LITHIUM ENERGI EXPLORATION INC.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the Three and Nine Months Ended

November 30, 2023 and 2022

(Unaudited; Expressed in Canadian dollars)

NOTICE OF NO AUDITOR REVIEW

OF

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor. The accompanying condensed interim consolidated financial statements of Lithium Energi Exploration Inc. (the "Company") have been prepared by management and were approved by the Board of Directors of the Company. The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

January 29, 2024

LITHIUM ENERGI EXPLORATION INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As at November 30, 2023 and February 28, 2023
(Unaudited, Expressed in Canadian dollars)

As at	*Notes*	November 30, 2023	February 28, 2023
		$	$
ASSETS			
CURRENT ASSETS			
Cash		2,627,649	227,395
Receivables	*3*	117,235	77,131
Prepaids and advances		40,219	–
TOTAL CURRENT ASSETS		2,785,103	304,526
Exploration and evaluation assets	*6*	4,853,777	4,800,962
Technology	*7*	1,173,668	–
Other capital assets		62,607	–
TOTAL ASSETS		**8,875,155**	**5,105,488**
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)			
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and accrued liabilities	*4*	951,080	1,762,537
Note payable	*11*	–	5,625,000
Debt	*10*	–	4,455,349
TOTAL CURRENT LIABILITIES		951,080	11,842,886
Term loan	*12*	5,983,825	–
TOTAL LIABILITIES		6,934,905	11,842,886
SHAREHOLDERS' EQUITY (DEFICIENCY)			
Share capital	*10,11,12,13*	24,836,180	12,383,777
Reserves	*13*	4,703,092	1,956,219
Deficit		(27,599,022)	(21,077,394)
TOTAL SHAREHOLDERS' EQUITY (DEFICIENCY)		1,940,250	(6,737,398)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)		**8,875,155**	**5,105,488**

Nature and continuance of operations (Note 1)
Subsequent event (Note 16)

Approved on Behalf of the Board:

"Thomas Lefebvre"
Director, Thomas Lefebvre

"Ali Rahman"
Director, Ali Rahman

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

LITHIUM ENERGI EXPLORATION INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
For the Three and Nine Months Ended November 30, 2023 and 2022
(Unaudited, Expressed in Canadian dollars)

		Three Months Ended November 30,		Nine Months Ended November 30,	
	Notes	**2023**	**2022**	**2023**	**2022**
		$	$	$	$
Operating expenses					
Consulting fees	*9*	65,214	20,369	567,351	58,777
Exploration and evaluation costs	6	2,764,577	15,004	5,420,925	64,197
Management fees	*9*	127,309	30,000	468,530	90,000
Investor communications		5,231	–	31,867	2,130
Office and administration		140,619	21,054	211,155	61,804
Professional fees	*9*	211,516	94,778	387,587	246,653
Share-based compensation	*9,13*	42,515	–	1,599,431	–
Transfer agent and filing fees		16,945	5,185	155,477	17,402
Travel and entertainment		318	90	19,132	42,352
		(3,374,244)	**(186,480)**	**(8,861,455)**	**(583,315)**
Other gain (loss)					
Gain on debt settlements	*9,10,11*	–	–	723,942	–
Foreign exchange gain (loss)		120,771	(193,148)	(6,769)	(25,025)
Accretion	*12*	(148,324)	–	(397,178)	–
Interest income		45,520	–	134,375	–
Interest expense		(209,224)	(215,119)	(589,151)	(620,414)
Gain on sale of securities	*5*	1,107,380	–	2,474,608	–
		916,123	(408,267)	2,339,827	(645,439)
Net loss and comprehensive loss for the period		**(2,458,121)**	**(594,747)**	**(6,521,628)**	**(1,228,754)**
Loss per share, basic and diluted		**$ (0.02)**	**$ (0.01)**	**$(0.05)**	**$(0.02)**
Weighted average number of shares outstanding – basic and diluted		**148,303,092**	**70,026,700**	**142,109,849**	**70,026,700**

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

LITHIUM ENERGI EXPLORATION INC.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)

For the Nine Months Ended November 30, 2023 and 2022

(Unaudited, Expressed in Canadian dollars)

