. All securities issued in connection with the July Private Placement will be subject to a four-month one-day statutory hold in accordance with the applicable securities laws. No fair value was allocated to the attached warrants.

On May 25, 2021, the Company completed a private placement (the "May Private Placement") of 7,319,779 units (each, a "Unit") at a price of $0.44 per Unit, for gross proceeds of $3,220,703. Each Unit consists of one common share and one-half common share purchase warrant, with each whole warrant being exercisable at a price of $0.55 for a period of 12 months from issuance. All proceeds received were allocated to the common shares. The Company paid finders' fees of $180,302 and issued 409,787 finders' warrants (with the same terms as the common share purchase warrants) with a fair value of $184,299 to eligible parties who introduced subscribers to the May Private Placement. All securities issued in connection with the May Private Placement will be subject to a four-month and one-day statutory hold in accordance with applicable securities laws. No fair value was allocated to the attached warrants.

On April 21, 2021, the Company issued 250,000 common shares with a fair value of $175,000 in accordance with the CYR South Lithium Property option (Note 6).

On March 31, 2021, the Company issued 3,475,500 common shares and 3,475,500 share purchase warrants as a result of the conversion of Special Warrants (Note 8(d)). $173,775 was allocated to the common shares and $173,775 was allocated to the warrants. These warrants have an exercise price of $0.20 and expire 2 years from the listing date.

During the year ended September 30, 2021, the Company issued 993,000 common shares at $0.20 per warrant and 100,000 common shares at $0.55 as a result of the exercise of share purchase warrants for total gross proceeds of $253,600. A total fair value of $49,650 was reallocated from reserves.

(Expressed in Canadian Dollars)

8. SHARE CAPITAL – (continued)

(c) Options

The Company has a stock option plan included in the Company's Equity Incentive Plan (the "Plan") where the Board of Directors can grant stock options and RSRs (Note 8(f)) to directors, officers, employees, and consultants of the Company as performance incentives. The aggregate number of shares allocated and made available for issuance pursuant to stock options and RSRs granted under the Plan shall not exceed 20% of the issued and outstanding shares as at the date of the grant. The Plan shall remain in effect until it is terminated by the Board. Options shall be granted with an expiry date of five years from the date the option was granted, or such greater or lesser duration as the board of Board of Directors may determine.

During the year ended September 30, 2022:

No stock options were granted.

During the year ended September 30, 2021:

On August 5, 2021, the Company granted 450,000 stock options with a fair value of $492,290. Share-based payments relating to stock options vesting during the year was $225,970. Each option is exercisable at $1.29 per share until August 5, 2023, to directors, officers, and advisors of the Company in accordance with the Plan. The stock options are fully vested in four months.

The fair value of these stock options was determined by using the Black-Scholes method with the following assumptions:

	August 5, 2021
Risk-free interest rate	0.41%
Estimated life	2 years
Expected annualized volatility	202.30%
Expected dividend yield	0.00%
Forfeiture rate	0.00%
Fair value of options issued	$1.09

Expected volatility is determined based on entities with similar market capitalization in the same industry.

The changes in stock options are summarized as follows:

	Number	**Weighted Average Exercise Price**
Balance as at September 30, 2020	-	$ -
Issued	450,000	1.29
Balance as at September 30, 2022 and 2021	450,000	$ 1.29

As at September 30, 2022, there were 450,000 stock options outstanding and vested with the weighted average life of stock options outstanding of 0.85 years.

Share-based payments relating to stock options vesting during the year ended September 30, 2022, was $266,320 (2021 - $225,970).

8. SHARE CAPITAL – (continued)

(d) Special Warrants

On November 13, 2020, the Company issued an aggregate of 3,475,500 special warrants (each, a "Special Warrant") at a price of $0.10 per Special Warrant for gross proceeds of $347,550, of which $114,550 was included in share subscriptions received at September 30, 2020. Each Special Warrant entitles the holder to acquire, without further payment, one unit (a "Special Warrant Unit"). Each Special Warrant Unit is comprised of one common share of the Company and one warrant, exercisable into one common share of the Company at an exercise price of $0.20 for two years from the date the Company's shares commence trading on the CSE. Each Special Warrant automatically converts at 5:00 p.m. (Vancouver time) on the date that is the earlier of: (a) the third business day after the date on which a receipt for a final prospectus to qualify for distribution the Units is received by the Company from the British Columbia Securities Commission; and (b) one year from the issuance date. On March 31, 2021, 3,475,500 Special Warrants were converted into 3,475,500 Special Warrant Units as described above.

