



United Lithium Corp.
Consolidated Financial Statements
Years ended July 31, 2024 and 2023
(Expressed in Canadian Dollars)



DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Independent Auditor's Report

To the Shareholders of United Lithium Corp.

Opinion

We have audited the consolidated financial statements of United Lithium Corp. (the "Company"), which comprise the consolidated statements of financial position as at July 31, 2024 and 2023, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at July 31, 2024 and 2023, 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 1 to the financial statements, which indicates that a material uncertainty exists 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.

Key Audit Matters

Key audit matters are those matters, that in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

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Other Information

Management is responsible for the other information. The other information comprises the information included in 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 Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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.

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

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

A handwritten signature in black ink, appearing to read "DMCL.", is positioned above the firm's name.

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

November 8, 2024

United Lithium Corp.
Consolidated Statements of Financial Position
Expressed in Canadian Dollars

	Notes	July 31, 2024	July 31, 2023
ASSETS			
Current assets			
Cash and cash equivalents	6	\$ 1,265,331	\$ 5,014,022
Value-added-tax receivables		267,161	40,836
Receivables		-	2,889
Other receivable	12	20,209	-
Prepaid expenses and deposits	7	512,851	82,420
Total current assets		2,065,552	5,140,167
Non-current assets			
Exploration and evaluation assets	8,14	10,812,533	7,648,924
Property and equipment	9	213,352	346,533
Other non-current receivable	12	34,452	-
Long-term deposits		54,860	43,250
TOTAL ASSETS		\$ 13,180,749	\$ 13,178,874
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	11	\$ 207,560	\$ 340,573
Lease liability	12	40,521	28,616
Total current liabilities		248,081	369,189
Non-current liabilities			
Lease liability	12	68,903	109,424
TOTAL LIABILITIES		316,984	478,613
SHAREHOLDERS' EQUITY			
Share capital	13	38,076,577	36,087,856
Reserves	13	7,207,467	6,967,835
Accumulated other comprehensive loss		109,959	(16,657)
Accumulated deficit		(32,530,238)	(30,330,153)
Shareholders' equity attributable to the Company		12,863,765	12,708,881
Non-controlling interest	17	-	(8,620)
TOTAL SHAREHOLDERS' EQUITY		12,863,765	12,700,261
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		\$ 13,180,749	\$ 13,178,874

Nature of operations and going concern (Note 1)

Approved and authorized for issue on behalf of the Board on November 7, 2024:

/s/ Iain Scarr

Iain Scarr, Director

/s/ Scott Eldridge

Scott Eldridge, Director

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

United Lithium Corp.
Consolidated Statements of Loss and Comprehensive Loss
Expressed in Canadian Dollars

			Year ended July 31,	
	Notes		2024	2023
Operating expenses				
Salaries and consulting fees	15	\$	632,812	\$ 421,059
Share-based payments	13(f),15		239,632	1,415,598
Depreciation	9		65,392	15,966
General and administration	12		87,920	100,646
Investor relations, marketing and conferences			471,792	231,818
Other consulting fees			181,000	54,812
Professional fees			145,122	331,860
Project generation			(760)	82,497
Public company costs and director fees	15		118,163	79,274
Regulatory and transfer agent fees			89,299	72,869
Travel			-	34,709
Foreign exchange loss			25,309	59,740
Loss from operations			2,055,681	2,900,848
Other expense (income)				
Write-down of evaluation and exploration assets	8		252,974	8,302,903
Other (income) expense			(18,508)	-
Interest income			(115,505)	(63,576)
Interest expense	12		25,443	-
Net loss for the year			2,200,085	11,140,175
Other comprehensive income				
Items that may be reclassified subsequently to loss:				
Exchange difference on translation			(126,616)	(10,963)
Total other comprehensive income			(126,616)	(10,963)
Total comprehensive loss for the year		\$	2,073,469	\$ 11,129,212
Net loss attributable to:				
Shareholders of the Company		\$	2,200,085	\$ 11,132,772
Non-controlling interest	17		-	7,403
Net loss for the year		\$	2,200,085	\$ 11,140,175
Total comprehensive loss attributable to:				
Shareholders of the Company		\$	2,073,469	\$ 11,129,212
Non-controlling interest			-	-
Total comprehensive loss for the year		\$	2,073,469	\$ 11,129,212
Loss per share attributable to common				
shareholders (basic and diluted)	3(r), 13(b)(i)	\$	0.05	\$ 0.36
Weighted average number of basic and				
diluted common shares outstanding	3(r), 13(b)(i)		43,041,601	31,316,710

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

United Lithium Corp.
Consolidated Statements of Changes in Shareholders' Equity
Expressed in Canadian Dollars

	Notes	Number of shares (Note 3(r))	Share capital	Reserves			Total reserves	Obligation to issue shares	Accumulated other comprehensive (loss) income	Non- controlling interest	Accumulated deficit	Total
				Equity settled employee compensation and warrants	Special broker warrants	Other reserves						
Balance at July 31, 2022		24,002,610	\$28,748,472	\$ 4,977,576	\$ 644,000	\$ -	\$ 5,621,576	\$ 50,000	\$ (27,620)	\$ (1,217)	\$ (19,197,381)	\$ 15,193,830
Shares issued, private placement	13(b)(ii)	16,666,667	7,000,000	-	-	-	-	-	-	-	-	7,000,000
Share issuance costs	13(b)(ii)	-	(32,746)	-	-	-	-	-	-	-	-	(32,746)
Shares issued, property	13(b)(ii)	69,444	51,041	-	-	-	-	(50,000)	-	-	-	1,041
Shares issued, exercise of warrants	13(b)(ii)	335,667	321,089	(69,339)	-	-	(69,339)	-	-	-	-	251,750
Reallocation for warrants exercised		-	-	(63,803)	(644,000)	707,803	-	-	-	-	-	-
Share-based payments	13(f)	-	-	1,415,598	-	-	1,415,598	-	-	-	-	1,415,598
Exchange difference on translation		-	-	-	-	-	-	-	10,963	-	-	10,963
Net loss for the year		-	-	-	-	-	-	-	-	(7,403)	(11,132,772)	(11,140,175)
Balance at July 31, 2023		41,074,388	\$36,087,856	\$ 6,260,032	\$ -	\$ 707,803	\$ 6,967,835	\$ -	\$ (16,657)	\$ (8,620)	\$ (30,330,153)	\$ 12,700,261
Balance at July 31, 2023		41,074,388	\$36,087,856	\$ 6,260,032	\$ -	\$ 707,803	\$ 6,967,835	\$ -	\$ (16,657)	\$ (8,620)	\$ (30,330,153)	\$ 12,700,261
Shares issued, private placement	13(b)(ii)	6,666,667	2,000,000	-	-	-	-	-	-	-	-	2,000,000
Share issuance costs	13(b)(ii)	-	(11,279)	-	-	-	-	-	-	-	-	(11,279)
Acquisition of non-controlling interest	14(a),17	-	-	-	-	-	-	-	-	8,620	-	8,620
Share-based payments	13(f)	-	-	239,632	-	-	239,632	-	-	-	-	239,632
Exchange difference on translation		-	-	-	-	-	-	-	126,616	-	-	126,616
Net loss for the year		-	-	-	-	-	-	-	-	-	(2,200,085)	(2,200,085)
Balance at July 31, 2024		47,741,055	\$38,076,577	\$ 6,499,664	\$ -	\$ 707,803	\$ 7,207,467	\$ -	\$ 109,959	\$ -	\$ (32,530,238)	\$ 12,863,765

The number of shares outstanding has been updated retrospectively to reflect the 3 for 1 share consolidation which became effective on December 27, 2023 (Note 3(r)).

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

United Lithium Corp.
Consolidated Statements of Cash Flows
Expressed in Canadian Dollars

	Year ended July 31,	
	2024	2023
Operating activities		
Net loss for the year	\$ (2,200,085)	\$ (11,140,175)
Adjustments for non-cash items:		
Depreciation	65,392	15,966
Share-based payments	239,632	1,415,598
Impairment of evaluation and exploration assets	252,974	8,302,903
Other income	(6,241)	-
Interest expense on lease liability	25,443	-
Interest income on sublease receivable	(11,563)	-
Unrealized foreign exchange (gain) loss	(15,797)	2,733
Changes in non-cash working capital items:		
Receivables	(103,103)	1,727
Prepaid expenses and deposits	(393,469)	(32,101)
Accounts payable and accrued liabilities	35,969	(529,299)
Cash used in operating activities	(2,110,848)	(1,962,648)
Investing activities		
Exploration and evaluation assets	(3,080,831)	(2,329,711)
Acquisition of exploration and evaluation assets	(524,502)	-
Cash acquired from acquisition of exploration and evaluation assets	1,895	-
Acquisition of equipment	-	(216,528)
Cash used in investing activities	(3,603,438)	(2,546,239)
Financing activities		
Proceeds from private placement	2,000,000	7,000,000
Share issuance costs	(11,279)	(32,746)
Principal payments on lease liabilities	(28,616)	(928)
Interest payments on lease liabilities	(25,443)	-
Principal payments received on sublease receivable	19,370	-
Interest payments received on sublease receivable	11,563	-
Proceeds from exercise of warrants	-	251,750
Cash from financing activities	1,965,595	7,218,076
Change in cash and cash equivalents	(3,748,691)	2,709,189
Cash and cash equivalents, beginning of the year	5,014,022	2,304,833
Cash and cash equivalents, end of the year	\$ 1,265,331	\$ 5,014,022

The non-cash investing activities not already disclosed in the consolidated statements of cash flows were as follows:

	Year ended July 31,	
	2024	2023
Investing Activities		
Accounts payable relating to exploration and evaluation assets	\$ 120,131	\$ 289,115
Shares issued for acquisition of exploration and evaluation assets	-	1,041

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

1. Nature of operations and going concern

United Lithium Corp. (the “Company”) is a publicly listed exploration company incorporated on April 28, 2017, under the laws of the Province of British Columbia, Canada. The Company is listed on the Canadian Stock Exchange (“CSE”) and its shares trade under the symbol ULTH. The Company’s head office and principal address is located at 1030 West Georgia Street, Suite 710, Vancouver, British Columbia, Canada, V6E 2Y3. The Company’s registered and records office address is 885 West Georgia Street, Suite 2200, Vancouver, British Columbia, Canada, V6C 3E8.