	Share Capital				
	Quantity	Amount	Reserves	Deficit	Total
		$	$	$	$
Balance, February 28, 2022	70,026,790	12,383,777	1,956,219	(16,372,460)	(2,032,464)
Net loss for the period	–	–	–	(1,228,754)	(1,228,754)
Balance, November 30, 2022	**70,026,790**	**12,383,777**	**1,956,219**	**(17,601,214)**	**(3,261,218)**
Balance February 28, 2023	**70,026,790**	**12,383,777**	**1,956,219**	**(21,077,394)**	**(6,737,398)**
Private placement *(Note 13)*	2,666,667	413,067	86,933	–	500,000
Debt settlements - debt *(Note 11)*	30,000,000	4,647,000	260,800	–	4,907,800
Debt settlements - note payable *(Note 10)*	21,897,084	3,391,858	616,934	–	4,008,792
Debt settlement - related party payable *(Note 9)*	4,160,068	644,426	–	–	644,426
Technology *(Note 7)*	5,408,979	837,851	–	–	837,851
Severance settlement *(Note 9)*	2,900,536	449,294	–	–	449,294
Success fees - term loan *(Note 12)*	4,666,667	722,867	–	–	722,867
Success fees - debt settlement *(Note 11)*	3,000,000	464,700	97,800	–	562,500
Issuance of term loan *(Note 12)*	–	–	404,590	–	404,590
Exercise of stock options *(Note 13)*	2,500,000	669,615	(319,615)	–	350,000
Interest settlement with common shares *(Note 12)*	1,242,489	211,725	–	–	211,725
Share-based compensation *(Notes 9,13)*	–	–	1,599,431	–	1,599,431
Net loss for the period	–	–	–	(6,521,628)	(6,521,628)
Balance, November 30, 2023	**148,469,280**	**24,836,180**	**4,703,092**	**(27,599,022)**	**1,940,250**

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

LITHIUM ENERGI EXPLORATION INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Nine Months Ended November 30, 2023 and 2022
(Unaudited, Expressed in Canadian dollars)

	Nine months ended November 30, 2023	2022
	$	**$**
Cash flows used in operating activities		
Net loss for the period	(6,521,628)	(1,228,754)
Non-cash items		
Share-based compensation	1,599,431	–
Accrued interest on loan and debt	–	620,414
Foreign exchange	(308)	116,614
Accretion	397,178	–
Severance settlement	449,293	–
Term loan interest paid in shares	211,725	–
Gain on debt settlement	(723,942)	–
Changes in non-cash operating working capital items		
Receivables	(39,397)	(72,893)
Prepaids and deposits	(40,219)	(35,096)
Accounts payable and accrued liabilities	467,679	306,671
	(4,200,188)	**(293,044)**
Cash flows used in investing activities		
Acquisition of technology	(335,817)	–
Acquisition of capital assets	(62,607)	–
Acquisition of exploration and evaluation assets	(52,815)	–
	(451,239)	–
Cash flows provided by financing activities		
Term loan, net	6,551,681	–
Private placement	500,000	–
	7,051,681	–
Increase (decrease) in cash	2,400,254	(293,044)
Cash, beginning	227,395	556,612
Cash, ending	**2,627,649**	**263,568**

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

1. NATURE OF BUSINESS AND CONTINUANCE OF OPERATIONS

Lithium Energi Exploration Inc. (the "Company" or "Lexi") was incorporated on February 13, 1998, under the British Columbia Business Corporations Act. The Company is engaged in acquiring, exploring, and evaluating lithium properties. The Company's principal address and registered and records office are located at 161 Bay St. 27th Floor, Toronto, Ontario, M5J 2S1, Canada. The Company's common shares are listed on the TSX Venture Exchange ("TSXV") under the symbol LEXI. On October 1, 2023, the Company's shares began trading on the OTCQB under the symbol "LXENF".

These condensed interim consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will continue its operations for a reasonable period of time and be able to realize the carrying value of its assets and discharge its liabilities and commitments in the normal course of business. To date, the Company has not earned revenue and has an accumulated deficit of $27,599,022 as at November 30, 2023 (2023 – $21,077,394). The Company's ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs. The Company's financing efforts to date, while substantial, are not sufficient in and of themselves to enable the Company to fund all aspects of its operations.

The Company owns a combined portfolio of projects comprising approximately 56,000 hectares of brine assets in the Province of Catamarca, Argentina through its subsidy Lithium Energi Argentina, S.A ("LEA") and a non-dilutable 20% interest in 15,000 hectares through the joint venture with Triangle Lithium Argentina S.A.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Statement of Compliance

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements, including International Accounting Standard 34 Interim Financial Reporting ("IAS 34"). The accounting policies used in the preparation of these condensed interim consolidated financial statements are consistent with the accounting policies disclosed in the Company's February 28, 2023, annual audited consolidated financial statements. These condensed interim consolidated financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the Company's audited consolidated financial statements for the year ended February 28, 2023.

