Vision Lithium Inc.

Audited Consolidated Financial Statements

As at August 31, 2023 and 2022

Independent Auditor's Report

Raymond Chabot
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To the Shareholders of
Vision Lithium Inc.

Opinion

We have audited the consolidated financial statements of Vision Lithium Inc. (hereafter "the Company"), which comprise the consolidated statements of financial position as at August 31, 2023 and 2022, and the consolidated statements of net loss and comprehensive loss, the consolidated statements of changes in equity and the consolidated statements of cash flows for the years then ended, and notes to consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at August 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "Auditor’s responsibilities for the audit of the consolidated financial statements" section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the "Material uncertainty related to going concern" section, we have, we have determined that the matter described below is the key audit matter to be communicated in our auditor's report.

Assessment for impairment of exploration and evaluation assets

As described in Note 4 to the consolidated financial statements, exploration and evaluation assets shall be assessed for an impairment test when facts and circumstances suggest that their carrying amount may exceed recoverable amount. We have identified the assessment for impairment of exploration and evaluation assets as a key audit matter.

Why the matter was determined to be a key audit matter

The assessment for impairment of exploration and evaluation assets is significant to our audit, because the balance of $19,787,362 as at August 31, 2023 is material for the consolidated financial statements. In addition, management’s assessment process is subjective and requires the use of judgments and assumptions, in particular, but not limited to:

– the right to explore the areas has expired or will expire in the near future with no expectation of renewal;

– no further exploration or evaluation expenditures in the area are planned or budgeted;

– no commercially viable deposits have been discovered, and the decision has been made to discontinue exploration in the area;

– sufficient work has been performed to indicate that the carrying amount of the expenditure carried as an asset will not be fully recovered.

How the matter was addressed in the audit

Our audit procedures related to the assessment for impairment of exploration and evaluation assets included, among others, the following:

– We assessed management's assessment of the facts and circumstances to determine whether an indication of impairment was present by inspecting the Corporation's communications, including minutes and press releases and making requests for information from management;

- We reviewed budgets to assess management's intention to pursue exploration and evaluation work;
- We inspected government records to determine if the mining rights on his properties were valid.

Information other than the consolidated financial statements and the auditor’s report thereon

Management is responsible for the other information. The other information comprises the information included in Management’s Discussion and Analysis.

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

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

Responsibilities of management and those charged with governance for the consolidated financial statements

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

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

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

Auditor’s responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

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

– Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

– Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern;

– Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

– Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated 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 Carole Lepage.

Raymond Chabot Grant Thornton LLP [1]

Rouyn-Noranda
December 18, 2023

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[1] CPA auditor, public accountancy permit no. A119351

Vision Lithium Inc.
Consolidated Statements of Financial Position
(in Canadian dollars)

	Notes	**August 31, 2023**	August 31, 2022
		$	$
ASSETS			
Current			
Cash and cash equivalents	6	**90,705**	744,605
Guaranteed investment certificates (3.40% - 4%; 0.75% - 1.7% in 2022), expiring in May and July 2024		**77,673**	779,942
Sales taxes receivable		**13,363**	92,731
Tax credits receivable		**173,970**	2,184
Prepaid expenses		**46,442**	35,433
Marketable securities in quoted mining exploration companies		**649**	758
		402,802	1,655,653
Non-current			
Property and equipment		**9,588**	16,270
Right-of-use assets	7	**44,376**	47,038
Exploration and evaluation assets	8	**19,787,362**	18,514,854
		19,841,326	18,578,162
Total assets		**20,244,128**	20,233,815
LIABILITIES			
Current			
Trade and other payables		**438,421**	358,417
Current portion of lease obligations	9	**31,667**	31,252
Current portion of loan	10	**40,000**	-
		510,088	389,669
Non-current			
Lease obligations	9	**12,030**	14,252
Loan	10	**-**	40,000
		12,030	54,252
Total liabilities		**522,118**	443,921
EQUITY			
Share capital	11.1	**56,961,696**	55,648,956
Contributed surplus		**6,092,552**	5,394,952
Deficit		**(43,332,238)**	(41,254,014)
Total equity		**19,722,010**	19,789,894
Total liabilities and equity		**20,244,128**	20,233,815

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

These consolidated financial statements were approved and authorized for issue by the Board of Directors on December 18, 2023.

Approved on behalf of the Board of Directors

(signed) Yves Rougerie, Director

(signed) Victor Cantore, Director

Vision Lithium Inc.

Consolidated Statements of Net Loss and Comprehensive Loss
For the years ended August 31

(in Canadian dollars)

	Notes	**2023**	2022
		$	$
Expenses			
Employee benefits expense	13.1	**1,177,582**	1,175,654
Insurance, taxes and permits		**24,931**	40,595
Consulting fees		**368,488**	311,453
Professional fees		**150,748**	114,282
Rent and maintenance		**25,594**	25,040
Business development		**249,107**	171,086
Advertising and sponsorship		**12,427**	14,640
Stationery and office expenses		**17,948**	21,894
Travel, board and lodging		**9,540**	11,715
Registration fees		**31,420**	38,458
Write-off of exploration and evaluation assets		**2,683**	4,755
Exploration costs of other properties		**-**	149
Bank charges		**3,818**	4,190
Part XII.6 tax related to flow-through shares		**(3,095)**	13,735
Amortization of property and equipment		**1,453**	3,605
Amortization of right-of-use assets		**10,610**	5,410
Operating loss		**2,083,254**	1,956,661
Other (income) expenses			
Finance income	15	**(5,760)**	(18,217)
Finance cost	15	**621**	494
Government assistance	12	**-**	(18,000)
Net change in fair value of marketable securities in quoted mining exploration companies		**109**	213
Other revenues		**-**	(4,732)
		(5,030)	(40,242)
Net loss before income taxes		**(2,078,224)**	(1,916,419)
Deferred income tax		**-**	122,557
Net loss and total of comprehensive loss for the year		**(2,078,224)**	(1,793,862)
Net loss per share			
Basic and diluted net loss per share	16	**(0.01)**	(0.01)

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

Vision Lithium Inc.
Consolidated Statements of Changes in Equity

For the years ended August 31

(in Canadian dollars)

	Notes	Share capital		Contributed		Total
		Number	Amount	surplus	Deficit	equity
			$	$	$	$
Balance as at September 1st, 2021		209,802,485	53,521,536	4,755,693	(39,460,152)	18,817,077
Issuance of shares for the acquisition of mining rights	11.1	4,550,000	981,000	-	-	981,000
Share-based payments	13.2	-	-	820,679	-	820,679
Warrants exercised	11.2	19,300,000	1,146,420	(181,420)	-	965,000
		23,850,000	2,127,420	639,259	-	2,766,679
Net loss and total of comprehensive loss for the year		-	-	-	(1,793,862)	(1,793,862)
Balance as at August 31, 2022		**233,652,485**	**55,648,956**	**5,394,952**	**(41,254,014)**	**19,789,894**
Share-based payments	13.2	-	-	905,340	-	905,340
Warrants exercised	11.2	22,100,000	1,312,740	(207,740)	-	1,105,000
		22,100,000	1,312,740	697,600	-	2,010,340
Net loss and total of comprehensive loss for the year		-	-	-	(2,078,224)	(2,078,224)
Balance as at August 31, 2023		**255,752,485**	**56,961,696**	**6,092,552**	**(43,332,238)**	**19,722,010**

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

Vision Lithium Inc.