The Company, together with its subsidiaries, is a mineral exploration and development group focused on advancing its portfolio of lithium properties in Sweden, Finland, and the USA. This portfolio includes the Bergby Lithium Project (“Bergby” or the “Bergby Project”) and Axmarby Property in Sweden, the Kietyönmäki Lithium Project (“Kietyönmäki” or the “Kietyönmäki Project”) in Finland, the Liberty Lithium Project (“Liberty” or “Liberty Project”) in South Dakota, USA, and the Patriot Lithium Project (“Patriot” or “Patriot Project”) in Gunnison County, Colorado, USA, as well as three newly acquired highly-prospective property reservations in Finland called Kova, Kast and Kannus. The principal business activity of the Company is the acquisition, exploration, and development of potentially economically viable mineral resource deposits on mineral properties.

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) applicable to a going concern, which assumes that the Company will continue operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. These consolidated financial statements do not give effect to any adjustments required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying consolidated financial statements.

The Company has incurred losses from inception and does not currently have the financial resources to sustain its operations in the long-term. During the year ended July 31, 2024, the Company had no operating revenue and incurred a net loss of \$2,200,085 (July 31, 2023 - \$11,140,175). At July 31, 2024, the Company had cash of \$1,265,331 (July 31, 2023 - \$5,014,022) to apply against current liabilities of \$248,081 (July 31, 2023 - \$369,189). The Company has not achieved profitable operations and has an accumulated deficit of \$32,530,238 (July 31, 2023 - \$30,330,153) and expects to incur further losses in the development of its business, all of which indicates a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern.

At July 31, 2024, the Company believed that it had adequate resources to maintain its minimum obligations arising over the next 12 months, including general corporate activities, based on its cash position and its ability to pursue additional sources of financing, including equity placements.

The Company currently has no source of operating cash flow and no assurance that additional funding will be available for future exploration and development programs at its properties or to enable the Company to fulfill its obligations under any applicable agreements. The Company’s ability to continue as a going concern is dependent on its ability to obtain additional sources of financing to continue to explore, evaluate and develop its mineral properties and, ultimately, to achieve profitable operations. While the Company has been successful in obtaining funding in the past, there is no assurance that future financing will be available or be available on favorable terms. The ability to secure financing may be impaired, or such financing may not be available on favorable terms due to conditions beyond the Company’s control, such as uncertainty in capital markets, changes in commodity prices or country-specific risk factors. Furthermore, the global economy is currently affected by rising inflation, which may continue to impact the Company’s costs and could result in modification or termination of planned work programs. Overall, these material uncertainties may cast significant doubt about the Company’s ability to continue as a going concern.

2. Basis of preparation

These consolidated financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (“IASB”) and

interpretation of the International Financial Reporting Interpretations Committee ("IFRIC"), effective as of July 31, 2024.

3. Material accounting policies

a) Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis except as disclosed in these accounting policies.

b) Functional and presentation currency

These consolidated financial statements are presented in Canadian dollars, which is the functional currency of the Company. Each of the Company's subsidiaries determines its own functional currency, and items included in the financial statements of each subsidiary are measured in that functional currency. The functional currency of the Company's foreign subsidiaries in the USA, Finland and Sweden are the US dollar, Euro and Swedish Krona, respectively.

References to "\$" are to Canadian dollars, except where otherwise indicated.

c) Basis of consolidation

These consolidated financial statements include the accounts of the Company and its subsidiaries, which are entities controlled by the Company. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from the entity's activities. The financial statements of subsidiaries are included in the consolidated financial statements at the date that control commences until the date that control ceases. If the Company's interest in a subsidiary that it has determined it controls is less than 100%, the interest attributable to non-controlling shareholders is recognized as non-controlling interest.

Non-controlling interests present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognized amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

Details of controlled subsidiaries are as follows:

Name of significant subsidiaries	Country of incorporation	Method of accounting	Effective ownership interest ¹	
			July 31, 2024	July 31, 2023
Greenhat Mineral Holdings Ltd.	Canada	Consolidation	100%	100%
Greenhat Minerals Holdings (US) Ltd.	U.S.	Consolidation	100%	100%
Bergby Lithium AB	Sweden	Consolidation	100%	100%
Litiuml�yd�s Oy	Finland	Consolidation	100%	83.6%
Scandinavian Battery Metals	Canada	Consolidation	100%	n/a
ULTH Finland Oy (formerly PR1 Finland Oy)	Finland	Consolidation	100%	n/a
1257590 B.C. Ltd. ²	Canada	Consolidation	-	100%
European Triphane Corp. ²	Canada	Consolidation	-	100%

¹ Percentage of voting power is in proportion to ownership.

² Both 1257590 B.C. Ltd. & European Triphane Corp. were wound-up during the year ended July 31, 2024.

When necessary, adjustments are made to the financial statements of subsidiaries to align their accounting policies with those of the Company.

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated. Unrealized losses are eliminated in the same way as unrealized gains but only to the extent that there is no evidence of impairment.

d) Business combinations

Acquisitions of subsidiaries which represent business combinations are accounted for using the acquisition method. The consideration transferred is measured at the aggregate of the fair value, at the date of exchange, of assets given up, liabilities incurred or assumed, and equity instruments issued by the Company in exchange for control of the acquiree. The acquiree's identifiable assets and liabilities that meet the conditions for recognition are recognized at their fair values at the acquisition date, except for certain assets and liabilities which are recognized and measured in accordance with the applicable IFRS guidance.

Goodwill arising on acquisition is recognized as an asset and initially measured at cost, being the excess of the cost of the business combination over the Company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognized. If, after reassessment, the Company's interest in the net fair value of the acquiree's identifiable assets and liabilities exceeds the cost of the business combination, the excess is recognized immediately in profit or loss.

Non-controlling interests present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognized amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

Transaction costs, other than those associated with the issuance of debt or equity securities that the Company incurs in connection with a business combination, are expensed as incurred.

e) Foreign currency

(i) Foreign currency transactions

Foreign currency transactions are translated into the relevant functional currency using the exchange rates prevailing on the dates of the transactions. At each statement of financial position date, monetary items denominated in foreign currencies are translated into the functional currency at the exchange rate on the statement of financial position date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated into the functional currency at the exchange rate on the date when the fair value was measured. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognized in profit or loss.

(ii) Foreign operations

The assets and liabilities of foreign operations are translated into Canadian dollars using the exchange rates as at the date of the statement of financial position. The income and expenses of foreign operations are translated into Canadian dollars using the exchange rates prevailing on the transaction dates.

The financial statements of subsidiaries that have a functional currency different from that of the Company are translated into Canadian dollars as follows: assets and liabilities – at the closing rate at the date of the statement of financial position; income and expenses – at the average rate of the period, and items that are directly recognized in equity - at historical rates. Exchange differences are recognized in other comprehensive income (loss) as exchange difference on translation. On the disposal of a foreign operation, such exchange differences are reclassified from equity to profit or loss.

f) Cash and cash equivalents

Cash and cash equivalents comprise demand deposits held with banks and short-term highly liquid investments that are readily convertible into known amounts of cash with original terms of three months or less. The Company's cash and cash equivalents are held in banks in Canada and Sweden.

g) Property and equipment

Property and equipment are stated at historical cost less accumulated depreciation and any provision for impairment. Cost includes the purchase price, any directly attributable costs of bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, and the present value of the estimated costs of decommissioning and restoration, if applicable. Costs relating to major upgrades are included in property and equipment if it is probable that future economic benefits associated with the expenditure will flow to the Company.

Where parts (components) of an item of equipment have different useful lives or for which different amortization rates are appropriate, they are accounted for as separate items of equipment. Estimates of residual values, methods and useful lives of all assets are assessed annually.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably.

Depreciation on property and equipment is recognized on either a declining balance or straight-line basis to write down the cost or valuation less estimated residual value of the asset. The rates generally applicable are:

- | | |
|-----------------------|---|
| • Equipment | Straight-line – 5 years |
| • Mining equipment | Straight-line – 5 years |
| • Right-of-use assets | Straight-line over the shorter of the lease term or the useful life of the underlying asset |

Material residual value estimates and estimates of useful life are updated as required, but at least annually. Gains or losses arising on the disposal of equipment are determined as the difference between the disposal proceeds and the carrying amount of the equipment and are recognized in the consolidated statements of loss and comprehensive loss.

h) Financial instruments

Financial instruments are recognized in the consolidated statement of financial position when the Company becomes a party to the contractual provisions of the instrument. On initial recognition, all financial instruments are measured at fair value, net of directly attributable transaction costs, except for financial instruments classified as fair value through profit or loss ("FVTPL"), where transaction costs are expensed in the period in which they are incurred. Financial instruments are subsequently classified and measured at: (i) amortized cost; (ii) fair value through profit or loss; (iii) or fair value through other comprehensive income, as appropriate. The Company considers whether a contract contains an embedded derivative when the entity first becomes a party to it. The embedded derivatives are separated from the host contract if the host contract is not measured at fair value through profit or loss and when the economic characteristics and risks are not closely related to those of the host contract. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required.