These condensed interim consolidated financial statements were approved and authorized for issue by the Company's audit committee members and the board of directors on January 29, 2024.

b) Basis of Measurement

The condensed interim consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair value, as explained in the accounting policies set out in Note 2(l). In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

c) Basis of Consolidation

The condensed interim consolidated financial statements consolidate the accounts of the Company and its wholly owned subsidiaries. A subsidiary is an entity which the Company controls by having the power to govern the financial and operating policies. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. A subsidiary is fully consolidated from the date on which control is obtained by the Company and are deconsolidated from the date that control ceases.

The legal subsidiaries of the Company are as follows:

		Ownership Interest	
Name of Subsidiary	Place of Incorporation	November 30, 2023	February 28, 2023
Lithium Energi Argentina, S.A ("LEA")	Argentina	100%	100%
Antofalla North S.A.(1)	Argentina	100%	100%
Antofalla South S.A. (1)	Argentina	100%	100%

(1) *These subsidiaries are inactive as at November 30, 2023.*

All inter-company balances and transactions are eliminated on consolidation.

d) Functional and Presentation Currency

These condensed interim consolidated financial statements are presented in Canadian dollars, which is the functional and reporting currency of the Company and its subsidiaries.

e) Foreign Currency Transfers

Due to hyperinflationary environment in Argentina, currency controls implemented in the country present significant challenge when transferring funds to LEA. The Company has partnered with an intermediary broker to facilitate the funding of its exploration activities and day-to-day operations of LEA. The funding is realized through acquisition of internationally-traded securities of large "Blue Chip" companies in Canada and selling them in Argentina or abroad (the "Blue Chip Swap"). The Blue Chip Swap enables the Company to achieve a favorable return on its money when compared with a typical money transfer service.

The Company records cash settlements in Argentine Peso ("ARS") from the sale of Blue Chip Securities as deposits in ARS net of broker's commission. Net gains and losses from the sale of Blue Chip Securities are recorded in the statement of loss and comprehensive loss as gain/loss on sale of securities.

f) Significant Accounting Estimates and Judgments

The preparation of these condensed interim consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods, if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future, and other sources of estimation uncertainty that management has made at the financial position reporting date, 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, relate to, but are not limited to, the following:

Critical accounting estimates

i. the measurement of deferred income tax assets and liabilities;
ii. the measurement of share-based compensation (Note 13); and

iii. the fair values of the Company's debt instruments (Notes 10, 11, and 12).

Critical accounting judgments

i. the determination of categories of financial assets and financial liabilities;
ii. whether there were indicators that the carrying value of the Company's exploration and evaluation assets is impaired;
iii. the evaluation of the Company's ability to continue as a going concern;
iv. the determination of functional currency of the Company and its subsidiaries;
v. the evaluation of contingent liabilities (Note 12); and
vi. the assessment of the level of influence that the Company has on its equity investment in Triangle Lithium Argentina S.A. of which the Company owns 20% (Note 8).

Significant Influence of Joint Venture

Management has assessed the level of influence that the Company has on its joint venture, Triangle Lithium Argentina S.A. ("Trila"), of which the Company owns 20%, as the Company has the power to participate in financial and operating policy decisions as well as the rights to 20% of the profits of Trila. The Company has the right to appoint one out of three members of the board of directors. Significant transactions of Trila must be approved by the Company's nominee. Based on the above factors, management has assessed that the Company has significant influence, but not control of Trila.

g) Share Issue Costs

Professional, consulting, regulatory and other costs directly attributable to financing transactions are recorded as deferred share issue costs until the financing transactions are completed, if the completion of the transaction is considered likely; otherwise they are expensed as incurred. Share issue costs are charged to share capital when the related shares are issued. Deferred share issue costs related to financing transactions that are not completed are charged to expenses.

h) Share Capital

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 and share purchase warrants are classified as equity instruments. Transaction costs directly attributable to the issue of common shares are recognized as a deduction from equity, net of any tax effects.

i) Income Taxes

Current income tax:

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax:

Deferred income tax is recognized on temporary differences at the reporting date arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to offset current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

j) Loss per Share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year. The number of additional shares is calculated by assuming that outstanding stock options and warrants are exercised and that the proceeds from such exercises were used to acquire common shares at the average market price during the reporting periods. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive. Diluted loss per share is equal to the basic loss per share as net losses were reported during the periods presented.

k) Exploration and Evaluation Assets

Exploration costs are charged to comprehensive loss as incurred. Any government tax credits received are recorded as a reduction of the related exploration costs. Mineral property acquisition costs are initially capitalized until the viability of the mineral interest is determined.