Consolidated Statements of Cash Flows

For the years ended August 31

(in Canadian dollars)

	Notes	**2023**	2022
		$	$
Operating activities			
Net loss		**(2,078,224)**	(1,793,862)
Adjustments			
Amortization of property and equipment		**1,453**	3,605
Amortization of right-of-use assets	7	**10,610**	5,410
Amortization of right-of-use assets included in exploration costs of other properties	7	**-**	149
Finance income not cashed	15	**(502)**	(2,771)
Finance cost not cashed	15	**621**	494
Net change in fair value of marketable securities in quoted mining exploration companies		**109**	213
Share-based payments		**872,970**	781,600
Write-off of exploration and evaluation assets		**2,683**	4,755
Deferred income tax	17	**-**	(122,557)
Changes in working capital items	18	**401,071**	21,788
Cash flows used in operating activities		**(789,209)**	(1,101,176)
Investing activities			
Acquisition of guaranteed investment certificates		**(77,171)**	(1,077,171)
Disposal of guaranteed investment certificate		**779,942**	2,877,287
Acquisition of property and equipment		**-**	(6,482)
Additions to exploration and evaluation assets	8	**(1,638,336)**	(2,115,187)
Cash flows used in investing activities		**(935,565)**	(321,553)
Financing activities			
Warrants exercised	11.2	**1,105,000**	965,000
Payments on lease obligations	9	**(34,126)**	(33,622)
Cash flows from financing activities		**1,070,874**	931,378
Net change in cash		**(653,900)**	(491,351)
Cash and cash equivalents, beginning of the year		**744,605**	1,235,956
Cash and cash equivalents, end of the year		**90,705**	744,605

Additional information - Cash flows (Note 18)

Additional information

Interest received from operating activities		**5,760**	18,217

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

1. NATURE OF OPERATIONS

Vision Lithium Inc. and its subsidiary Pioneer Resources Inc. (the "Company") are exploration companies with activities in Canada.

On December 13, 2022, the Company dissolved its subsidiary Pioneer Ressources Inc., following its liquidation on October 26, 2022.

2. GOING CONCERN ASSUMPTION, GENERAL INFORMATION AND STATEMENT OF COMPLIANCE WITH IFRS

The consolidated financial statements have been prepared on the basis of the going concern assumption, meaning the Company will be able to realize its assets and discharge its liabilities in the normal course of operations.

Given that the Company has not yet determined whether its mineral properties contain mineral deposits that are economically recoverable, the Company has not yet generated income nor cash flows from its operations. As at August 31, 2023 the Company has an accumulated deficit of $43,332,238 ($41,254,014 as at August 31, 2022). These material uncertainties cast significant doubt regarding the Company's ability to continue as a going concern.

The Company's ability to continue as a going concern is dependent upon its ability to raise additional financing to further explore its mineral properties and continued support of suppliers and creditors. Even if the Company has been successful in the past in doing so, there is no assurance that it will manage to obtain additional financing in the future.

The carrying amounts of assets, liabilities, revenues and expenses presented in the consolidated financial statements and the classification used in the statement of financial position have not been adjusted as would be required if the going concern assumption was not appropriate.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards

Vision Lithium Inc. is incorporated under the *Canada Business Corporations Act*. The address of the Company's registered office and its principal place of business is 1019 boulevard des Pins, Val-d'Or, Quebec, Canada. Vision Lithium Inc.'s shares are listed on the TSX Venture Exchange under the symbol "VLI".

3. STANDARDS AND NEW OR REVISED INTERPRETATIONS

3.1 Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Company

At the date of authorization of these consolidated financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective, and have not been adopted early by the Company.

Management anticipates that all of the pronouncements will be adopted in the Company's accounting policy for the first period beginning after the effective date of the pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the Company's consolidated financial statements is provided below. Certain other new standards and interpretations have been issued but are not expected to have an impact on the Company's consolidated financial statements.

4. SUMMARY OF ACCOUNTING POLICIES

4.1 Overall considerations

The significant accounting policies and measurement basis that have been applied in the preparation of these consolidated financial statements are summarized below.

4.2 Consolidation principles

The consolidated financial statements of the Company include the accounts of the parent company and its subsidiary Pioneer Resources Inc. until its dissolution, on December 13, 2022. The parent company controls a subsidiary if it is exposed, or is entitled, to variable returns due to its relationship with the subsidiary and if it has the ability to affect these returns because of its power over the subsidiary. The subsidiary of the Company was wholly owned by the parent company. The annual financial reporting date of the subsidiary was August 31.

All transactions and balances between group companies are eliminated upon consolidation, including unrealized gains and unrealized losses on transactions between group companies.

4.3 Functional and presentation currency

The consolidated financial statements are presented in Canadian currency, which is also the functional currency.

4.4 Financial instruments

Measurement and derecognition

Financials assets and financial liabilities are recognized when the Company becomes a part to the contractual provisions of the financial instrument. Financial assets and financial liabilities are measured initially at fair value adjusted for transaction costs, where appropriate.

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.

A financial liability is derecognized when it is extinguished, discharged, cancelled or when it expires.

The classification of financial instruments under IFRS 9 is based on the entity's business model and the characteristics of the contractual cash flows of the financial asset or liability.

Classification and initial measurement of financial assets

Financial assets of the Company are classified into one of the following categories:
- At amortized cost;
- At fair value through profit or loss (FVTPL).

All income and expenses relating to financial assets that are recognized in profit or loss are presented within finance cost or finance income.

Subsequent measurement of financial assets

Financial assets at amortized cost

Financial assets are measured at amortized cost if they meet the following conditions:

- they are held according to an economic model whose purpose is to hold financial assets in order to collect the contractual cash flows;

- the contractual terms of the financial assets give rise to cash flows that correspond solely to repayments of principal and interest payments on the principal outstanding.

4.4 Financial instruments (continued)

After initial recognition, they are measured at amortized cost using the effective interest rate method. Discounting is omitted if effect is not significant. Cash and cash equivalents and guaranteed investment certificates are included in this category of financial instruments.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets that are held in a different economic model than "holding for the purpose of collection" or "holding for the purpose of collection and sale" are classified in the FVTPL category.

This category includes marketable securities in quoted mining exploration companies. The Company accounts for the investment at FVTPL and has not made an irrevocable election to account for its investment in the marketable securities in quoted mining exploration companies at fair value through other comprehensive income (FVOCI).

Assets in this category are measured at fair value and gains or losses are recognized in net income. The fair value of financial assets in this category is determined based on transactions in an active market or by applying a valuation technique when there is no active market.

Depreciation of financial assets

The impairment provisions in IFRS 9 use forward-looking information, the expected credit loss model.

The recognition of credit losses is not dependent on the identification of a credit loss event by the Company. Rather, it must take into account an expanded range of information for assessing credit risk and assessing expected credit losses, including: past events, current circumstances, reasonable and justifiable forecasts that affect expected recoverability of future cash flows of the financial instrument.

The estimate of expected credit losses is determined at each reporting date to reflect changes in credit risk since the initial recognition of the related financial asset.

Classification and subsequent measurement of financial liabilities

The Company's financial liabilities include trade and other payables (except deductions at source, salaries and vacation payables) and the loan.

Financial liabilities are measured subsequently at amortized cost using the effective interest method.

All interest-related charges arc reported in profit or loss within finance costs, if applicable.