(e) Share Purchase Warrants

During the year ended September 30, 2022:

On November 16, 2021, the Company issued 3,229,949 share purchase warrants in connection with its November Flow-Through Private Placement. Each warrant is exercisable at a price of $0.90 expiring on November 16, 2023. An additional 269,694 finders' warrants were issued in connection with the November Flow-Through Private Placement under the same terms. These warrants have a fair value of $207,753 which has been recorded to reserves as a share issuance cost.

During the year ended September 30, 2021:

On July 12, 2021, the Company issued 1,584,784 share purchase warrants in connection with its July Private Placement. Each warrant is exercisable at a price of $0.85 expiring on July 11, 2023. An additional 196,973 finders' warrants were issued in connection with the July Private Placement under the same terms. These warrants have a fair value of $191,981 which has been recorded to reserves as a share issuance cost.

On May 25, 2021, the Company issued 3,659,890 share purchase warrants in connection with its May Private Placement. Each warrant is exercisable at a price of $0.55 expiring on May 25, 2022. An additional 409,787 finders' warrants were issued in connection with the May Private Placement under the same terms. These warrants have a fair value of $184,299 which has been recorded to reserves as a share issuance cost. During the year ended September 30, 2021, 100,000 of these warrants were exercised.

On March 31, 2021, the Company issued 3,475,500 share purchase warrants as a result of the conversion of Special Warrants. Each warrant is exercisable at a price of $0.20, expiring on March 31, 2023. During the year ended September 30, 2021, 993,000 of these warrants were exercised.

(Expressed in Canadian Dollars)

8. SHARE CAPITAL – (continued)

(e) Share Purchase Warrants - (continued)

The fair value of the finders' warrants was determined by using the Black-Scholes method with the following assumptions:

	November 2021 Flow-Through Private Placement	May 2021 Private Placement	July 2021 Private Placement
Risk-free interest rate	1.02%	0.30%	0.46%
Estimated life	2 years	1 year	2 year
Expected annualized volatility	191.22%	156.86%	203.73%
Expected dividend yield	0.00%	0.00%	0.00%
Forfeiture rate	0.00%	0.00%	0.00%
Fair value of warrants issued	$0.77	$0.45	$0.97

Expected volatility is determined based on entities with similar market capitalization in the same industry.

The changes in share purchase warrants are summarized as follows:

	Number	Weighted Average Exercise Price
Balance as at September 30, 2020	-	$ -
Issued	9,326,934	0.48
Exercised	(1,093,000)	0.23
Balance as at September 30, 2021	8,233,934	0.51
Issued	3,499,643	0.90
Exercised	(5,591,745)	0.41
Expired	(1,048,932)	0.55
Balance as at September 30, 2022	5,092,900	$ 0.88

As at September 30, 2022, the following warrants were outstanding and vested, entitling the holders thereof the right to purchase one common share for each warrant held as follows:

Outstanding	Exercise Price	Expiry Date	Vested
32,000	$0.20	March 31, 2023	32,000
1,561,257	$0.85	July 11, 2023	1,561,257
3,499,643	$0.90	November 16, 2023	3,499,643
5,092,900			5,092,900

As at September 30, 2022, there were 5,092,900 warrants outstanding and vested with the weighted average life of warrants outstanding of 1.02 years.

(Expressed in Canadian Dollars)

8. SHARE CAPITAL – (continued)

(f) Restricted Share Rights ("RSR")

The Company has RSRs included in the Plan where the Board of Directors can grant RSRs to directors, officers, employees, and consultants of the Company as performance incentives.

During the year ended September 30, 2022:

On February 1, 2022, the Company granted 400,000 RSRs with a fair value of $328,000. The RSRs vest evenly over four quarters starting three months from the grant date.

On December 1, 2021, the Company amended 2,000,000 of the RSRs to vest and exercise immediately.

On November 15, 2021, the Company granted 2,320,000 RSRs with a fair value of $2,134,400. The RSRs vest four months from the grant date.

Share-based payments relating to RSRs vesting during the year ended September 30, 2022, was $2,627,313 (September 30, 2021 - $171,718).

During the year ended September 30, 2021:

On August 5, 2021, the Company granted 290,000 RSRs with a fair value of $374,100. Share-based payments relating to RSRs vesting during the year was $171,718. The RSRs are fully vested and are automatically exercised in four months.

The changes in RSRs are summarized as follows:

	Number
Balance as at September 30, 2020	-
Issued	290,000
Balance as at September 30, 2021	290,000
Issued	2,720,000
Exercised	(2,140,000)
Balance as at September 30, 2022	870,000

As at September 30, 2022, there were 870,000 RSRs outstanding and 670,000 RSRs vested with the weighted average life of RSRs outstanding of 0.16 years.