Financial assets

i) Financial assets at FVTPL

Financial assets at FVTPL include financial assets held for trading and financial assets not designated upon initial recognition as amortized cost or fair value through other comprehensive income ("FVTOCI"). A financial asset is classified in this category principally for the purpose of selling in the short term, or if so designated by management. Transaction costs are expensed as incurred. On initial recognition, a financial asset that otherwise meets the requirements to be measured at amortized cost or FVTOCI may be irrevocably designated as FVTPL if doing so eliminates or significantly reduces an accounting mismatch that

would otherwise arise. Financial assets measured at FVTPL are measured at fair value with changes in fair value recognized in the consolidated statements of loss.

ii) Financial assets at FVTOCI

On initial recognition of an equity investment that is not held for trading, an irrevocable election is available to measure the investment at fair value upon initial recognition plus directly attributable transaction costs and at each period end, changes in fair value are recognized in other comprehensive income with no reclassification to the consolidated statements of loss. The election is available on an investment-by-investment basis.

iii) Financial assets at amortized cost

A financial asset is measured at amortized cost if it is held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding and is not designated as FVTPL. Financial assets classified as amortized cost are measured subsequent to initial recognition at amortized cost using the effective interest method. Cash and cash equivalents, receivables and deposits are classified as and measured at amortized cost.

Financial liabilities

Financial liabilities at amortized cost are recognized initially at fair value, net of transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in the consolidated statements of loss when the liabilities are derecognized as well as through the amortization process. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date. Accounts payable are classified as and measured at amortized cost.

Financial liabilities at FVTPL are initially recorded at fair value and transaction costs are expensed in the consolidated statements of loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial liabilities held at FVTPL are included in the consolidated statements of loss in the period in which they arise.

Fair values

The fair value of quoted investments is determined by reference to market prices at the close of business on the statement of financial position date. Where there is no active market, fair value is determined using valuation techniques. These include using recent arm's length market transactions; reference to the current market value of another instrument, which is substantially the same; discounted cash flow analysis; and pricing models.

Financial instruments that are measured at fair value subsequent to initial recognition are grouped into a hierarchy based on the degree to which the fair value is observable as follows:

- Level 1 fair value measurements are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 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).

Impairment of financial assets

A loss allowance for expected credit losses is recognized for financial assets measured at amortized cost. At each statement of financial position date, on a forward-looking basis, the Company assesses the expected credit losses associated with its financial assets carried at amortized cost and FVTOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The expected credit losses are required to be measured through a loss allowance at an amount equal to the 12-month expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date) or full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument). A loss allowance for full lifetime expected credit losses is required for a financial instrument if the credit risk of that financial instrument has increased significantly since initial recognition.

Derecognition of financial assets and liabilities

A financial asset is derecognised when either the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party. If neither the rights to receive cash flows from the asset have expired nor the Company has transferred its rights to receive cash flows from the asset, the Company will assess whether it has relinquished control of the asset or not. If the Company does not control the asset then derecognition is appropriate.

A financial liability is derecognised when the associated obligation is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in net loss.

i) Exploration and evaluation costs

The costs of acquiring the legal rights to explore the Company's exploration and evaluation assets are capitalized on a property-by-property basis pending determination of the technical feasibility and the commercial viability of each project. Acquisition costs may include cash consideration, the fair value of common shares issued, and the fair value of share purchase warrants and options issued based on amounts determined using the Black-Scholes Option Pricing Model, for mineral property interests pursuant to the terms of the agreement.

Exploration and evaluation assets acquired under an option agreement where a payment, or series of payments are made at the sole discretion of the Company are also capitalized at the time of payment. Property interests granted to others under an option agreement where payments to be made to the Company are at the sole discretion of the optionee, are recorded as recoveries at the time of receipt. Where recoveries exceed costs, such amounts are recognized in profit or loss.

Other direct exploration and evaluation costs are also capitalized at the time of payment. Other direct exploration and evaluation costs may include, but are not limited to, topographical, geological, geochemical and geophysical studies, exploratory drilling, trenching, sampling, and activities in relation to evaluating the technical feasibility and commercial viability of extracting a mineral resource, as well as value-added taxes in relation to these direct exploration and evaluation costs incurred in foreign jurisdictions when recoverability of those taxes is uncertain.

Environmental expenditures that relate to current operations are capitalized as appropriate to the project they pertain to. Expenditures that relate to an existing condition caused by past operations and which do not contribute to current or future revenue generation are expensed. Liabilities are recorded when environmental assessments and/or remedial efforts are probable, and the costs can be reasonably

estimated. Generally, the timing of these accruals coincides with the earlier of completion of a feasibility study or the Company's commitment to a plan of action based on the then known facts.

The costs related to a property from which there is production, together with the costs of production equipment, will be depleted and amortized using the unit-of-production method.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount. Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

j) Leases

The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company assesses whether the contract involves the use of an identified asset, whether the Company has the right to obtain substantially all of the economic benefits from use of the asset during the term of the arrangement and if the Company has the right to direct the use of the asset.

The Company recognizes a right-of-use ("ROU") asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, at the commencement of the lease, with the following exceptions: (i) the Company has elected not to recognize ROU assets and liabilities for leases where the total lease term is less than or equal to 12 months, or (ii) for leases of low value. The payments for such leases are recognized in the consolidated statements of loss and comprehensive loss on a straight-line basis over the lease term.

The lease liability is initially measured at the present value of lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate. Lease payments include fixed payments less any lease incentives, and any variable lease payments where variability depends on an index or rate.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability and by reducing the carrying amount to reflect the lease payments made.

The Company re-measures the lease liability and makes a corresponding adjustment to the related ROU asset whenever:

- the lease term has changed;
- the lease payments change due to changes in an index;
- a lease contract is modified and the lease modification is not accounted for as a separate lease.

The ROU asset is initially measured based on the present value of lease payments, lease payments made at or before the commencement day, and any initial direct costs. They are subsequently measured at cost less accumulated amortization and impairment losses. The ROU asset is depreciated over the shorter of the lease term or the useful life of the underlying asset. The ROU asset is subject to testing for impairment if there is an indicator of impairment.

ROU assets are included in property, plant and equipment, and the lease liability is presented separately in the consolidated statements of financial position.

Variable lease payments that do not depend on an index or rate are not included in the measurement of the ROU asset and lease liability. The related payments are recognized as an expense in the period in which the triggering event occurs and are included in the consolidated statements of loss and comprehensive loss.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has not applied this practical expedient to any of its leases and has separated out non-lease components.

k) Impairment of non-financial assets

Impairment tests on non-financial assets are performed whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount, which is the higher of value in use and fair value less costs to dispose, the asset is written down accordingly. This is determined on an asset-by-asset basis, unless the asset does not generate cash flows that are largely independent of those from other assets or groups of assets. If this is the case, individual assets are grouped together into a cash-generating unit ("CGU") and the impairment test is carried out on the asset's CGU, which is the lowest group of assets in which the asset belongs for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets.

An impairment loss is charged to profit or loss. An assessment is made at each reporting date as to whether there is any indication of impairment or a change in events or circumstances relating to a previously recognized impairment. If such indication exists, the Company makes an estimate of the recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's or CGU's recoverable amount since the last impairment loss was recognized. If this is the case, the carrying amount of the asset or CGU is increased to its newly determined recoverable amount. The increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset or CGU in prior years.

l) Provisions

(i) Environmental rehabilitation provisions

The Company recognizes liabilities for statutory, contractual, constructive, or legal obligations, including those associated with the reclamation of exploration and evaluation assets and equipment, when those obligations result from the acquisition, construction, development or normal operation of the assets. Initially, a liability for an environmental rehabilitation obligation is recognized at its fair value in the period in which it is incurred if a reasonable estimate of cost can be made. The Company records the present value of estimated future cash flows associated with reclamation as a liability when the liability is incurred and increases the carrying value of the related assets for that amount. Subsequently, these capitalized asset retirement costs are amortized over the life of the related assets. At the end of each period, the liability is increased to reflect the passage of time (accretion expense) and changes in the estimated future cash flows underlying any initial estimates (additional rehabilitation costs). The Company recognizes its environmental liability on a site-by-site basis when it can be reliably estimated.

Environmental expenditures related to existing conditions resulting from past or current operations and from which no current or future benefit is discernible are charged to the consolidated statement of loss and comprehensive loss. The Company has not identified any rehabilitation obligations as at July 31, 2024, and July 31, 2023.

(ii) *Other provisions*

Provisions are recognized when the Company has a present obligation (legal or constructive) that has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation. An amount equivalent to the discounted provision is capitalized within tangible fixed assets and is depreciated over the useful lives of the related assets. The increase in the provision due to passage of time is recognized as interest expense.

m) *Share capital*

Equity instruments are contracts that give a residual interest in the net assets of the Company. Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, certain share purchase warrants and share purchase options are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds.

Warrants issued by the Company typically accompany an issuance of shares in the Company (a "unit") and entitle the warrant holder to exercise the warrants for a stated price for a stated number of common shares in the Company. The fair value of the components of the units sold are measured using the residual fair value approach, where one component (common shares) is measured first and the residual amount is allocated to the remaining component.

All warrants are recognized at their fair value in either equity employee compensation and warrant reserve, special warrants reserve, special broker reserve, or other reserves, until exercised. Upon exercise, shares are issued and the amount reflected in the respective reserve account is credited to share capital, adjusted for any consideration paid. Upon expiry, the amount reflected in the respective reserve account is transferred to other reserves.

n) *Share-based payments*

The Company grants equity-settled share options to its directors, officers, employees, and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes or provides services like those performed by an employee.