4.5 Basic and diluted loss per share

Basic loss per share is calculated by dividing the loss attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share is calculated by adjusting loss attributable to ordinary equity holders of the Company, and the weighted average number of ordinary shares outstanding, for the effects of all dilutive potential ordinary shares which include options and warrants. Dilutive potential ordinary shares are deemed to have been converted into ordinary shares at the average market price at the beginning of the exercise or, if later, at the date of issue of the potential ordinary shares.

4.4 Financial instruments (continued)

4.6 Cash and cash equivalents

Cash and cash equivalents include cash and monetory funds which are readily convertible to a known amount of cash and which are exposed to negligible risk of change in value.

4.7 Tax credits receivable

The Company is entitled to a refundable tax credit on qualified exploration expenditures incurred and a refundable credit on duties for losses under the Mining Tax Act. These tax credits are recognized as a reduction of the exploration costs incurred based on estimates made by management. The Company records these tax credits when there is reasonable assurance with regards to collections and assessments as well that the Company will comply with the conditions associated to them.

4.8 Exploration and evaluation expenditures, and exploration and evaluation assets

Exploration and evaluation expenditures are costs incurred in the course of initial search of mineral resources before the technical feasibility and commercial viability of extracting a mineral resource are demonstrable. Costs incurred before the legal right to undertake exploration and evaluation activities are recognized in profit or loss when they are incurred.

Once the legal right to undertake exploration and evaluation activities has been obtained, all costs of acquiring mineral rights or options to acquire such rights (option agreement), expenses related to the exploration and evaluation of mining properties, less refundable tax credits related to these expenses, are recognized as exploration and evaluation assets. Expenses related to exploration and evaluation include topographical, geological, geochemical and geophysical studies, exploration drilling, trenching, sampling and other costs related to the evaluation of the technical feasibility and commercial viability of extracting a mineral resource. The various costs are capitalized on a property-by-property basis pending determination of the technical feasibility and commercial viability of extracting a mineral resource. These assets are recognized as intangible assets and are carried at cost less any accumulated impairment losses. No amortization expenses are recognized for these assets during the exploration and evaluation phase.

4.8 Exploration and evaluation expenditures, and exploration and evaluation assets

Whenever a mining property is no longer considered viable, or is abandoned, the capitalized amounts are written down to their recoverable amounts (see Note 4.10); the difference is then immediately recognized in profit or loss.

When technical feasibility and commercial viability of extracting a mineral resource are demonstrable, exploration and evaluation assets related to the mining property are transferred to property and equipment in Mining assets under construction. Before the reclassification, exploration and evaluation assets are tested for impairment (see Note 4.10) and any impairment loss is recognized in profit or loss before reclassification.

To date, neither the technical feasibility nor commercial viability of extracting a mineral resource has been demonstrated.

Although the Company has taken steps to verify title to the mining properties in which it holds an interest, in accordance with industry practices for the current stage of exploration and development of such properties, these procedures do not guarantee the validity of the Company's titles. Property titles August be subject to unregistered prior agreements and non-compliance with regulatory requirements.

Disposal of interest in connection with option agreement

On the disposal of interest in connection with the option agreement, the Company does not recognize expenses related to the exploration and evaluation performed on the property by the acquirer. In addition, the cash and share consideration received directly from the acquirer is credited against the carrying amount of costs previously capitalized to the property, and the surplus is recognized as a gain on the disposal of exploration and evaluation assets in profit or loss.

4.9 Lease agreements

At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, and estimate of costs to dismantle and remove or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use assets are subsequently depreciated from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term using the straight-line method. The lease term includes consideration of an option to renew or to terminate if the Company is reasonably certain to exercise that option. Lease terms, range from 2 to 3 years for automotive equipment. In addition, the right-of-use asset is reduced by the cumulative loss of value, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising mainly from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, renewal or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Rent payments relating to leases with a lease term of 12 months or less are recognized on a straight-line basis as an expense in profit or loss.

4.10 Impairment of exploration and evaluation assets and the right-of-use assets

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at a cash-generating unit level.

Whenever events or changes in circumstances indicate that the carrying amount not be recoverable, an asset or cash-generating unit is reviewed for impairment.

Impairment reviews for exploration and evaluation assets are carried out on a project-by-project basis, with each project representing a potential single cash generating unit. An impairment review is undertaken when indicators of impairment arise, but typically when one of the following circumstances apply:

- the right to explore the areas has expired or will expire in the near future with no expectation of renewal;
- no further exploration or evaluation expenditures in the area are planned or budgeted;
- no commercially viable deposits have been discovered, and the decision has been made to discontinue exploration in the area;
- sufficient work has been performed to indicate that the carrying amount of the expenditure carried as an asset will not be fully recovered.

4.10 Impairment of exploration and evaluation assets and the right-of-use assets (continued)

Additionally, when technical feasibility and commercial viability of extracting a mineral resource are demonstrable, the exploration and evaluation assets of the related mining property are tested for impairment before these items are transferred to property and equipment.

An impairment loss is recognized in profit or loss for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less cost to sell and its value in use.

An impairment loss is reversed if the asset’s or cash-generating unit’s recoverable amount exceeds its carrying amount.

4.11 Provisions and contingent liabilities

Provisions are recognized when present legal or constructive obligations as a result of a past event will probably lead to an outflow of economic resources from the Company and amounts can be estimated reliably. Timing or amount of the outflow August still be uncertain.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Provisions are discounted when the time value of money is significant.

The Company’s operations are governed by government environment protection legislation. Environmental consequences are difficult to identify in terms of amounts, timetable and impact. As of the reporting date, management believes that the Company’s operations are in compliance with current laws and regulations. Site restoration costs currently incurred are negligible. When the technical feasibility and commercial viability of extracting a mineral resource have been demonstrated, a restoration provision will be recognized in the cost of the mining property when there is constructive commitment that has resulted from past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be measured with sufficient reliability.

No liability is recognized if an outflow of economic resources as a result of present obligations is not probable. Such situations are disclosed as contingent liabilities unless the outflow of resources is remote.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

4.12 Income taxes

Tax expense recognized in profit or loss comprises the sum of deferred tax and current tax not recognized 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, which differs from profit or loss in the consolidated financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

However, since the Company is in exploration phase and has no taxable income, tax expense recognized in profit or loss is currently comprised only of deferred tax.

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 an asset or liability unless the related transaction is a business combination or affects tax or accounting profit.

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.

4.12 Income taxes (continued)

Deferred tax assets are recognized to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilized against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. Deferred tax liabilities are always provided for in full.

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

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

4.13 Equity

Share capital

Share capital represents the amount received on the issue of shares. If shares are issued when options and warrants are exercised, the share capital account also comprises the compensation costs previously recorded as contributed surplus. In addition, if shares were issued as consideration for the acquisition of a mineral property or some other form of non-monetary assets, they were measured at their fair value according to the quoted price on the day of the Company takes possession of the assets.

Unit placements

Proceeds from unit placements are allocated between shares and warrants issued using their relative fair value. Black-Scholes model is used to determine the fair value of the warrants and the market price at the time of issuance is use for shares.