(g) Escrow Shares

Pursuant to the subscription agreements pursuant to which such shares were issued by the Company, the 4,500,001 common shares issued on July 17, 2020 will be pooled for twelve months from the Listing Date. In addition, pursuant to an escrow agreement entered into between the Company and the holders of such shares, such shares will be placed into escrow released as to 10% on the Listing Date with the remaining 90% to be released in equal tranches at six-month intervals over the 36 months following the Listing Date. The second and third escrow releases took place during the year ended September 30, 2022, with another 30% combined released. As at September 30, 2022, 2,700,001 remained in escrow.

(h) Loss per Share

The calculation of basic and diluted loss per share of $0.21 (2021 - $0.09) for the year ended September 30, 2022, was based on the net loss of $11,003,975 (2021 - $2,611,050) attributable to the total weighted average number of shares outstanding of 53,042,185 (2021 – 30,312,909).

(Expressed in Canadian Dollars)

9. RELATED PARTY TRANSACTIONS AND BALANCES

The following expenses were incurred by key management personnel of the Company. Key management personnel include directors and key officers of the Company including the President, Chief Executive Officer ("CEO"), and Chief Financial Officer ("CFO"). During the years ended September 30, 2022 and 2021, the remuneration of directors and officers was as follows:

	Year ended September 30, 2022	2021
Consulting fees	$ -	$ 15,833
Management fees	367,335	44,000
Professional fees	156,212	23,143
Share-based compensation	904,441	372,580
	$ 1,427,988	$ 455,556

As of September 30, 2022, there was a balance of $36,320 (2021 - $47,700) owing to related parties, which is included in accounts payable and accrued liabilities. The amounts due are non-interest bearing, unsecured, and due on demand.

10. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it to effectively support the acquisition and exploration of mineral exploration properties. In the definition of capital, the Company includes, as disclosed on its statement of financial position: working capital, share capital, and deficit.

The Company is dependent on external financing to fund its activities. In order to carry out the planned development and acquisitions and pay for general administrative costs, the Company will be using its existing working capital and will raise additional amounts as needed. The Company will continue to acquire and explore mineral exploration properties if it feels there is sufficient economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the year ended September 30, 2022. The Company is not subject to externally imposed capital requirements and does not have exposure to asset-backed commercial paper or similar products.

11. FINANCIAL INSTRUMENTS AND RISKS

The Company classifies its fair value measurements in accordance with the three-level fair value hierarchy as follows:

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities; and

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

11. FINANCIAL INSTRUMENTS AND RISKS – (continued)

The Company's financial instruments include cash and accounts payable and accrued liabilities. The carrying amounts of these financial instruments are a reasonable estimate of their fair values because of their current nature.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, polices and processes for managing those risks or the methods used to measure them.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The key to success in managing liquidity is the degree of certainty in the cash flow projections.

The Company monitors its cash flows to meet the Company's normal operating requirements on an ongoing basis and its planned capital expenditures. All of the Company's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms. As of September 30, 2022, the Company had a working capital of $2,672,931 (September 30, 2021 – $4,406,196).

Credit Risk

Financial instruments that potentially expose the Company to credit risk is cash. To minimize the credit risk on cash the Company places the instrument with a high credit quality financial institution. The maximum exposure to loss arising from these advances is equal to their total carrying amounts.

Interest rate risk

The Company is exposed to interest rate risk to the extent that the cash maintained at the financial institutions is subject to floating rate of interest. The interest rate risks on cash and on the Company's obligations are not considered significant.

Price risk

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

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, investment fluctuations, and commodity and equity prices. The Company's ability to raise capital to fund mineral resource exploration is subject to risks associated with fluctuations in mineral resource prices. Management closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

(Expressed in Canadian Dollars)

12. INCOME TAXES

The actual income tax provisions differ from the expected amounts calculated by applying the Canadian combined federal and provincial corporate income tax rates to the Company's loss before income taxes. The components of these differences are as follows:

		For the year ended September 30, 2022		For the year ended September 30, 2021
Loss before taxes for the year	$	(11,003,975)	$	(2,611,050)
Canadian federal and provincial income tax rates		27%		27%
Expected income tax recovery based on the above rates		(2,971,100)		(705,000)
Permanent differences		72,000		185,300
Changes in tax assets not recognized		2,899,100		519,700
	$	-	$	-

The significant components of the Company's deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax asset is recognised are as follows:

		September 30, 2022		September 30, 2021
Non-capital losses	$	9,202,900	$	1,383,900
Deferred compensation (RSR)		652,900		-
Investment in associate		288,800		288,800
Share issuance costs		368,000		278,600
Unrecognized deductible temporary differences		(10,512,600)		(2,254,700)
	$	-	$	-

As at September 30, 2022, the Company has non-capital losses of approximately $9,202,900 (2021 - $1,383,900) that may be available to offset future income for income tax purposes, which commence expiring in 2040.