When equity-settled share options are awarded to employees, the fair value of the options at the date of grant is charged to the consolidated statement of 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. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether these vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied. Where 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 also charged to profit or loss over the remaining vesting period. Where equity instruments are granted to employees or others providing similar services, they are recorded at the fair value of the equity instrument granted at the grant date. The grant date fair value is recognized in the consolidated statements of profit or loss over the vesting period, described as the period during which all the vesting conditions are to be satisfied.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or 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.

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

Where a grant of options is cancelled 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.

o) Operating segments

An operating segment is a component of an entity (i) that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), (ii) whose operating results are regularly reviewed by the entity's management, and (iii) for which discrete financial information is available.

At July 31, 2024, the Company has four operating segments being the acquisition, exploration and development of mineral properties in Canada, the USA, Sweden and Finland. The Company's head office is located in Vancouver, Canada.

The chief operating decision-maker, who is responsible for allocating resources and assessing performance of operating segments, has been identified as the Chief Executive Officer of the Company.

p) Loss per share

Basic loss per share is computed by dividing net loss available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted earnings per share reflect the potential dilution of securities that could share in earnings of an entity. In a loss year, potentially dilutive equity instruments are excluded from the loss per share calculation, as the effect would be anti-dilutive. Basic and diluted loss per share is the same for the years presented.

Shares held in escrow, other than where their release is subject to the passage of time, are not included in the calculation of the weighted average number of common shares outstanding.

q) Income taxes

Tax expense recognized in profit or loss comprises the sum of deferred tax and current tax not recognized in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit or other current tax activities, which differs from profit or loss in the consolidated financial statements. Calculation of current tax expense is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary

differences associated with investments in subsidiaries is not provided if reversal of these temporary differences can be controlled by the Company and it is probable that reversal will not occur in the foreseeable future.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided they are enacted or substantively enacted by the end of the reporting period. Deferred tax liabilities are always provided for in full.

Deferred tax assets are recognized to the extent that it is probable that they will be able to be utilized against future taxable income. To the extent that the Company does not consider it probable that a future tax asset will be recovered, it is not recognized in the consolidated financial statements.

Deferred tax assets and liabilities are offset only when the Company has a right and intention to offset current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognized as a component of taxable income or expense in profit or loss, except where they relate to items that are recognized in other comprehensive income or directly in equity, in which case the related deferred tax is also recognized in other comprehensive income or equity, respectively.

r) Comparative figures

A 3 for 1 share consolidation was completed on December 27, 2023 (the "Share Consolidation"). As per IAS 33, *Earnings per share*, when there has been a capital event such as a share consolidation in the period, or after the reporting date but before the date that the financial statements are authorized for issue, retrospective adjustments are required for all periods prior to the share consolidation. All shares and per share data presented in the Company's consolidated financial statements have been retrospectively adjusted to reflect the Share Consolidation (Note 13(b)(i)).

4. Adoption of New and Revised Accounting Standards and Interpretations

During the year ended July 31, 2024, the Company did not adopt any new amendments to IFRS that had a significant impact on the Company's consolidated financial statements.

In January 2020, the IASB issued amendments to IAS 1, *Presentation of Financial Statements* that clarified the classification of liabilities as current or non-current is based on contractual rights that are in existence at the end of the reporting period. In October 2022, the IASB issued amendments to IAS 1 that specified how an entity assesses whether it has the right to defer settlement of a liability when that right is subject to compliance with covenants within twelve months after the reporting period. These amendments are effective January 1, 2024, with early adoption permitted. Retrospective application is required on adoption. These amendments are not expected to have a material effect on the Company's consolidated financial statements.

In May 2021, the IASB issued amendments to IAS 12, *Income Taxes* that clarify the initial recognition exemption does not apply to transactions that give rise to equal and offsetting temporary differences. The amendments are effective January 1, 2023, with early adoption permitted. These amendments did not have a material impact on the Company's consolidated financial statements.

5. Critical accounting estimates and significant judgements

In the process of applying the Company's accounting policies, which are described in Note 3 to the consolidated financial statements, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

Significant assumptions about the future and other sources of estimation and judgment uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made.

The most significant accounts that require estimates as the basis for determining the stated amounts include the recognition of deferred tax amounts, valuation of share-based payments, determination of useful lives of plant and equipment, and the discount rate used to determine lease liabilities.

Critical judgments exercised in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are as follows:

(i) Recoverability of exploration and evaluation assets

Assets or CGUs are evaluated at each reporting date to determine whether there are any indications of impairment. Both internal and external sources of information are considered when making the assessment of whether there are indications of impairment for mineral properties and property, plant and equipment. External sources of information considered are changes in the Company's economic, legal and regulatory environment that it does not control but affect the recoverability of its assets. Internal sources of information considered include the manner in which mineral properties and property, plant and equipment are being used or are expected to be used, the viability of the projected, including the latest resources prices and the long-term forecasts, and indications of economic performance of those assets.

If any indication of impairment exists, a formal estimate of recoverable amount is performed, and an impairment loss is recognized to the extent that carrying amount exceeds recoverable amount. The recoverable amount of an asset or CGU is measured at the higher of fair value less costs to sell and value-in-use. At July 31, 2024, the Company identified indicators of impairment relating to its Freedom Property in Wyoming, USA, and recognized a write-down of approximately \$253,000 in the consolidated statement of loss and comprehensive loss for the year ended July 31, 2024. The Company did not identify any indicators of impairment for any of its other properties as at July 31, 2024.

(ii) Determination of whether the acquisition of assets or assumption of liabilities constitutes a business

Management determines whether assets acquired, and liabilities assumed constitute a business. A business consists of inputs and processes applied to those inputs that have the ability to create outputs. The Company completed two acquisitions (Note 14) during the year ended July 31, 2024, and concluded that none of the acquisitions qualified as a business combination under IFRS 3, as significant processes were not acquired. Accordingly, each of the acquisitions were accounted for as an asset acquisitions.

(iii) Determination of functional currency

Based on the primary indicators in IAS 21, *The Effects of Change in Foreign Exchange Rates*, the Company has determined that its functional currency is the Canadian dollar (Note 3(b)).

Determination of functional currency may involve certain judgments to determine the primary economic environment that an entity operates in. The Company reconsiders the functional currency of its entities if there is any change in events and conditions which determined the primary economic environment.

(iv) Determination of whether a contract contains a lease

In accordance with IFRS 16, *Leases*, the Company has to assess whether or not a contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(v) Going concern

Management assesses the Company's ability to continue as a going concern at each reporting date, using all quantitative and qualitative information available. This assessment, by its nature, relies on estimates of future cash flows and other future events (Note 1), whose subsequent changes could materially impact the validity of such an assessment.

The most significant estimates made by management are as follows:

(i) Income tax

The determination of income tax is inherently complex and requires making certain estimates and assumptions about future events. While income tax filings are subject to audits and reassessments, the Company has adequately provided for all income tax obligations. However, changes in facts and circumstances as a result of income tax audits, reassessments, jurisprudence and any new legislation may result in an increase or decrease in our provision for income taxes. The value of deferred tax assets is evaluated based on the probability of realization; the Company has assessed that it is improbable that such assets will be realized and has accordingly not recognized a value for deferred taxes.

(ii) Valuation of share-based payments

Share-based payments, including stock options (Note 13(f)) are subject to estimation of the fair value of the equity-settled award at the date of grant using pricing models such as the Black-Scholes Option Pricing Model. Option valuation models require the input of highly subjective assumptions including the expected stock price volatility and expected life. Changes in these assumptions can materially affect the fair value estimate, so the existing models do not necessarily provide a reliable measure of the fair value, which may impact the Company's net loss, statement of financial position and equity reserves. Shares issued as consideration in a transaction such as an asset acquisition are also subject to estimation of the fair value on the date of issuance. Significant assumptions are required to be made when management determines the fair value, and any changes in the assumptions would have an impact on the fair value of the shares issued.

(iii) Determination of useful lives of property, plant and equipment and the related depreciation

Depreciation expenses are allocated based on estimated lives. Should the asset life or depreciation rates differ from the initial estimate, an adjustment would be made in the consolidated statement of loss and comprehensive loss on a prospective basis.

(iv) Discount rate used to determine lease liabilities

Significant assumptions are required to be made when management determines the Company's incremental borrowing rate, which is used to present value the future lease payments and any changes in the estimated rate would have an impact on the lease liability, ROU assets, depreciation expense and interest expense.

6. Cash and cash equivalents

The Company's cash and cash equivalents comprises \$311,407 (July 31, 2023 - \$557,491) held in deposit accounts and \$953,924 (July 31, 2023 - \$4,456,531) held in redeemable short-term investments that earn interest and are redeemable at any time prior to maturity without penalty.