Flow-through placements

The issuance of flow-through shares or units represents in substance an issue of ordinary shares, warrants if applicable and the sale of the right to tax deductions to the investors. When the flow-through shares or units are issued, the sale of the right to tax deductions is deferred and presented as other liabilities in the consolidated statement of financial position. The proceeds received from flow-through units are allocated between share capital, warrants if applicable and other liabilities using the residual method. Proceeds are first allocated to shares based on the market price according to the quoted price of shares at the time of issuance then to warrants if applicable based on their fair value on the date of issue. The fair value of warrants is determined using the Black-Scholes valuation model and the residual proceeds are allocated to the other liabilities. When eligible expenses are incurred and the Company has waived its right to tax deductions, the amount recognized in other liabilities is reversed and recognized in profit or loss as a deduction from deferred tax expense and a deferred tax liability is recognized for the temporary taxable difference resulting from the fact that the book value of eligible expenditures recorded as assets in the consolidated statement of financial position differs from their tax base.

Other elements of equity

Contributed surplus includes charges related to share options not exercised and expired and warrants not exercised.

Deficit includes all current and prior year retained profits or losses and share issue costs net of tax benefits related to these issue costs from current and prior year and the warrants expired.

4.14 Equity-settled share-based payments

The Company operates an equity-settled share-based payment plan for its eligible directors, employees and consultants who are eligible. The Company's plan does not feature any options for a cash settlement.

All goods and services received in exchange for the grant of any share-based payments are measured at their fair values, unless that fair value cannot be estimated reliably. If the Company cannot estimate reliably the fair value of the goods or services received, the Company shall measure their value indirectly by reference to the fair value of the equity instruments granted. For the transactions with employees and others providing similar services, the Company measured the fair value of the services received by reference to the fair value of the equity instruments granted.

Equity-settled share-based payments (except warrants to brokers) are ultimately recognized as an expense in the profit or loss or capitalized as an exploration and evaluation asset, depending on the nature of the payment with a corresponding credit to Contributed surplus, in equity. Equity-settled share-based payments to brokers, in respect of an equity financing are recognized as issuance cost of the equity instruments with a corresponding credit to Contributed surplus, in equity.

If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognized in the current period. No adjustment is made to any expense recognized in prior period if the number of share options ultimately exercised is different from that estimated on vesting.

4.15 Segment reporting

The Company presents and discloses segmental information based on information that is regularly reviewed by the chief operating decision-maker i.e. the Chairman and the Board of Directors.

The Company has determined that there was only one operating segment being the sector of exploration and evaluation of mineral resources.

5. JUDGMENTS, ESTIMATES AND ASSUMPTIONS

When preparing the financial statements, management makes a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses.

5.1 Significant management judgment

The following are significant management judgments in applying the accounting policies of the Company that have the most significant effect on the financial statements.

Recognition of deferred income tax assets and measurement of income tax expense

Management continually evaluates the likelihood that its deferred tax assets could be realized. This requires management to assess whether it is probable that sufficient taxable income will exist in the future to utilize these losses within the carry-forward period. By its nature, this assessment requires significant judgment. To date, management has not recognized any deferred tax assets in excess of existing taxable temporary differences expected to reverse within the carry-forward period (see Note 17).

Going concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures, meet its liabilities for the ensuing year, and to fund planned and contractual exploration programs, involves significant judgment based on historical experience and other factors including expectation of future events that are believed to be reasonable under the circumstances (see Note 2 for more information).

5.2 Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Lease obligations

Accounting for lease obligations involves judgment and requires the establishment of a number of estimates and assumptions. Judgment is used to determine whether there is reasonable certainty that an option to extend or terminate the rental agreement will be exercised. In addition, management has made estimates to determine the term of the leases and the appropriate interest rate to value the lease obligation (see Note 9).

Impairment of exploration and evaluation assets

Determining if there are any facts and circumstances indicating impairment loss or reversal of impairment losses is a subjective process involving judgment and a number of estimates and assumptions in many cases (see Note 4.10).

When an indication of impairment loss or a reversal of an impairment loss exists, the recoverable amount of the individual asset or cash-generating unit must be estimated.

In assessing impairment, the Company must make some estimates and assumptions regarding future circumstances, in particular, whether an economically viable extraction operation can be established, the probability that the expenses will be recovered from either future exploitation or sale when the activities have not reached a stage that permits a reasonable assessment of the existence of reserves, the Company's capacity to obtain financial resources necessary to complete the evaluation and development and to renew permits. Estimates and assumptions may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in profit or loss in the period when the new information becomes available.

(in Canadian dollars)

5.2 Estimation uncertainty (continued)

Impairment of exploration and evaluation assets (continued)

See Note 8 for the exploration and evaluation assets impairment analysis.

The total impairment loss of the exploration and evaluation assets recognized in profit or loss amounts to $2,683 for the year ended August 31, 2023 ($4,755 for the year ended August 31, 2022). No reversal of impairment losses has been recognized or the reporting periods.

Other properties have not been tested for impairment as the Company has the ability to retain these properties as it plans on having sufficient financial resources to meet its short-term obligations. In general, the rights to prospect these properties will not expire in the near future or are expected to be renewed, work has been completed on these properties over the past three years and / or results promising results were obtained.

Share-based payments

The estimation of share-based payment costs requires the selection of an appropriate valuation model and consideration as to the inputs necessary for the valuation model chosen. The Company has made estimates as to the volatility of its own shares, the probable life of share options and warrants granted and the time of exercise of those share options and warrants, if applicable. The model used by the Company is the Black-Scholes valuation model (see Notes 11.2 and 13.2).

Tax credits receivable

The calculation of the Company's refundable tax credit on qualified exploration expenditure incurred and refundable tax credit involves a degree of estimation and judgment in respect of certain items whose tax treatment cannot be finally determined until notice of assessments and payments have been issued from the relevant taxation authority and a payment has been received. Difference arising between the actual results following final resolution of some of these items and the assumptions made could necessitate adjustments to the refundable tax credit, exploration and evaluation assets, and income tax expense in future periods (see Note 4.7 for more information).

6. CASH AND CASH EQUIVALENTS

Cash cash equivalents include the following components:

	2023	2022
	$	$
Cash	**90,705**	537,794
Monetary funds	**-**	206,811
Cash cash equivalents	**90,705**	744,605

(in Canadian dollars)

7. RIGHT-OF-USE ASSETS

	Total Automotive equipment
	$
Gross carrying amount	
Balance as at September 1, 2021	100,591
Disposal	(15,481)
Balance as at August 31, 2022	85,110
Additions	**30,384**
Balance as at August 31, 2023	**115,494**
Accumulated amortization and disposal	
Balance as at September 1, 2021	(21,672)
Amortization	(31,881)
Disposal	15,481
Balance as at August 31, 2022	(38,072)
Amortization	**(33,046)**
Balance as at August 31, 2023	**(71,118)**
Carrying amount as at August 31, 2022	47,038
Carrying amount as at August, 2023	**44,376**

The Company leases automotive equipment under leases expiring beetween June 2024 and May 2025. The depreciation of right-of-use assets totals $33,046 which $10,610 is recognized as an expense and $22,436 is recognized as exploration and evaluation assets ($31,881 which $5,559 is recognized as an expense and $26,322 is recognized as exploration and evaluation assets as at August 31, 2022).