Capitalized amounts may be written down if future undiscounted cash flows, including potential sales proceeds, related to a mineral property are estimated to be less than the carrying value of the property in accordance with the Company’s impairment policy reviews. The Company’s exploration and evaluation assets are assessed for impairment when the facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount.

The Company’s criteria for testing impairment includes, but is not limited to, when: i) exploration rights for a specific area expired or are expected to expire in the near future and these rights are not expected to be renewed; ii) substantive expenditures on further exploration for and evaluation of mineral resources in a specific area is neither budgeted nor planned; iii) exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the Company has decided to discontinue such activities in the specific area; and/or iv) sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

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.

l) Financial Instruments

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The Company's financial instruments are classified as follows:

Financial asset/liability	Classification per IFRS 9
Cash	Fair value through profit and loss
Accounts payable and accrued liabilities	Amortized cost
Note payable	Fair value through profit and loss
Debt	Amortized cost
Term loan	Amortized cost

Measurement

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL

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

Impairment of financial assets at amortized cost

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

Derecognition of financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the consolidated statements of loss.

Derecognition of financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and/or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are generally recognized in profit or loss.

m) Share-based Payments

The Company operates a stock option plan. Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the option reserve. The fair value of options is determined using a Black-Scholes Option Pricing Model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

n) Investment in Associates/Joint Ventures

Associates and joint ventures are entities over which the Company has significant influence, but not control. Significant influence is generally presumed to exist where the Company has between 20 percent and 50 percent of the voting rights, but can also arise where the Company holds less than 20 percent of the voting rights, but it has power to be actively involved and influential in policy decisions affecting the entity. The Company accounts for its investment in associates and joint ventures using the equity method. Under the equity method, the investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's shares of profit or loss of the associate. The Company's share of income or loss of associates is recognized in the consolidated statement of loss subsequent to the date that it became an investment entity.

Dilution gains and losses arising from changes in interests in investments in associates where significant influence is retained are recognized in the consolidated statements of loss and comprehensive loss.

At each reporting date, the Company determines whether there is any objective evidence that the investment in the associate is impaired or if previously recorded impairment should be reversed. If impairment is determined to exist, the amount of the impairment is recognized in the statement of loss and comprehensive loss. The amount of impairment is calculated as the difference between the recoverable amount of the investment in the associate and its carrying value.

If objective evidence of reversal exists, the reversal is recognized in net income in the period the reversal occurs, and is limited by the carrying value that would have been determined, from the application of equity accounting method, had no impairment charge been recognized in prior periods.

o) Accounting Standards Issued but not yet Adopted

The Company has reviewed the accounting standards or amendments to existing accounting standards that have been issued but have future effective dates and determined that these are either not applicable or are not expected to have a significant impact on the Company's financial statements.

3. RECEIVABLES

	November 30, 2023	February 28, 2023
	$	$
Receivables	572	–
GST/HST receivable	34,474	21,824
Recoverable costs	82,189	55,307
	117,235	77,131

During the period ended November 30, 2023, the Company incurred costs that are recoverable from Triangle Lithium LLC (“Triangle”) (Note 8), the 80% owner of Triangle Lithium Argentina S.A., in the amount of $82,189 (US$60,613) (February 28, 2023 - $55,307 (US$40,640)).

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	November 30, 2023	February 28, 2023
	$	$
Accrued liabilities	473,751	42,092
Accounts payable	294,736	641,819
Accrued interest payable	164,340	–
Due to related parties (Note 9)	18,253	1,078,626
	951,080	1,762,537

Accrued interest payable was calculated at non-compounding rate of 12% per annum on the Term Loan of $7,000,000 (as further defined in Note 12) and represents the balance owing as at November 30, 2023.