United Lithium Corp.
Notes to the Consolidated Financial Statements
For the year ended July 31, 2024
Expressed in Canadian Dollars

7. Prepaids

	July 31, 2024	July 31, 2023
Prepaid expenses	\$ 512,851	\$ 39,170
Deposits	-	43,250
Total prepaid expenses and deposits	\$ 512,851	\$ 82,420

8. Exploration and evaluation assets

	Sweden	Finland	Finland	USA	USA	USA	Canada	
	Bergby Lithium Project	Kiettyönmäki Lithium Project	Kova, Kast & Kannus Properties	Patriot Lithium Project	Liberty Lithium Project	Freedom Lithium Project	Barbara Lake Lithium Project	Total
	Note 8(a)	Note 8(b)	Note 8(c)	Note 8(d)	Note 8(e)	Note 8(f)	Note 8(g)	
Property acquisition costs:								
Balance at July 31, 2022	\$ 1,343,949	\$ 824,913	\$ -	\$ 289,420	\$ 529,358	\$ -	\$ 8,120,528	\$ 11,108,168
Additions	-	-	-	-	-	113,968	-	113,968
Write-down of property	-	-	-	-	-	-	(8,120,528)	(8,120,528)
Balance at July 31, 2023	\$ 1,343,949	\$ 824,913	\$ -	\$ 289,420	\$ 529,358	\$ 113,968	\$ -	\$ 3,101,608
Acquisition costs	49,501	229,454	258,758	-	-	-	-	537,713
Staking Costs	-	-	22,531	-	-	-	-	22,531
Recovery of staking costs	-	-	-	(80,122)	-	-	-	(80,122)
Write-down of property	-	-	-	-	-	(113,968)	-	(113,968)
Balance at July 31, 2024	\$ 1,393,450	\$ 1,054,367	\$ 281,289	\$ 209,298	\$ 529,358	\$ -	\$ -	\$ 3,467,762
Exploration and evaluation costs:								
Balance, July 31, 2022	\$ 1,733,453	\$ 56,168	\$ -	\$ 52,461	\$ 132,805	\$ -	\$ 103,287	\$ 2,078,174
Exploration costs incurred in year:								
Laboratory & analysis	62,495	62,929	-	18,899	43,679	13,393	2,944	204,339
Claim maintenance	-	8,350	-	(13,831)	141,350	4,242	-	140,111
Consultants	-	108,833	-	2,000	2,000	-	76,144	188,977
Drilling	769,613	610,322	-	-	-	-	-	1,379,935
Exploration - sampling and mapping	20,811	-	-	231,232	321,427	53,100	-	626,570
Geological	86,734	-	-	-	-	-	-	86,734
Geophysical	-	21,086	-	-	-	-	-	21,086
Other	3,765	-	-	-	-	-	-	3,765
Write-down of property	-	-	-	-	-	-	(182,375)	(182,375)
Balance at July 31, 2023	\$ 2,676,871	\$ 867,688	\$ -	\$ 290,761	\$ 641,261	\$ 70,735	\$ -	\$ 4,547,316
Exploration costs incurred in period:								
Laboratory & analysis	94,575	-	-	-	93,906	-	-	188,481
Claim maintenance	60,023	15,466	-	23,201	172,255	49,834	-	320,779
Consultants	247,220	91,085	28,781	9,591	49,428	3,009	-	429,114
Drilling (core and hammer drilling)	1,049,859	-	-	-	-	-	-	1,049,859
Exploration - sampling and mapping	-	146,136	234,479	108,361	157,670	3,003	-	649,649
Geological	72,805	-	-	-	-	-	-	72,805
General & administrative operating costs	87,326	99,426	8,325	-	-	-	-	195,077
Other	-	-	-	7,768	12,461	-	-	20,229
Write-down of property	-	-	-	-	-	(126,581)	-	(126,581)
Balance at July 31, 2024	\$ 4,288,679	\$ 1,219,801	\$ 271,585	\$ 439,682	\$ 1,126,981	\$ -	\$ -	\$ 7,346,728
Other items:								
Balance at July 31, 2022 and July 31, 2023	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Effect of movements in exchange rates	(76,908)	77,690	(1,486)	33,523	85,557	12,425	-	130,801
Recovery of prior period VAT	-	(120,333)	-	-	-	-	-	(120,333)
Write-down of property	-	-	-	-	-	(12,425)	-	(12,425)
Balance at July 31, 2024	\$ (76,908)	\$ (42,643)	\$ (1,486)	\$ 33,523	\$ 85,557	\$ -	\$ -	\$ (1,957)
Total E&E assets at July 31, 2023	\$ 4,020,820	\$ 1,692,601	\$ -	\$ 580,181	\$ 1,170,619	\$ 184,703	\$ -	\$ 7,648,924
Total E&E assets at July 31, 2024	\$ 5,605,221	\$ 2,231,525	\$ 551,388	\$ 682,503	\$ 1,741,896	\$ -	\$ -	\$ 10,812,533

a) *Bergby Lithium Project, Sweden*

The Bergby Project is a 100% owned, district scale, hard rock lithium project in Sweden.

The Company acquired a 100% interest in Bergby after it completed the acquisition of all the issued and outstanding share capital of Bergby Lithium AB on April 29, 2021.

On April 29, 2021, the closing date of the acquisition, the Company and the vendor, Leading Edge Materials (“Leading Edge”), entered into a royalty agreement wherein Leading Edge shall be entitled to a 2% net smelter returns royalty on the Bergby Project, which is subject to a buyback right for \$1,000,000.

The Company added the Axmarby Property to its portfolio, which is located directly north of the Bergby Project, on April 29, 2024 (Note 14(b)). The Company estimated the cost to acquire the Axmarby Property to be approximately \$49,501, and no other costs were incurred directly on the Axmarby Property during the year ended on July 31, 2024.

b) *Kietyönmäki Lithium Project, Finland*

The Kietyönmäki Project is located in the Tammela mining region in southern Finland.

As of July 31, 2024, the Company holds a 100% interest in the Kietyönmäki Project as it acquired Nortec Minerals Corp.’s 16.4% non-controlling interest in Litiumlöydös Oy (“Litiumlöydös”)(Note 14(a)). Litiumlöydös holds a 100% interest in and to the mining licenses comprising Kietyönmäki located in the Kietyönmäki lithium prospect in Finland.

c) *Other Finland Properties, Finland*

The Company added the Kova and Kast properties to its portfolio on April 29, 2024 (Note 14(b)).

d) *Patriot Lithium Project, Colorado, USA*

At the Patriot Project, the Company holds Bureau of Land Management (“BLM”) unpatented lode claims in Colorado, USA, which it previously acquired through staking.

e) *Liberty Lithium Project, South Dakota, USA*

At the Liberty Project, the Company holds BLM unpatented lode claims in South Dakota, USA, which it previously acquired through staking.

f) *Freedom Lithium Project, Wyoming, USA*

At the Freedom Project, the Company previously staked BLM unpatented lode mining claims and acquired one state mineral lease in Wyoming, USA in the prior year. As at July 31, 2024, the Company determined that it would not renew the BLM unpatented lode mining claims, and recorded a write-down of approximately \$253,000 in the statement of loss.

g) *Barbara Lake Lithium Property, Canada*

The Barbara Lake Lithium Property (“Barbara Lake Property”) comprised 56 mining cell claims covering approximately 2,147 hectares of land in the Barbara Lake Area, Thunder Bay Mining District, Ontario, Canada.

The Company had an option agreement in place to acquire up to 100% of the Barbara Lake Property (the “Barbara Lake Option”) until August 4, 2023, at which time it expired as a result of the Company allowing the Barbara Lake Option to lapse after choosing not to incur the remaining amount of expenditures before the option expiry date. As a result, the Company no longer holds the rights to explore the Barbara Lake Property and recorded a write-down of \$8,302,903 during the year ended July 31, 2023, resulting in the Barbara Lake Property having \$Nil carrying value at July 31, 2023.

9. Property and equipment

	Note	Mining equipment	Equipment	ROU asset (Note 10)	Total
Cost					
Balance - July 31, 2022		\$ -	\$ 8,754	\$ -	\$ 8,754
Additions	6	216,528	-	138,968	355,496
Balance - July 31, 2023		\$ 216,528	\$ 8,754	\$ 138,968	\$ 364,250
Other adjustment	6	-	-	(69,484)	(69,484)
Balance - July 31, 2024		\$ 216,528	\$ 8,754	\$ 69,484	\$ 294,766
Accumulated amortization					
Balance - July 31, 2022		\$ -	\$ 1,751	\$ -	\$ 1,751
Charge for the year		10,826	1,751	3,389	15,966
Balance - July 31, 2023		\$ 10,826	\$ 3,502	\$ 3,389	\$ 17,717
Charge for the year		43,304	1,751	20,337	65,392
Other adjustment	6	-	-	(1,695)	(1,695)
Balance - July 31, 2024		\$ 54,130	\$ 5,253	\$ 22,031	\$ 81,414
Net book value - July 31, 2023		\$ 205,702	\$ 5,252	\$ 135,579	\$ 346,533
Net book value - July 31, 2024		\$ 162,398	\$ 3,501	\$ 47,453	\$ 213,352

10. Right-of-use asset

At July 31, 2024, the Company recorded an ROU asset for its head office premises in Vancouver, BC with a carrying value of \$47,453 (July 31, 2023 - \$135,579) (Note 9). A total of \$67,789 was derecognized from the ROU asset on August 1, 2023 as the Company entered into an agreement to sublease 50% of its office premises to an arm's length third party (Note 12). ROU assets are depreciated on a straight-line basis over the shorter of the lease term and the useful life of the underlying assets.

11. Accounts payable and accrued liabilities

	July 31, 2024	July 31, 2023
Accounts payable	\$ 121,112	\$ 125,170
Accrued liabilities	86,448	190,749
Amounts due to related parties (Note 15)	-	24,654
Total accounts payable and accrued liabilities	\$ 207,560	\$ 340,573

Amounts due to related parties are unsecured, non-interest bearing and have no fixed terms of repayment.

12. Lease liability and sublease receivable

The Company's lease comprises only fixed payments over the term of the lease. The Company recorded interest expense of \$25,443 on lease liabilities for the year ended July 31, 2024 (July 31, 2023 - \$Nil). The incremental borrowing rate for lease liabilities recognized was 20%. During the year ended July 31, 2024, the Company also recorded expenses of \$27,949 (July 31, 2023 - \$28,000) related to short-term leases.