8. EXPLORATION AND EVALUATION ASSETS

The carrying amount can be detailed as follows:

MINING RIGHTS

	Balance as at September 1, 2022	Additions	Tax credits and credit on duties	Write-off	**Balance as at August 31, 2023**
	$	$	$	$	**$**
Sirmac Lithium (Qc)	9,584,522	106,851	-	-	**9,691,373**
Dôme Lemieux (Qc)	2,335,383	843	-	-	**2,336,226**
Red Brook (NB)	522,935	4,820	-	-	**527,755**
Godslith (MB)	1,111,755	-	-	-	**1,111,755**
Cadillac (Qc)	1,097,562	8,206	-	-	**1,105,768**
Décelles (Qc)	52,507	-	-	-	**52,507**
Epsilon (Qc)	-	363	-	(363)	**-**
St-Stephen (NB)	-	2,220	-	(2,220)	**-**
TOTAL	14,704,664	123,303	-	(2,583)	**14,825,384**

(in Canadian dollars)

8. EXPLORATION AND EVALUATION ASSETS (continued)

EXPLORATION AND EVALUATION EXPENSES

	Balance as at September 1, 2022	Additions	Tax credits and credit on duties	Write-off	**Balance as at August 31, 2023**
	$	$	$	$	**$**
Sirmac Lithium (Qc)	1,159,677	514,748	(127,229)	-	**1,547,196**
Dôme Lemieux (Qc)	672,521	8,989	(891)	-	**680,619**
Red Brook (NB)	415,681	424,652	-	-	**840,333**
Godslith (MB)	61,294	38,729	-	-	**100,023**
Cadillac (Qc)	1,439,886	298,763	(38,766)	-	**1,699,883**
Décelles (Qc)	61,131	37,693	(4,900)	-	**93,924**
St-Stephen (NB)	-	100	-	(100)	-
	3,810,190	1,323,674	(171,786)	(100)	**4,961,978**
TOTAL	18,514,854	1,446,977	(171,786)	(2,683)	**19,787,362**

The carrying amount can be detailed as follows:

MINING RIGHTS

	Balance as at September 1, 2021	Additions	Tax credits and credit on duties	Write-off	Balance as at August 31, 2022
	$	$	$	$	$
Sirmac Lithium (Qc)	9,583,002	1,520	-	-	9,584,522
Dôme Lemieux (Qc)	2,332,357	3,026	-	-	2,335,383
Red Brook (NB)	405,090	4,740	-	-	409,830
Benjamin (NB)	113,005	100	-	-	113,105
Godslith (MB)	1,105,271	6,484	-	-	1,111,755
Cadillac (Qc)	2,680	1,094,882	-	-	1,097,562
Decelles (Qc)	-	52,507	-	-	52,507
Epsilon (Qc)	-	350	-	(350)	-
St-Stephen (NB)	-	4,405	-	(4,405)	-
TOTAL	13,541,405	1,168,014	-	(4,755)	14,704,664

EXPLORATION AND EVALUATION EXPENSES

	Balance as at September 1, 2021	Additions	Tax credits and credit on duties	Write-off	Balance as at August 31, 2022
	$	$	$	$	$
Sirmac Lithium (Qc)	684,206	475,471	-	-	1,159,677
Dôme Lemieux (Qc)	532,123	140,398	-	-	672,521
Red Brook (NB)	390,658	25,023	-	-	415,681
Godslith (MB)	3,643	57,651	-	-	61,294
Cadillac (Qc)	912	1,441,158	(2,184)	-	1,439,886
Decelles (Qc)	-	61,131	-	-	61,131
	1,611,542	2,200,832	(2,184)	-	3,810,190
TOTAL	15,152,947	3,368,846	(2,184)	(4,755)	18,514,854

8. EXPLORATION AND EVALUATION ASSETS (continued)

All write-off charges are presented in profit or loss under Write-off of Exploration and evaluation assets.

During the year ended August 31, 2023, the Company wrote off the mining rights and exploration expenses capitalized on the Epsilon and St-Stepren properties for the following reasons: abandonment of claims and/or no exploration work planned (the Epsilon and St-Stephen properties were written off during the year ended August 31, 2022).

Sirmac Lithium

The Company owns 100% of the Sirmac Lithium property which comprises 155 mineral claims covering a total area of approximately 7,670 hectares located approximately 180 km northwest of Chibougamau, in the province of Quebec.

On February 12, 2023, the Society repurchased the entire NSR royalty for a total of $100,000 in cash.

Dôme Lemieux

This 100% owned property is located near the town of Ste-Anne-des-Monts in the province of Quebec and comprises 230 claims covering 12,693 hectares. The property is explored for porphyry-type copper-zinc-silver-gold deposits.

Red Brook

On June 12, 2020, the Company acquired the Red Brook property, 100% owned , which is located approximately 60 km West of the mining center of Bathurst, in Northern New Brunswick. The Red Brook property consists of 240 claims covering an area of 5,101 hectares. This property is subject to 2% NSR royalties on all mineral production. The Company can buy back up to 50% of each of the NSR interests for $1,000,000.

During the year ended August 31, 2023, the Company combined the Red Brook and Benjamain properties. The balance of mining rights and exploration and evaluation expenses as at September 1, 2022, reflects this change. The property is explored for porphyry and skarn type copper-zinc-silver-gold deposits.

Godslith Lithium

On March 19, 2021, the Company acquired the Godslith Lithium property, 100% owned, which is located less than 5 km Northwest of Gods River, in Manitoba (MB). The Godslith property consists of one claim covering 5,560 hectares. This property is subject to 3% NSR royalties on all mineral production. The Company can buy back 1% of the NSR interests for $1,000,000 and another 1% of the NSR interests for $2,000,000.

Cadillac Lithium

On August 1, 2023, the Company signed an option agreement with Olympio Metals ("Olympio") which allows it to acquire a 100% undivided interest in the Cadillac Lithium property, over a period of one year from the signature. Olympio agrees to pay upon signing an amount of $500,000 in cash, to issue 10,000,000 common shares within 5 business days of receipt of approvals and to pay an additional amount of $500,000 in cash within 30 days from the date of approval. Within one year, Olympio agrees to pay $1,000,000 in cash to the Company and to spend $500,000 on the property in exploration costs. As of August 31, 2023, the Company has not yet obtained any payments.

On August 30, 2021, the Company acquired by staking the 100%, owned Cadillac property, which is located approximately 25 km south of Rivière Héva along Chemin du Rapide-Deux.

On December 2, 2021, the Company acquired a 100% interest in the Cadillac lithium property, including a total of 215 contiguous mining claims in the province of Quebec, from four separate groups of sellers. The claims acquired from the sellers cover 12,331 hectares. The Company paid $102,428 in cash and issued a total of 4,300,000 common shares at a price of $0.22 each for a grand total of $1,048,428 and will grant each group of sellers a 2% NSR. The Company may repurchase up to 50% of certain of the NSR royalties at an individual price of $500,000.

(in Canadian dollars)

8. EXPLORATION AND EVALUATION ASSETS (continued)

Cadillac Lithium (continued)

In 2022, the Company has acquired by staking 119 claims for a total of 334 claims of the Cadillac property covering an area of 19,036 hectares.

Decelles Lithium

On February 3, 2022, the Company acquired by staking the 100% owned Decelles Lithium property, which is located approximately 45 km south of Val d'Or along Chemin de la Baie Carrière. The Decelles Lithium property comprises 33 claims covering an area of 1,890 hectares.

On March 4, 2022, the Company acquired a 100% interest in a total of 40 mining claims contiguous to those of the Decelles Lithium property from a group of sellers. The claims acquired from the sellers cover 2,316 hectares. The Company paid $10,000 in cash and issued a total of 250,000 common shares at a price of $0.14 each for a grand total of $45,000 and will grant the sellers a 2% NSR. The Company may repurchase up to 50% of each of the NSR royalties at an individual price of $250,000.