5. GAIN ON SALE OF SECURITIES

Due to hyperinflationary environment in Argentina and the currency controls implemented in the country to control the inflation, the Company partnered with an intermediary broker to facilitate the funding of the exploration activities and day-to-day operations of LEA. The funding is realized through acquisition of internationally-traded securities of large “Blue Chip” companies in Canada and selling them in Argentina or abroad (the “Blue Chip Swap”) for a favorable return compared with a typical money transfer service.

The Blue Chip securities are considered financial assets, therefore the Company records the gains and losses associated with the Blue Chip Swaps in the statement of loss and comprehensive loss.

During the nine-month period ended November 30, 2023, the Company recorded a total realized gain of $2,474,608 from the sale of Blue Chip securities.

6. EXPLORATION AND EVALUATION ASSETS

On February 10, 2017, the Company entered into a Share Purchase Agreement with Lithium Energi Argentina, S. A (“LEA”), Antofalla North, S.A. (“AN”), and Antofalla South, S.A. (“AS”) whereby the Company acquired all the issued and outstanding shares of LEA, AN, and AS, which together hold lithium brine assets in the Argentina Province of Catamarca. LEA held certain rights to eight (8) mining concessions (“Laguna Caro Project”); AN held certain mineral rights to thirteen (13) mineral concessions (“Antofalla North Project”); and

AS held certain rights to eighteen (18) mineral concessions ("Antofalla South Project"). The Company completed the acquisition by issuing a total of 21,000,000 common shares, and paying US$3,044,201 cash to the vendors, and issuing an additional 1,150,000 common shares as finder's fee.

During the fiscal year ended February 28, 2019, the Company determined that the title of mineral concessions comprising the Laguna Caro Project and two of the mineral concessions included in the Antofalla North Project would not qualify for transfer to the Company, and therefore the Company reduced the carrying amount of the exploration and evaluation assets by the amount paid on closing (US$60,000) and the balance owing to the vendors for these claims (US$620,000) for a total reversal of $858,633.

A continuity of the balance of the Company's exploration and evaluation assets as at November 30, 2023 and February 28, 2023, is as follows:

	Northern Properties	Southern Properties	Total
	$	$	$
Acquisition costs, February 28, 2022	3,075,713	3,978,831	7,054,544
Sale of six mining claims (Note 8)	(777,312)	–	(777,312)
Impairment recorded on sale of claims	(1,476,270)	–	(1,476,270)
Balance at February 28, 2023	**822,131**	**3,978,831**	**4,800,962**
Additions during the period	28,902	23,913	52,815
Balance at November 30, 2023	**851,033**	**4,002,744**	**4,853,777**

During the period ended November 30, 2023, the Company acquired an additional four claims, which were added to Antofalla North Project.

The Company incurred the following exploration and evaluation expenditures on the acquired properties, which have been expensed in the consolidated statement of loss and comprehensive loss:

For the period ended	**November 30, 2023**	**November 30, 2022**
	$	$
Office	87,365	781
Drilling campaign and camp costs	4,421,747	–
Geological consulting	911,813	–
Property maintenance and camp costs	–	17,061
Statutory taxes	–	18,260
Title work and filing expenses	–	28,095
	5,420,925	**64,197**

7. TECHNOLOGY

On March 21, 2023, the Company entered into a brine processing agreement (the "Lithium Processing Agreement") with Ensorcia Argentina, LLC, an affiliate of Ensorcia Metals Corporation ("Ensorcia"), a controlling shareholder of Triangle, to provide the Company with access to a direct lithium extraction technology developed and owned by International Battery Metals Inc. ("IBAT"). Ensorcia has the exclusive license to implement the IBAT technologies in Argentina. Under the terms of the Lithium Processing Agreement, the Company paid a one-time fee of $1,173,668 of which $335,817 was paid in cash with the balance settled by issuing 5,408,979 common shares valued at fair price of $0.1549 totaling $837,851.

As at November 30, 2023, the technology has not been put into use, therefore no amortization was recorded for the three- and nine-month periods ended November 30, 2023.

8. INVESTMENT IN JOINT VENTURE

On October 19, 2021, the Company entered into an option and joint venture agreement (the "JV Agreement") with Global Oil Management Group, LLC ("GOMG"), the 50% shareholder of Triangle. Pursuant to the JV Agreement, GOMG agreed to provide capital for certain lithium mining claims owned by the Company (the "JV Concessions"). To facilitate the terms of the JV Agreement, a new Argentine company, Triangle Lithium Argentina, S.A. ("Trila") was established, effective April 6, 2022. GOMG holds 80% of Trila and the Company holds 20% of Trila. At its discretion, the Company has an option to convert its equity holdings in Trila into a 6% gross royalty on future production from Trila.