United Lithium Corp.
Notes to the Consolidated Financial Statements
For the year ended July 31, 2024
Expressed in Canadian Dollars

	Year ended July 31,	
	2024	2023
Lease liability continuity		
Balance at beginning of year	\$ 138,040	\$ -
Non-cash changes		
Addition	-	138,968
Accretion	25,443	-
Cash flows		
Principal payments	(28,616)	(928)
Interest payments	(25,443)	-
Total lease liabilities, end of year	\$ 109,424	\$ 138,040

The contractual maturities in respect of the Company's lease obligations are as follows:

	July 31,	July 31,
	2024	2023
Maturity analysis - contractual undiscounted cash flows		
Less than one year	\$ 58,854	\$ 54,060
One to two years	59,300	58,854
Two to three years	19,767	59,300
Three to four years	-	19,767
Total undiscounted lease liabilities	137,921	191,981
Effect of discounting	(28,497)	(53,941)
Total lease liabilities	\$ 109,424	\$ 138,040
Current	\$ 40,521	\$ 28,616
Non-current	68,903	109,424
Total lease liabilities	\$ 109,424	\$ 138,040

On August 1, 2023, the Company entered into an arrangement with an arm's length third-party to sublease fifty percent of the Company's leased head office premises for the remaining duration of the lease. Under the terms of the agreement, the Lessee will reimburse the Company fifty percent of the monthly rental payments owing under the head lease. As a result, on the date of recognition, fifty percent of the net book value of the ROU asset was derecognized and the Company recorded a sublease receivable of \$74,030. The resulting gain of \$6,241 was recorded as other income in the consolidated statements of loss. At July 31, 2024, the sublease receivable is \$54,661.

13. Share capital and reserves

a) Authorized share capital

The Company is authorized to issue an unlimited number of common shares without par value. At July 31, 2024, the Company had 47,741,055 common shares issued and outstanding (July 31, 2023 – 41,074,388 (123,223,127 pre-Consolidation)).

b) Common shares

(i) Share consolidation

On December 21, 2023, the Company announced that it would proceed with a consolidation of its Shares at a ratio of three (3) pre-Consolidation Shares to one (1) post-Consolidation share (the "Consolidation"). The Company's Shares commenced trading on the CSE on a consolidated basis at the start of trading on December 27, 2023, under the existing ticker symbol "ULTH".

Prior to the Consolidation, the Company had 123,223,127 shares issued and outstanding and had 41,074,388 shares issued and outstanding upon completion.

No fractional Shares were issued under the Consolidation. The holdings of any shareholder who would otherwise be entitled to receive a fractional Share as a result of the Consolidation were rounded to the nearest whole number and no cash consideration was paid in respect of fractional Shares. The Consolidation did not affect any shareholder's percentage ownership in the Company other than by the minimal effect of the aforementioned elimination of fractional Shares, even though such ownership will be represented by a smaller number of Shares, as the Consolidation reduced the number of Shares held by all shareholders proportionately.

All of the Company's outstanding share purchase options and share purchase warrants were also adjusted by the Consolidation ratio and the respective exercise prices of those outstanding options and share purchase warrants were adjusted accordingly.

All historical share and per share data presented in the Company's consolidated financial statements have been retrospectively adjusted to reflect the Consolidation, unless otherwise noted.

(ii) Shares issued

a. During the year ended July 31, 2024

On April 15, 2023, the Company completed a non-brokered private placement (the "2024 Private Placement") consisting of up to 6,666,667 units (each, a "Unit") of the Company at a price of \$0.30 per Unit for gross proceeds of up to \$2,000,000. Each Unit was comprised of one common share ("Share") and one Share purchase warrant entitling the holder to acquire one additional Share at a price of \$0.40 for a period of thirty-six months.

Total share issue costs relating to the 2024 Private Placement were \$11,279. The net proceeds of the 2024 Private Placement have been bifurcated using the residual fair value method, resulting in \$Nil value being allocated to the Warrants that were issued.

b. During the year ended July 31, 2023

On March 6, 2023, the Company completed a non-brokered private placement (the "2023 Private Placement") consisting of up to 16,666,667 units of the Company at a price of \$0.42 per Unit for gross proceeds of up to \$7,000,000. Each unit issued in the 2023 Private Placement was comprised of one Share and one Share purchase warrant entitling the holder to acquire one additional Share at a price of \$0.75 for a period of twenty-four months.

Total share issue costs relating to the 2023 Private Placement were \$32,746. The net proceeds of the 2023 Private Placement have been bifurcated using the residual fair value method, resulting in \$Nil value being allocated to the Warrants that were issued.

On October 27, 2022, the Company issued 69,444 common shares valued at \$51,041 relating to the Barbara Lake Option (Note 8(g)). The Company had accrued a \$50,000 obligation to issue shares as at July 31, 2022, in relation to this issuance.

A total of 335,667 warrants, with a weighted average exercise price of \$0.75 were exercised for gross proceeds of \$251,750 (Note 13(e)).

c) Shares in escrow

At July 31, 2024 and July 31, 2023, there were no shares remaining in escrow.

On August 29, 2022, the remaining 68,791 shares in escrow in connection with the acquisition of Bergby in April 2021 (Note 8(a)) were released.

On October 14, 2022, the remaining 87,180 shares in escrow in connection with the Company's acquisition of its initial 83.6% interest in Litiumlödös on February 14, 2022 (Note 8(b)) were released.

d) Reserves

Company reserves are comprised of reallocations on exercise and expiration of equity settled employee compensation and warrants, special warrants, special broker warrants and other reserves.

e) Share purchase warrants

Share purchase warrant transactions are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price (\$)
Balance at July 31, 2022	5,851,661	1.59
Issued	16,666,667	0.75
Exercised	(335,667)	0.75
Expired	(5,382,661)	1.65
Balance at July 31, 2023	16,800,000	0.76
Expired	(133,333)	1.46
Issued	6,666,667	0.40
Balance at July 31, 2024	23,333,334	0.47

Warrants outstanding at July 31, 2024, are as follows:

Number of warrants	Weighted average exercise price (\$)	Expiry date	Weighted average remaining contractual life (years)
16,666,667	0.50	March 6, 2025	0.60
6,666,667	0.40	April 15, 2027	2.70
23,333,334	0.47		1.20

During the year ended July 31, 2024, there were no share purchase warrants issued or exercised, and all 133,333 warrants with an exercise price of \$1.46 expired unexercised.

During the year ended July 31, 2023, a total of 335,667 warrants were exercised for gross proceeds of \$251,750, a total of 5,382,661 warrants with a weighted average exercise price of \$1.65 expired unexercised and 16,666,667 warrants with a weighted average exercise price of \$0.75 were issued as part of the 2023 Private Placement (Note 13(b)(ii)(b)). Upon expiration of certain warrants during the year ended July 31, 2023, a total of \$63,803 recorded in warrants reserve was reclassified to other reserves.

Warrant repricing

On March 26, 2024, the Company announced that the 16,666,667 warrants with a weighted average exercise price of \$0.75, originally issued as part of the 2023 Private Placement would be re-priced to \$0.50 (the "Repriced Warrants"), subject to the Company obtaining consent of the holders of the Repriced Warrants. In accordance with the policies of the CSE, the expiration of the Repriced Warrants will be accelerated to thirty days if, for any ten consecutive trading days, the closing price of the common shares of the Company on the CSE is \$0.625 or greater (the "Acceleration Trigger"), with such thirty-day period starting seven days after the Acceleration Trigger. All other terms of the warrants remain unchanged.

On May 16, 2024, the Company announced that it had obtained consent from all holders of the Repriced Warrants and the warrant repricing was completed, resulting in all outstanding warrants bearing an exercise price of \$0.50 from that day forward.

Special warrants and special broker warrants

(i) During the year ended July 31, 2024

There were no special warrants or special broker warrants outstanding during the year ended July 31, 2024.

(ii) During the year ended July 31, 2023:

On March 8, 2023, all 317,677 special broker warrants expired unexercised, and none remain outstanding as at July 31, 2023. Upon expiration, a total of \$644,000 recorded in special broker warrants reserve was transferred to other reserves.

f) Stock options

On March 28, 2024, the shareholders of the Company voted in favor of the Company's new Omnibus Incentive Plan (the "Plan"), which enables the Board to grant stock options ("Options"), restricted share units ("RSUs"), and deferred share units ("DSUs"). Stock options issued to eligible persons (collectively, "Optionees") permit the Optionees to purchase common shares in the capital of the Company in consideration of such Optionees providing services to the Company or a subsidiary of the Company. The number of stock options granted by the Company to Optionees is determined by the Board, within the guidelines established by the Plan. The stock options enable such persons to purchase common shares at a price fixed under such guidelines. The aggregate number of shares that may be issued pursuant to Options, RSUs and DSUs granted under the Plan, unless otherwise approved by shareholders, may not exceed that number which is equal to 10% of the issued and outstanding shares of the Company at the time of the grant and the term of any stock option will not exceed ten years.

During the year ended July 31, 2024, a total of 450,000 stock options were granted to certain consultants, officers and directors of the Company (July 31, 2023 – 1,721,667). 200,000 stock options were granted on October 2, 2023, and are exercisable at a price of \$1.05 per common share, vesting as to one-third immediately, one-third six months after the grant and one-third twelve months after the grant, and expire 5 years from the date of issuance. 100,000 stock options were granted to an officer of the Company on January 29, 2024, and were exercisable at a price of \$1.05 per common share, vesting immediately and expiring 5 years from the date of issuance. 150,000 stock options were granted to a director of the Company on February 12, 2024, and are exercisable at a price of \$0.40 per common share, vesting immediately and expiring 5 years from the date of issuance.

The weighted average fair value of the share purchase options granted during the year ended July 31, 2024, was estimated to be \$0.56 using the Black-Scholes Option Pricing Model with the following weighted average assumptions: risk-free interest rate of 4.11%, expected life of 4.22 years, annualized volatility of 141.66% and expected dividend yield of 0%.