In total, the property consists of 73 claims covering 4,206 hectares.

Epsilon

This 100% owned property is located in the Otish Mountains region of Quebec. The Epsilon Uranium-Gold property consists of 38 claims covering 2,006 hectares. This property is subject to two NSR royalties of 2% on all mineral production. The Company can buy back up to 50% of each of the NSR interests for $1,000,000 each. The property was written off during the year 2023 and 2022.

St-Stephen

This property is owned 50% by the Company and 50% by Indiana Inc. ("Indiana") and is located near the border town of St-Stephen in the southwest corner of the province of New Brunswick (NB), near the Canada-US border. The property was written off during the year 2023 and 2022. The property hosts numerous magmatic nickel-copper-cobalt occurrences at or near surface.

9. LEASE OBLIGATIONS

Lease obligations included in the consolidated statement of financial position:

	2023	2022
	$	$
Beginning balance	**45,504**	76,656
Addition of a lease obligation	**30,384**	-
Interests on lease obligations	**1,935**	2,470
Payments on lease obligations	**(34,126)**	(33,622)
	43,697	45,504
Current portion of lease obligations	**(31,667)**	(31,252)
Lease obligations	**12,030**	14,252

(in Canadian dollars)

9. LEASE OBLIGATIONS (continued)

Maturity analysis – contractual undiscounted cash flows		
Less than one year	**33,633**	29,966
One to five years	**12,480**	16,993
Total undiscounted lease obligations	**46,113**	46,959

The Company has chosen not to recognize lease obligations under short-term leases (leases with a term of 12 months or less). Payments made under these leases are recognized on a straight-line basis is $25,570 as at August 31, 2023 ($25,040 in 2022).

Total cash outflow for leases for the year ended August 31, 2023 amounted to $59,696 ($54,822 in 2022).

10. LOAN

The Company received a loan totalling $60,000 under the Canada Emergency Business Account program. If the Company repays an amount totaling $40,000 of the loan by January 18, 2024, no other amount will be payable. Otherwise, the loan balance will bear interest at 5% and will be repaid on maturity on December 31, 2026. Since $20,000 of the government assistance is forgivable if the Company repays $40,000 by January 18, 2024, the amount was recognized in profit or loss at the time the government assistance was granted. The estimated payments to be made over the next year amount to $40,000.

11. EQUITY

11.1 Share capital

The issued share capital of the Company consists only of fully paid common shares.

Share capital authorized

Unlimited number of common shares without par value.
Unlimited number of preferred shares class "A" and "B", without par value.

Share issuance

During the year ended August 31, 2023, 22,100,000 warrants were exercised. An amount of $1,105,000 was received and an amount of $207,740 representing the fair value of the warrants at the time of issuance was recorded as an increase in share capital.

During the year ended August 31, 2022, 19,300,000 warrants were exercised. An amount of $965,000 was received and an amount of $181,420 representing the fair value of the warrants at the time of issuance was recorded as an increase in share capital.

On March 4, 2022, the Company acquired the Cadillac property Decelles, in consideration for $10,000 in cash and 250,000 common shares at a price of $0.14 each totalling of $35,000.

On December 2, 2021, the Company acquired the Cadillac property, in consideration for 4,300,000 common shares at a price of $0.22 each totalling of $946,000.

(in Canadian dollars)

11.2 Warrants

Outstanding warrants entitle their holders to subscribe to an equivalent number of common shares, as follows:

	2023		2022	
	Number	**Weighted average exercise price**	Number	Weighted average exercise price
		$		$
Balance, beginning of the period	**61,698,024**	**0.09**	80,998,024	0.08
Exercised	**(22,100,000)**	**0.05**	(19,300,000)	0.05
Expired	**(9,573,024)**	**0.29**	-	-
Balance, end of the period	**30,025,000**	**0.05**	61,698,024	0.09

Outlined below are the outstanding warrants which could be exercised for an equivalent number of common shares:

	2023		2022	
Expiration date	**Number**	**Exercise price**	Number	Exercise price
		$		$
April 20, 2023	-	-	847,500	0.25
April 20, 2023	-	-	8,725,524	0.30
December 23, 2023	**22,525,000**	**0.05**	30,375,000	0.05
January 5, 2024	**7,500,000**	**0.05**	21,750,000	0.05
	30,025,000		61,698,024	

12. GOVERNMENT ASSISTANCE

On May 18, 2021, the Company had signed a contract with the Province of New Brunswick for an NBJMAP grant totaling $30,000, upon presentation of supporting documents for an amount of at least $30,000 which was to be spent on the Red Brook property before February 28, 2022. On April 1, 2022, the Company received $18,000 representing the final installment and recorded in the consolidated statement of net loss and comprehensive loss.

13. EMPLOYEE REMUNERATION

13.1 Employee benefits expense

Employee benefits expense recognized is analyzed below:

	2023	2022
	$	$
Salaries and benefits	**710,191**	716,078
Share-based payments	**785,107**	762,059
	1,495,298	1,478,137
Less: salaries and share-based payments capitalized to exploration and evaluation assets	**(317,716)**	(302,483)
Employee benefits expense	**1,177,582**	1,175,654

(in Canadian dollars)

13.2 Share-based payments

The Company has adopted a share-based payment plan under which members of the Board of Directors may award to directors, employees and consultants, options entitling its holder to purchase common shares of the Company. The maximum number of shares issuable under the plan is 10% of the outstanding shares (25,575,249 shares as at August 31, 2023 and 23,365,249 as at August 31, 2022).

The material terms of the plan are as follows:

- The maximum number of common shares that can be granted for a beneficiary, other than a consultant or investor relations services, is limited to 5% of issued and outstanding shares;

- The maximum number of common shares that can be granted for a consultant during any 12-month period is limited to 2% of issued and outstanding shares;

- The maximum number of common shares that can be granted for a supplier of investors' relation services during any 12-month period is limited to 2% of issued and outstanding shares.

- The Board shall determine the manner in which an option shall vest and become exercisable to staff members. Options granted to consultants performing investor relations activities shall vest over a minimum of 12 months with no more than 25% of such options vesting in any 3-month period.

The exercise price per common share for an option shall not be less than the “Discounted Market Price”, as calculated pursuant to the policies of the Exchange, or such other minimum price as may be required by the Exchange. Every option shall have a term not exceeding and shall therefore expire no later than eight years after the date of grant.

All share-based payments will be settled in equity. The Company has no legal or constructive obligation to repurchase or settle the options in cash.

The Company share options are as follows for the reporting periods presented:

	August 31, 2023		August 31, 2022	
	Number	**Weighted average exercise price**	Number	Weighted average exercise price
		$		$
Outstanding, beginning of the reporting period	**8,600,000**	**0.23**	7,050,000	0.26
Granted	**9,550,000**	**0.10**	4,200,000	0.21
Expired	**(1,900,000)**	**0.44**	(2,650,000)	0.27
Outstanding, end of the reporting period	**16,250,000**	**0.13**	8,600,000	0.23
Exercisable, end of the reporting period	**16,250,000**	**0.13**	8,600,000	0.23

On October 14, 2022, the Company granted 9,550,000 options to directors, officers, employees and consultants at an exercise price of $0.10 per share, expiring on October 14, 2027. The options have a contractual life of 5 years from the date of grant. 50% of the options are exercisable immediately and 50% are exercisable 6 months after the date of the grant. The estimated fair value of these options is $0.094 per option. The fair value of options granted was estimated using the Black-Scholes model based on the following assumptions: share price at grant date of $0.10, expected volatility of 194.4%, 5 year expected life of the options, 3.37% risk-free interest rate and no dividend per share.