The JV Agreement requires GOMG to provide up to US$3,000,000 in funding to cover exploration costs on the JV Concessions and to develop a full NI 43-101 resource estimate within three years from the execution of the JV Agreement (the "Exploration Period"). In addition to the exploration funding, subject to economic suitability, GOMG is responsible, at its discretion, to provide all funding to construct and operate a lithium extraction facility to exploit the lithium-bearing brine located under the JV Concessions.

If GOMG does not fulfil its commitment on the exploration funding or if the JV Agreement is terminated during the Exploration Period, certain clawback terms shall apply and the Company has the right to take back a portion of the shares of Trila (the "Clawback"), including the rights to the same percentage of the assets and any work product performed in Trila. The percentage of the shares to be taken back by the Company under the Clawback term ranges from 10% to 31% and is based on the timing and the expenditure amount to date.

Pursuant to the JV Agreement, GOMG paid the Company a $621,850 (US$500,000) cash transfer fee on executing the JV Agreement, which was received during the year ended February 28, 2022, and was recorded as a deposit. The Company and GOMG completed the selection of six mining claims comprising of approximately 15,000 hectares to be included in Trila. The six mining claims are all located in the northern portion of the Antofalla Salar and were part of the Company's Northern Antofalla Claims group. The Company's contribution for its 20% interest in Trila was calculated at the value of the six mining claims sold to Trila net of the $621,850 cash payment received.

The Company assessed the value of the consideration for the six claims based on hectares of claims sold, the implied price per hectare was less than the carrying value per hectare of the claims in the Northern Antofalla Claims group. The Company impaired the claims to the implied sales price per hectare. As a result, for the year ended February 28, 2023, the Company recognized an impairment loss on the six claims sold of $717,452 and an impairment loss of $758,818 on the Company's remaining claims in the Northern Antofalla Claims group.

The carrying value of the investment in joint venture at November 30, 2023 and February 28, 2023, was $nil.

9. RELATED PARTY TRANSACTIONS AND BALANCES

The Company has identified its directors, certain senior officers as its key management personnel and certain significant shareholders as related parties. The remuneration of the Company's directors and other key management is as follows:

For the period ended	November 30, 2023	November 30, 2022
	$	$
Management fees	468,530	90,000
Consulting fees	474,294	58,777
Interest expense	589,151	355,756
Share-based compensation	1,599,431	–
	3,131,406	**504,533**

During the period ended November 30, 2023, the Company accrued interest of $nil (2023 - $355,756) on debt owed to companies controlled by officers of the Company (Note 10).

During the period ended November 30, 2023, the Company incurred interest expense of $589,151 (2023 – $nil) on the Term Loan from a company with significant influence controlled by common shareholders. As at November 30, 2023, total interest payable owing to the related party was $164,340 (2023 - $nil). According to the Term Loan, the interest can be settled partly in cash and by issuance of common shares (Note 12).

Under the terms of a month-to-month consulting agreements with Steven Howard, the former CEO and director of the Company, and Omar Ortega, the former Vice President of the Company, the Company incurred a total of $449,294 in severance pay through the issuance of 1,450,268 common shares, to each of Mr. Howard and Mr. Ortega. The severance pay was included as part of consulting expenses for the period. During the comparative period ended November 30, 2022, the Company incurred expenses of $157,847 to a company controlled by the former CEO, Steven Howard, for providing management, operations support, office, and administration services to the Company. At November 30, 2023, related party payables owing to a company controlled by a former CEO, Steven Howard, was $nil (2023 – $157,847).

The Company settled the related party payables of $767,111 by the issuance of 4,160,068 common shares of the Company at a fair value of $0.1549 per common share totaling $644,426. The difference between the amount owing and the settlement amount was recorded in the statement of comprehensive loss as a realized gain on debt settlement of $122,685 (Note 10).

During the period ended November 30, 2023, the Company incurred $25,000 in consulting fees to the Company's new CFO, Jason Nalewanyj, for his services (2023 - $Nil).

As at November 30, 2023, the Company had a total of $82,189 (US$60,613) recoverable from Triangle (2023 – $55,307 (US$40,640)) which was recorded as part of receivables (Notes 3 and 8).

As at November 30, 2023, the Company owed a total of $18,253 (2023 - $1,078,626) to its related parties, which was recorded as part of accounts payable and accrued liabilities (Note 4).