The weighted average fair value of each share purchase option granted during the year ended July 31, 2023, was estimated to be \$0.78 using the Black-Scholes Option Pricing Model with the following weighted average assumptions: risk-free interest rate of 3.06%, expected life of 4.72 years, annualized volatility of 146.18% and expected dividend yield of 0%.

Share-based payments expense relating to stock options vested during the year ended July 31, 2024, is \$239,632 (July 31, 2023 - \$1,415,598).

The following is a summary of stock option activity for the year ended July 31, 2024, and year ended July 31, 2023:

	Number of options	Weighted average exercise price (\$)
Balance at July 31, 2022	2,076,189	2.24
Stock options granted	1,721,667	1.05
Stock options forfeited	(866,667)	2.13
Stock options expired	(509,524)	2.70
Balance at July 31, 2023	2,421,665	1.34
Stock options granted	450,000	0.83
Stock options forfeited	(416,667)	1.47
Balance at July 31, 2024	2,454,998	1.22

Stock options outstanding as at July 31, 2024, are as follows:

Exercise price (\$ per share)	Number of options outstanding	Number of options exercisable	Expiry date	Weighted average remaining contractual life (years)
0.40	150,000	150,000	February 12, 2029	4.53
1.05	1,233,333	1,233,333	March 14, 2028	3.61
1.05	388,333	388,333	June 20, 2028	3.88
1.05	200,000	133,333	October 2, 2028	4.16
1.80	266,666	266,666	December 23, 2026	2.39
1.92	133,333	133,333	November 6, 2025	1.27
3.54	83,333	83,333	February 19, 2026	1.55
	2,454,998	2,388,331		3.15

g) Restricted share units

On August 19, 2022, the Company announced that it had granted an aggregate of 1,350,000 RSUs to certain directors and officers of the Company at the time, in accordance with the Company's proposed Equity Incentive Plan (the "Proposed Equity Plan") which was proposed by the Board on August 11, 2022, and was subject to approval by the Company's shareholders and the CSE. Each RSU that was granted had a fair market value of \$0.87 and were to vest in full on December 12, 2022. The Company recorded share-based payments of \$773,451 for the three-month period ending October 31, 2022.

In April 2023, the Board determined that it would not proceed with obtaining shareholder approval for the Proposed Equity Plan and did not include the resolution in the Company's management information circular for its Annual General Meeting of Shareholders held on June 20, 2023. As a result, the 1,350,000 RSUs which were granted subject to shareholder and regulatory approval, were never issued, and the share-based payments expense of \$773,451 originally expensed in the three months ended October 31, 2022 was reversed in the three months ended April 30, 2023.

On April 1, 2024, the Company announced that its shareholders had voted in favor of the Company's new Omnibus Incentive Plan, which permits the Board to grant RSUs. As of July 31, 2024, the Company has not granted any RSUs, and none are outstanding.

14. Acquisitions

a. Acquisition of non-controlling interest in Litiumlödös

On April 9, 2024, the Company announced that it has increased its ownership in the Kietyönmäki from 83.6% to 100% after acquiring Tammela Minerals Oy's ("Tammela") 16.4% minority interest in Litiumlödös,

the Finnish entity that holds the rights to Kietyönmäki (the “Kietyönmäki Acquisition”). Tammela is a wholly-owned subsidiary of Nortec Minerals Corp. (“Nortec”).

As consideration for the Kietyönmäki Acquisition, the Company made a cash payment of \$200,000 to Nortec, in exchange for 490 common shares of Litiumlöydös from Tammela, representing Tammela’s 16.4% minority interest. As a condition of closing, all involved parties entered into a Deed of Variation for the purposes of removing Litiumlöydös and the Company as parties to a joint venture agreement, extinguishing Tammela’s right to any royalties on any future production at Kietyönmäki.

In addition to the cash payment of \$200,000 to Nortec, the Company incurred \$20,834 in transaction costs and derecognized the \$8,620 non-controlling interest (Note 17) in Litiumlöydös, resulting in a total value of \$229,454 being allocated to the Kietyönmäki, and recorded as an addition in the period, within exploration and evaluation assets.

b. Acquisition of new properties and subsidiaries

On April 29, 2024, the Company obtained the rights to the Kova Property, Kast Property and Axmarby Property (the “Properties”) after acquiring all of the issued and outstanding shares of two private companies, PR1 Finland Oy (“PR1”) (a wholly-owned Finnish subsidiary of Pure Resources Ltd.) and Scandinavian Battery Metals (“SBM”), a Canadian private company.

As consideration for acquiring the Properties, the Company paid AUD\$20,112 to Pure Resources Ltd. and made payments of CAD\$40,050 and USD\$110,984 to an arm’s-length third party vendor, in exchange for all of the issued and outstanding common shares of both SBM and PR1. At the time of the acquisition, SBM held the rights to acquire the Kova Property from PR1; however, as a condition of closing, the agreement between SBM and PR1 was terminated, and PR1 now holds the rights to both the Kova Property and Kast Property. The rights to the Axmarby Property are held by SBM, and are part of the Company’s acquisition of SBM.

Pure Resources Ltd. will retain a 2% net smelter returns royalty (“NSR Royalty”) on the Kast Property and Kova Property, subject to a buyback right in favour of the Company, pursuant to which the Company may purchase 1% of the NSR Royalty at any time in exchange for payment of CAD\$750,000. No such agreement is in place for the Axmarby Property, which remains royalty-free.

The acquisitions of both SBM and PR1 were accounted for as asset acquisitions as the activities of both companies did not meet the definition of a business under IFRS 3, *Business Combinations*.

The fair value of the total compensation paid by the Company to the vendors of PR1 and SBM was estimated to be approximately \$303,669, as follows:

Cash consideration paid to vendor of PR1 Finland Oy (AUD \$20,112)	\$	18,177
Cash consideration paid to vendor of Scandinavian Battery Metals (CAD\$40,050 & US\$110,984)		191,893
Transactions costs relating to acquisition of PR1 Finland Oy		69,455
Transaction costs relating to acquisition of Scandinavian Battery Metals		24,144
Fair value of consideration paid by the Company	\$	303,669

The fair value of the net assets acquired was allocated as follows:

Cash	\$	1,895
Exploration and evaluation assets		
Kova Property (Note 8(c))		205,853
Kast Property (Note 8(c))		52,905
Axmarby Property (Note 8(a))		49,501
Accounts payable		(6,485)
Fair value of net assets acquired by the Company	\$	303,669

15. Related party transactions

(a) Balances

As at July 31, 2024, \$Nil (July 31, 2023 - \$24,654) is due to related parties and is included in accounts payable and accrued liabilities (Note 7). These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

(b) Transactions

Transactions between the Company and its subsidiaries have been eliminated on consolidation and are not disclosed in this note. The Company's transactions with related parties consist of director fees to current and former directors of the Company, management and/or consulting fees to companies controlled by current and former directors and officers of the Company for the years ended July 31, 2024, and 2023, are as follows:

- (i) Director fees of \$87,667 for the year ended July 31, 2024 (July 31, 2023 - \$64,613) to current and former non-executive directors of the Company.
- (ii) Management fees of \$194,000 for the year ended July 31, 2024 (July 31, 2023 - \$170,000) to a company controlled by the President, CEO and director of the Company.
- (iii) Management fees of \$17,500 for the year ended July 31, 2024 (July 31, 2023 - \$1,750) to a company controlled by the CFO of the Company.
- (iv) Management fees of \$61,750 for the year ended July 31, 2024 (July 31, 2023 - \$10,719) to a company controlled by the VP of Compliance and Corporate Secretary of the Company.
- (v) Management fees of \$72,344 for the year ended July 31, 2024 (July 31, 2023 - \$4,812) to a company controlled by a former director and the former Executive Vice President of Exploration of the Company.
- (vi) Consulting fees of \$15,000 for the year ended July 31, 2024 (July 31, 2023 - \$4,000) to a company controlled by a current non-executive director of the Company.
- (vii) Management fees of \$Nil for the year ended July 31, 2024 (July 31, 2023 - \$70,000) to a company controlled by the former CEO and former director of the Company.
- (viii) Management fees of \$Nil for the year ended July 31, 2024 (July 31, 2023 - \$85,000) to a company controlled by the former CFO and former director of the Company.
- (ix) Consulting fees of \$Nil for the year ended July 31, 2024 (July 31, 2023 - \$43,750) to a company controlled by a former director of the Company.

(c) Key management compensation

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that its key management personnel consists of the Company's officers and directors.

During the years ended July 31, 2024, and 2023, the following amounts were incurred with directors and officers of the Company:

	Year ended July 31,	
	2024	2023
Management salaries and consulting fees ¹	\$ 597,281	\$ 347,969
Director fees	87,667	64,613
Consulting fees	15,000	52,562
Share-based payments	71,300	678,966
Total key management compensation	\$ 771,248	\$ 1,144,110

⁽¹⁾ Management salaries and consulting fees for the year ended July 31, 2024, includes those paid indirectly and directly to the current President and CEO, CFO, VP Compliance and Corporate Secretary, and former EVP of Exploration, and VP Corporate Development of the Company, whereas management salaries and consulting fees for the year ended July 31, 2023, also includes those paid to the former CEO and former CFO and Corporate Secretary, who were replaced in February and April of 2023, respectively.

16. Segmented information

The Company currently operates in four geographically based industry segments: Canada, the United States, Sweden and Finland. The Company's head office is in Vancouver, Canada.