(in Canadian dollars)

13.2 Share-based payments (continued)

On January 3, 2022, the Company granted 4,200,000 options to directors, officers, employees and consultants at an exercise price of $0.21 per share, expiring on January 3, 2027. The options have a contractual life of 5 years from the date of grant. 50% of the options are exercisable immediately and 50% are exercisable 6 months after the date of the grant. The estimated fair value of these options is $0.20 per option. The fair value of options granted was estimated using the Black-Scholes model based on the following assumptions: share price at grant date of $0.21, expected volatility of 202.5%, 5 year expected life of the options, 1.46% risk-free interest rate and no dividend per share.

The underlying expected volatility was determined by reference to historical data of Company's shares over the expected average life of the options. No special features inherent to the options granted were incorporated into measurement of fair value.
The table below summarizes the information related to outstanding share options as at :

	August 31, 2023		August 31, 2022	
Range of exercise price	**Number**	**Weighted average remaining contractual life (years)**	Number	Weighted average remaining contractual life (years)
$0.10 to $0.21	**16,250,000**	**3.56**	6,700,000	3.75
$0.42 to $0.55	-	-	1,900,000	0.37
	16,250,000	**3.56**	8,600,000	3.01

As at August 31, 2023, there is an amout of $905,340 of share-based payments ($820,679 in 2022), all of which related to equity-settled share-based payment transactions which $32,370 ($39,079 in 2022) was capitalized in exploration and evaluation assets, $785,107 ($722,980 in 2022) were included in employee benefits expenses and reported in profit or loss and $87,863 ($58,620 in 2022) were included in consulting fees and reported in profit or loss and credited to contributed surplus.

14. FAIR VALUE MEASUREMENT

14.1 Financial instruments measured at fair value

Financial assets and liabilities measured at fair value in the consolidated statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly ; and

- Level 3: unobservable inputs for the assets or liabilities.

The fair value of the marketable securities in quoted mining exploration companies have been estimated by reference to their quoted prices at the reporting date.

Marketable securities in quoted mining exploration companies are measured at fair value in the consolidated statement of financial position as at August 31, 2023 and 2022 and are classified in Level 1.

The fair value of the loan is $40,000 as at August 31, 2023 and 2022 and is determined using the estimated market rate that the Company would have obtained for similar financing and is classified in the level 2.

(in Canadian dollars)

15. FINANCE INCOME AND FINANCE COST

Finance income may be analyzed as follows for the reporting periods presented:

	2023	2022
	$	$
Interest income from cash and cash equivalents and guaranteed investment certificates	**5,760**	18,217

Finance cost may be analyzed as follows for the reporting periods presented:

	2023	2022
	$	$
Interests on lease obligations	**621**	494

16. LOSS PER SHARE

In calculating the diluted loss per share, dilutive potential common shares such as options and warrants have not been included as they would have the effect of decreasing the loss per share. Decreasing the loss per share would be antidilutive. Details of share options and warrants issued that could potentially dilute earnings per share in the future are given in Notes 11.2 and 13.2.

Both the basic and diluted loss per share have been calculated using the net loss as the numerator, i.e. no adjustment to the net loss was necessary for the years ended August 31, 2023 and 2022.

	2023	2022
Net loss	**$(2,078,224)**	$(1,793,862)
Weighted average number of shares	**248,580,292**	227,914,697
Basic and diluted loss per share	**$(0.01)**	$(0.01)

17. INCOME TAX

Relationship between expected tax expense and accounting profit or loss

The relationship between the expected tax expense based on the combined federal and provincial income tax rate in Canada and the reported tax expense in the consolidated statement of comprehensive loss can be reconciled as follows:

	2023	2022
	$	$
Expected tax recovery calculated using the combined federal and provincial income tax rate in Canada of 26.5% (26.5% in 2022)	**(550,729)**	(507,851)
Adjustments for the following items:		
Tax effect of temporary differences not recognized	**(235,249)**	(263,294)
Tax effect of dissolution of subsidary	**378,962**	-
Adjustment of prior deferred taxes	**-**	8,480
Tax effect of issuing flow-through shares	**168,477**	554,697
Share-based payments	**231,337**	207,124
Reversal of flow-through share liability	**-**	(122,557)
Variation of non-taxable fair value	**14**	28
Other non-deductible expenses	**7,188**	816
Deferred income tax income	**-**	(122,557)

(in Canadian dollars)

17. INCOME TAX (continued)

Major components of tax income

The major components of tax income are outlined below:

	2023	2022
	$	$
Deferred tax income		
Origination and reversal of temporary differences	**66,758**	(299,911)
Tax effect of issuing flow-through shares	**168,477**	554,697
Reversal of flow-through share liability	-	(122,557)
Adjustment of prior deferred taxes	-	8,480
Variation of temporary differences unrecognized	**(235,249)**	(263,294)
Variation of non-taxable fair value	**14**	28
Total deferred tax income	-	(122,557)

As at August 31, 2023 and 2022, the following unrecognized timing differences for which the Company did not recognize deferred income tax are outlined below :

	August 31, 2023		August 31, 2022	
	Federal	**Provincial**	Federal	Provincial
	$	**$**	$	$
Unrecognized deductible temporary differences and unused tax losses				
Property and equipment	**1,185,613**	**1,187,818**	1,178,076	1,180,281
Intangible asset	**250,000**	**250,000**	250,000	250,000
Investments	**71,262**	**71,262**	71,208	71,208
Issuance costs of shares and units	**193,052**	**193,052**	293,605	293,605
Unused losses carry-forward	**4,472,074**	**8,061,590**	6,329,516	9,498,108
Capital losses	**911,098**	**911,098**	31,099	31,099
	7,083,099	**10,674,820**	8,153,504	11,324,301

Deferred tax assets and liabilities and variation of recognized amounts during the period

The following differences between the carrying amounts and tax bases from timing differences, unused tax losses and unused tax credits give rise to the following recognized deferred income tax assets and liabilities, and the following unrecognized timing differences, unused tax losses and unused tax credits:

	Balance as at August 31, 2022	Recognized in profit or loss	**Balance as at August 31, 2023**
	$	$	**$**
Recognized deferred income tax assets and liabilities			
Exploration and evaluation assets	(1,535,377)	(768,022)	**(2,303,399)**
Exploration tax credit receivable	-	(17,928)	**(17,928)**
Unused tax losses	1,535,377	785,950	**2,321,327**
Recognized deferred income tax assets and liabilities	-	-	**-**
Reversal of flow-through share liability		-	
Deferred tax recovery		-	

	Balance as at August 31, 2021	Recognized in profit or loss	Balance as at August 31, 2022
	$	$	$
Recognized deferred income tax assets and liabilities			
Exploration and evaluation assets	(930,385)	(604,992)	(1,535,377)
Unused tax losses	930,385	604,992	1,535,377
Recognized deferred income tax assets and liabilities	-	-	-
Reversal of flow-through share liability		122,557	
Deferred tax recovery		122,557	

(in Canadian dollars)

17. INCOME TAX (continued)

The Company has non-capital losses which are available to reduce income taxes in future years, for which no deferred tax asset has been recorded in the consolidated statement of financial position, that can be carried over the following years:

	Federal	Provincial
	$	$
2032	-	151,256
2033	-	595,914
2034	-	479,827
2035	-	298,591
2036	-	423,002
2037	-	565,821
2038	-	744,375
2039	595,521	600,917
2040	541,175	541,176
2041	791,160	791,160
2042	1,252,768	1,578,964
2043	1,291,450	1,290,587
	4,472,074	8,061,590

As at August 31, 2023, capital losses for which no deferred tax asset were accounted represent $1,822,196 ($62,197 in 2022). These losses may be carried forward indefinitely.