Due to the uncertainty of realization of these deductible temporary differences, the tax benefit is not reflected in the financial statements.

(Expressed in Canadian Dollars)

13. SUBSEQUENT EVENTS

Rapide Lithium Beryllium Property

On October 17, 2022 (the "Effective Date"), the Company entered into an option agreement (the "Agreement") to acquire a 100% interest in and to the Rapide Li-Be Property (the "Option") in northwestern Quebec, Canada (the "Rapide Property"). The Rapide Property is composed of 32 mineral claims covering approximately 1,800 hectares.

Pursuant to the Agreement, the Company will acquire a 100% interest in and to the Rapide Property by (i) making aggregate cash payments of $160,000 over the first three years of the Agreement; (ii) issuing an aggregate of 350,000 common shares of the Company over the first three years of the Agreement; and (iii) incurring an aggregate of $800,000 in exploration expenditures on the Rapide Property over the first three years of the Agreement.

	Cash	Common shares	Aggregate exploration expenditures
Effective date	$ -	100,000	$ -
On the earlier of: (i) the date on which the Company completes an outside equity financing for gross proceeds of at least $1,000,000; and (ii) December 31, 2022 (the "Cash date")	20,000	-	-
1st anniversary of agreement date (October 17, 2023)	-	50,000	150,000
1st anniversary of Cash Date	45,000	-	-
2nd anniversary of agreement date (October 17, 2024)	-	50,000	150,000
2nd anniversary of Cash Date	45,000	-	-
3rd anniversary of agreement date (October 17, 2025)	-	150,000	500,000
3rd anniversary of Cash Date	50,000	-	-
Total	**$ 160,000**	**350,000**	**$ 800,000**

Upon exercise of the Option by the Company, the optionor will retain a 2.0% net smelter returns royalty on the Rapide Property, 1.0% of which may be purchased by the Company for $1,500,000. Further, in the event a 43-101 compliant mineral resource of 1 megatonne or more is established with respect to the Rapide Property, the Company has agreed to make a one-time payment of $1,000,000 to the Optionor, which may be satisfied through payment of cash or issuance of shares of the Company, at the Company's discretion.

Yurchison Uranium Property

On November 1, 2022, the Company paid $150,000 and issued 2,400,384 common shares with a fair value of $500,000 in accordance with the Yurchison Uranium Property option.

Investment In Associate

On November 2, 2022, pursuant to the JV Agreement, the Company issued 400,000 common shares to its joint venture partners on completion of two significant milestones and will be issued an aggregate of 2,875,000 common shares of Global Lithium, bringing the Company's total ownership interest to 60%.

13. SUBSEQUENT EVENTS – (continued)

Flow-Through and Non-Flow-Through Private Placements

On November 22, 2022, the Company completed a flow-through and non-flow-through private placements of 16,080,078 flow-through units ("FT Unit") at a price of $0.18 per FT Unit for aggregate gross proceeds of $2,894,414 and 7,350,433 non-flow-through units ("NFT Unit") at a price of $0.15 per NFT Unit for aggregate gross proceeds of $1,102,565. Each FT and NFT Unit consists of one common flow-through share and common non-flow-through share, respectively, and one-half of one common share purchase warrant. Each warrant will entitle the holder thereof to acquire an additional common share in the capital of the Company at a price of $0.30 per common share for a period of 24 months from the date of the issuance. In addition, the Company issued 1,194,829 finders' warrants as finders' fees with the same terms as the common share purchase warrants.

Restricted Share Rights

On November 22, 2022, the Company granted 500,000 RSRs with a fair value of $195,000. The RSRs vest three months from the grant date.

On January 6, 2023, the Company granted 200,000 RSRs with a fair value of $54,000. The RSRs vest immediately on the grant date.

Superb Lake Property

On November 29, 2022, the Company entered into a property option agreement with Rock Edge Resources Ltd. ("Rock Edge") to option 70% interest in the Superb Lake Property. The Company holds an option to acquire 100% of the property from the optionor and this option agreement is dependent upon the Company earning its interest.

To earn its 70% interest in the property, Rock Edge is required to complete the following over a two year period: pay an aggregate of $200,000 to the Company; issue an aggregate of 1,700,000 of Rock Edge common shares to the Company; and perform mining exploration and incur qualified expenditures on the property in an aggregate amount of $700,000. Upon earning its 70% interest, the Company and Rock Edge will enter into a joint venture with the goal of advancing the exploration and potential development of the property.

Stock Options

On January 6, 2023, the Company granted 550,000 stock options to directors and officers of the Company. The stock options are fully vested and exercisable at $0.25 per share until January 6, 2025.