The locations of the Company's non-current assets at July 31, 2024, is as follows:

	Canada	USA	Sweden	Finland	Total
Exploration and evaluation assets	\$ -	\$ 2,424,399	\$ 5,605,221	\$ 2,782,913	\$ 10,812,533
Property and equipment	209,851	-	3,501	-	213,352
Other receivables	34,452	-	-	-	34,452
Long-term deposits	40,302	-	6,293	8,265	54,860
Non-current assets	\$ 284,605	\$ 2,424,399	\$ 5,615,015	\$ 2,791,178	\$ 11,115,197

The locations of the Company's non-current assets at July 31, 2023, is as follows:

	Canada	USA	Sweden	Finland	Total
Exploration and evaluation assets	\$ -	\$ 1,935,503	\$ 4,020,820	\$ 1,692,601	\$ 7,648,924
Property and equipment	341,281	-	5,252	-	346,533
Long-term deposits	28,730	-	6,354	8,166	43,250
Non-current assets	\$ 370,011	\$ 1,935,503	\$ 4,032,426	\$ 1,700,767	\$ 8,038,707

The location of the Company's net loss for the year ended July 31, 2024, is as follows:

Year ended July 31, 2024	Canada	USA	Sweden	Finland	Total
Loss from operations	\$ 2,055,681	\$ -	\$ -	\$ -	\$ 2,055,681
Other income	(108,570)	252,974	-	-	144,404
Net loss for the year	\$ 1,947,111	\$ 252,974	\$ -	\$ -	\$ 2,200,085

The location of the Company's net loss for the year ended July 31, 2023, is as follows:

Year ended July 31, 2023	Canada	USA	Sweden	Finland	Total
Loss from operations	\$ 2,781,441	\$ 2,412	\$ 71,853	\$ 45,142	\$ 2,900,848
Other expenses	8,239,327	-	-	-	8,239,327
Net loss for the year	\$ 11,020,768	\$ 2,412	\$ 71,853	\$ 45,142	\$ 11,140,175

17. Non-controlling interest

As at July 31, 2024, the Company holds 100% (July 31, 2023 – 83.6%) interest in Litiumlödös, after acquiring Tammela's 16.4% non-controlling minority ownership interest.

Reconciliation of non-controlling interest as follows:

	July 31, 2024	July 31, 2023
Balance, beginning of year	\$ (8,620)	\$ (1,217)
Share in net loss for the period	-	(7,403)
Acquisition of non-controlling interest (Note 14(a))	8,620	-
Balance at end of year	\$ -	\$ (8,620)

18. Financial instruments and risk management

Financial assets and liabilities have been classified into categories that determine their basis of measurement and, for items measured at fair value on a recurring basis, whether changes in fair value are recognized at fair value through profit or loss or fair value through other comprehensive income.

The Company's financial assets and financial liabilities are classified as follows:

	July 31, 2024	July 31, 2023
Financial Assets		
Cash and cash equivalents	\$ 1,265,331	\$ 5,014,022
Long-term deposits	54,860	43,250
Total financial assets	\$ 1,320,191	\$ 5,057,272
Financial Liabilities		
Accounts payable	\$ 121,112	\$ 125,170
Amounts due to related parties	-	24,654
Total financial assets	\$ 121,112	\$ 149,824

IFRS 7, Financial Instruments: Disclosures establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value as follows:

Level 1 – Unadjusted quoted prices 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); and

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

The carrying amounts for cash and cash equivalents, deposits, accounts payable, and amounts due to related parties approximate their fair values due to the short-term nature of these instruments.

The Company does not have any level 1, level 2 or level 3 financial instruments.

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

The Company is exposed in varying degrees to a variety of financial instrument-related risks, including credit risk, liquidity risk and market risk. The Board approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is summarized as follows:

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash and cash equivalents held in bank accounts. The majority of cash and cash equivalents are deposited in bank accounts at a major bank in Canada. As most of the Company's cash and cash equivalents are held by one bank there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. Receivables consist primarily of value added tax receivables from the tax authorities in Canada, Sweden and Finland. The Company has been successful in recovering input tax credits in the past and has settled some of its receivables subsequent to the year ended July 31, 2024, and believes credit risk with respect to receivables is insignificant. Overall, credit risk is assessed as low.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to necessary levels of equity funding. The Company believes that its current cash is sufficient to settle its near-term obligations including general corporate activities and planned exploration expenditures, based on its cash position, its ability to modify planned activities or exploration programs and ability to pursue additional sources of financing, including further equity placements. The Company will continue forecasting its cash flows to maintain liquidity and investigate opportunities to obtain further financing through transactions such as equity placements, debt or joint venture arrangements, if necessary. Liquidity risk is assessed as high.

(c) Market risk

(i) Foreign exchange risk

The Company's report and functional currency is the Canadian dollar ("CAD") but also undertakes transactions denominated in US dollars ("USD"), Swedish Krona ("SEK"), and Euros ("EUR"). As the exchange rates between the CAD, and the SEK, USD and EUR fluctuate, the Company experiences foreign exchange gains and losses. The Company has cash and cash equivalents, value-added-tax receivables, receivables and accounts payable and accrued liabilities denominated in foreign currencies, which are subject to currency risk.

The carrying amount of the Company's foreign currency-denominated monetary assets and liabilities as at July 31, 2024, are as follows:

	July 31, 2024			July 31, 2023		
	EUR	USD	SEK	EUR	USD	SEK
Cash	\$ -	\$ 67,989	\$ 59,473	\$ -	\$ 213,594	\$ 67,508
Receivables	219,066	-	3,804	-	-	13,558
Accounts payable and accrued liabilities	(40,968)	-	(57,756)	(23,932)	(62,381)	(148,899)
Total	\$ 178,098	\$ 67,989	\$ 5,521	\$ (23,932)	\$ 151,213	\$ (67,833)

As at July 31, 2024, a 10% change in foreign exchange rates between Euro, US dollars, SEK, and CAD would result in an approximate \$25,000 decrease or increase in the Company's net loss (July 31, 2023 - \$6,000).

The Company does not enter into any financial instruments to hedge currency risk, but the Company monitors its foreign exchange exposure and considers its exposure to foreign currency risk to be minimal as at July 31, 2024.

(ii) Interest rate risk

Interest rate risk is the risk that the fair values and future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk on its cash and cash equivalents, which is insignificant due to their short-term nature. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by highly rated financial institutions. The Company monitors the investments it makes and is satisfied with the credit ratings of its banks. As at July 31, 2024, the Company held \$953,924 (July 31, 2023 - \$4,456,531) of its cash equivalents in investment-grade short-term deposit certificates.

(iii) Price risk

The mining industry is heavily dependent upon the market price of the metals or minerals being mined. There is no assurance that, even if commercial quantities of mineral resources are discovered, a profitable market will exist for their sale. There can be no assurance that mineral prices will be such that the Company's properties can be mined at a profit. Factors beyond the control of the Company may affect the marketability of any minerals discovered. The price of silver has experienced volatile and significant price movements over short periods of time and is affected by numerous factors beyond the Company's control. The Company's profitability and ability to raise capital to fund exploration, evaluation and production activities is subject to risks associated with fluctuations in mineral prices. The Company closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

19. Income Taxes

A reconciliation of income taxes at statutory tax rates is as follows:

	July 31, 2024	July 31, 2023
Net loss for the year	\$ (2,200,085)	\$ (11,140,175)
Statutory tax rate	27%	27%
Expected income tax recovery	(594,000)	(3,008,000)
Share based payments and other permanent items	65,000	382,000
Differing effective tax rate on loss in foreign jurisdiction	16,000	8,000
Change in unrecognized deductible temporary differences	1,584,000	386,000
Impact of foreign exchange and other	(1,071,000)	2,232,000
Deferred income tax recovery	\$ -	\$ -

The Company has the following deductible temporary differences and losses for which no deferred tax assets have been recognized:

	July 31, 2024	Expiry	July 31, 2023
Non-capital losses	\$ 15,485,000	2036-2044, no expiry	\$ 13,742,000
Exploration and evaluation assets	666,000	no expiry	628,000
Share issuance costs	45,000	2045-2048	27,000
Other ¹	9,231,000	no expiry	777,000
Unrecognized deferred tax asset	\$ 25,427,000		\$ 15,174,000

¹ Other includes \$8,739,000 of capital losses as at July 31, 2024 (July 31, 2023 - 387,000).

At July 31, 2024, the Company has non-capital loss carry forwards in Canada aggregating \$15,041,000 (July 31, 2023 - \$13,445,000) which expire between 2026 and 2039, available to offset future taxable income in Canada.

The Company has capital loss carry forward in Canada of \$8,739,000 (July 31, 2023 - \$387,000) which are available only to offset future capital gains for Canadian tax purposes and may be carried forward indefinitely.

At July 31, 2024, the Company has non-capital loss carry forwards in Sweden aggregating \$302,000 (July 31, 2023 - \$180,000) which do not expire, available to offset future taxable income in Sweden.

At July 31, 2024, the Company has non-capital loss carry forwards in the United States of America aggregating \$190,000 (July 31, 2023 - \$2,000) which do not expire, available to offset future taxable income in the United States of America.

At July 31, 2024, the Company has non-capital loss carry forwards in Finland aggregating \$235,000 (July 31, 2023 - \$125,000) which expire between 2032 and 2034, available to offset future taxable income in Finland.

Tax attributes are subject to review, and potential adjustment, by competent authority.

20. Capital management

The Company's primary objectives in capital management are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain sufficient funds to finance the acquisition and exploration of its exploration and evaluation assets. Capital is comprised of the Company's shareholders' equity. The Company manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Company does not presently utilize any quantitative measures to monitor its capital and is not subject to externally imposed capital requirements.

The properties in which the Company currently has an interest are in the exploration stage and do not currently generate revenue; as such, the Company is dependent on external financing to fund its activities. The Company will spend its existing working capital and seek to raise additional amounts as needed by way of equity financing or debt to carry out its planned corporate development, general administrative costs and exploration and development programs. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so. There has been no change in the Company's management of capital during the year ended July 31, 2024.