The Company has available investment tax credits of $196,055 ($196,055 as at August 31, 2022) that can be used to reduce future taxable income. Those investment tax credits have maturity dates between 2027 and 2034.

18. ADDITIONAL INFORMATION - CASH FLOWS

The changes in the working capital items are detailed as follows:

	2023	2022
	$	$
Sales taxes receivable	**79,368**	9,109
Prepaid expenses	**(11,009)**	(17,399)
Trade and other payables	**332,712**	30,078
	401,071	21,788

(in Canadian dollars)

18. ADDITIONAL INFORMATION - CASH FLOWS (continued)

Non-cash financial position transactions are detailed as follows:

	2023	2022
	$	$
Amortization of property and equipment included in exploration and evaluation assets	**5,229**	5,265
Amortization of right-of-use assets included in exploration and evaluation assets	**22,436**	26,322
Share-based payments included in exploration and evaluation assets	**32,370**	39,079
Interest on lease obligations included in exploration and evaluation assets	**1,314**	1,976
Issuance of shares for the acquisition of mining rights	**-**	981,000
Trade and other payables included in exploration and evaluation assets	**14,545**	267,253
Tax credits receivable credited to exploration and evaluation assets	**171,786**	2,184
Right-of-use assets in return for lease obligations	**30,384**	-

19. RELATED PARTY TRANSACTIONS

The Company's related parties include key management and a company with common director as described below. Unless otherwise stated, none of the transactions incorporated special terms and conditions and no guarantees were given or received. Outstanding balance are usually settled in cash.

19.1 Transactions with key management personnel

Key management personnel of the Company are members of the Board of Directors and also the President and the CFO. Key management personnel remuneration includes the following expenses:

	2023	2022
	$	$
Short-term employee benefits	**311,418**	374,695
Share-based payments	**724,991**	664,359
Total remuneration	**1,036,409**	1,039,054

As at August 31, 2023 and 2022, no key management personnel exercised options.

Beetween May 19, 2023 and August 18, 2023, a director made advances to the Company totalling of $295,000, without interest (nil in 2022). This amount has been recorded in trade and other payables in the consolidated statements of financial position.

As at August 31, 2023, there are salaries payable to a management personnel for an amount of $12,690, included in trade and other payables ($6,698 as at August 31, 2022).

19.2 Transactions with other related parties

As at August 31, 2023, the Company paid an amount of $227,000 ($211,333 in 2022) to a company with common directors. This amount was recognized as consultants and salaries in the consolidated statements of net loss and comprehensive loss.

(in Canadian dollars)

20. CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The Company’s capital management objectives are to ensure the Company’s ability to continue as a going concern, to increase the value of the assets of the business, and to provide an adequate return to shareholders of the Company.

These objectives will be achieved by identifying the right exploration projects, adding value to these projects and ultimately taking them through to production or sale and cash flow, either with partners or by the Company’s own means.

The Company monitors capital on the basis of the carrying amount of equity.

The Company is not exposed to any externally imposed capital requirements except when the Company issues flow-through shares for which an amount should be used for exploration work, details provided in Notes 11 and 22.

The Company finances its exploration and evaluation activities principally by raising additional capital either through private placements or public offerings.

When financing conditions are not optimal, the Company may enter into option agreements or other solutions to continue its exploration and evaluation activities or may slow its activities until conditions improve.

21. FINANCIAL INSTRUMENT RISKS

The Company is exposed to various risks in relation to financial instruments. The main types of risks are credit risk and liquidity risk.

The Company focuses on actively securing short to medium-term cash flows by minimizing the exposure to financial markets. The Company does not actively engage in the trading of financial assets for speculative purposes.

The most significant financial risks to which the Company is exposed are described below.

21.1 Credit risk

Credit risk is the risk that another party to a financial instrument will cause a financial loss for the Company by failing to discharge an obligation.

The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets at the reporting date, as summarized below:

	2023	2022
	$	$
Cash	**90,705**	744,605
Guaranteed investment certificates	**77,673**	779,942
	168,378	1,524,547

The Company's management considers that all the above financial assets that are not impaired or past due for each of the reporting dates under review are of good credit quality.

(in Canadian dollars)

21.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Liquidity risk management serves to maintain a sufficient amount of cash and to ensure that the Company has financing sources such as private and public investments for a sufficient amount.

During the year ended August 31, 2023, the Company has financed its exploration and evaluation programs, its working capital requirements.

The following table presents contractual maturities (including interest payments where applicable) of the Company's liabilities:

	2023	2022
	$	$
Less than 6 months:		
Trade and other payables	**381,168**	295,092
From 6 months to 1 year:		
Loan	**40,000**	-
From 1 to 5 years:		
Loan	-	40,000
Total	**421,168**	335,092

The Company considers the cash flows that it expects to derive from financial assets in its assessment and management of liquidity risk, in particular, cash, guaranteed investment certificates and sales taxes receivable.

22. CONTENGENCIES AND COMMITMENTS

The Company is partially financed through the issuance of flow-through shares and, under the tax rules relating to this type of financing, the Company is committed to carrying out exploration and evaluation expenses.

These tax rules also set deadlines for carrying out exploration work no later than the first of the following dates:

- Two years following flow-through placements;
- One year after the Company waived tax deductions relating to exploration work.

However, there is no guarantee that these exploration expenses will qualify as exploration expenses in Canada, even if the Company is committed to taking all the necessary measures in this regard. Refusal of certain expenses by the tax authorities could have a negative tax impact for investors.

During the years ended August 31, 2023 and 2022, the Company received no amount from flow-through placements for which the Company renounced to the tax deductions, for the benefit of investors. Management is required to fulfill its commitments within the stipulated period of one year from the renounciation date.

As at August 31, 2023, the balance of the unspent funding related to flow-through financing amount totals $nil ($818,801 as at August 31, 2022).

23. SUBSEQUENT EVENTS

Between November 3 and 9, 2023, dues totalling $345,000 ($295,000 as at August 31, 2023) were repaid to the directors.

An option agreement has been signed with Olympio Metals ("Olympio") which allows it to acquire a 100% undivided interest in the Cadillac property, over a period of one year from signing. Olympio paid upon signing an amount of $500,000 in cash received on September 29, 2023, and issued 10,000,000 common shares within 5 business days of receiving approvals and paid an additional amount of $500,000 in cash received on October 25, 2023. Within one year, Olympio agrees to pay $1,000,000 in cash to the Company and to spend $500,000 on the property for exploration expenses.

Between September 14 and October 31, 2023, 1,100,000 warrants were exercised at a price of $0.05 for a total amount of $55,000.

On September 14, 2023, a director made an advance to the Company for an amount of $50,000, without interest.