10. DEBT

In conjunction with the acquisition of LEA, AN and AS (Note 6), the Company assumed certain property payment obligations of LEA, AN and AS totaling US$2,678,000 (the "Debt"). The Company determined the fair value of the debt on initial acquisition to be $2,989,682 using an estimated market discount of 15% per annum. The

Company has not made any principal payments since August 1, 2018; the Company began accruing interest at the rate of 12% per annum.

A continuity of the Debt is as follows:

Balance, February 28, 2022	$	3,692,341
Foreign exchange		277,386
Accrued interest		485,622
Balance, February 28, 2023		4,455,349
Debt settlement		(4,008,792)
Gain on debt settlement		(446,557)
Balance, November 30, 2023	**$**	**–**

On March 21, 2023, the Company settled the Debt which totaled $4,455,349 at February 28, 2023. The Company reached an agreement with Meteor and Mountas, the initial Debt holders, to settle the Debt balance owing for $4,008,792 payable in equity of the Company. Prior to settlement Meteor and Mountas transferred $3,548,316 of the Debt to Triangle, the 80% shareholder of Trila. The debt owing to Triangle was settled by the issuance of 18,924,354 common shares at a fair value of $0.1549 per common share totaling $2,931,382 and the issuance of 18,924,354 share purchase warrants. Each share purchase warrant has a three-year term and an exercise price of $0.30 per common share. Each warrant was recorded at a fair value of $0.0326 per warrant totaling $616,934. The remaining debt owing to Meteor and Mountas was settled by the issuance of 2,972,730 common shares at a fair value of $0.1549 per share valued at $460,476. The fair value of the warrants was determined using Black-Scholes Option Pricing Model based on the following assumptions: volatility of 85%; risk-free rate of 4.17% and estimated time to liquidity of two years.

The Company recorded gain on the debt settlement of $723,942.

11. NOTE PAYABLE

A continuity of the note payable is as follows:

Balance, February 1, 2023, prior to debt settlement	$	4,593,150
Loss on debt settlement		1,031,850
Balance, February 28, 2023		5,625,000
Debt settlement		(4,907,800)
Success fee		(562,500)
Gain on debt settlement		(154,700)
Balance, November 30, 2023	**$**	**–**

Loan Agreement

On January 12, 2018, the Company entered into a loan agreement (the "Loan Agreement") with Arena Investors LP, a New York City institutional investment firm ("Arena"). The Loan Agreement was structured as an unsecured lending arrangement with up to five tranches (each a "Tranche"), an initial $4,000,000 Tranche was advanced on January 26, 2018, the remaining four quarterly Tranches in the amount of $3,000,000 per Tranche could have been advanced over the following twelve months. Each Tranche was to be issued in exchange for a note payable (the "Note") at 95% of face value and would be redeemable at par at its maturity. In addition, the

Company was required to pay Arena a transaction fee equal to 2% of the principal amount of each Note, in cash, on a pro rata basis upon the drawdown of each Tranche. The Notes had a coupon of 10% for the first twelve months and 15% for the second twelve months, if maturity was to be extended, and such coupon was payable at the time when the applicable Note was repaid (as applicable, the "Coupon").

Repayment of the amounts advanced under the Loan Agreement was Note-specific with each Note maturing and becoming repayable by the Company after the expiration of 12 months from the date of the Note, subject to a maturity extension at the election of the Company of an additional 12 months for each such Note. Pursuant to the Loan Agreement, Arena had the right, but not the obligation, to require the Company to issue units of the Company's common stock pursuant to a Prospectus Supplement, with the proceeds from Arena's participation in such offering being used to satisfy the applicable Note or portion thereof. The Units were to be comprised of one Common Share and 0.40 of a Warrant. The issue price of the Units was to be determined based on the average daily volume weighted average prices ("VWAP") published by Bloomberg, selected over the five (5) trading days ending two (2) trading days prior to the filing date of the Prospectus Supplement filed in connection with such offering, subject to applicable TSXV policies (the "Market Price"). The exercise price of the Warrants was to be equal to 115% of the applicable Market Price, with each whole Warrant exercisable into one Common Share for a period of 36 months from the date of issuance of the Warrant.

The Company had the right to repay any outstanding amount of the Notes and any applicable Coupon amount at any time, without notice, bonus or penalty. The Company had the right to terminate the Loan Agreement at any time, subject to payment to Arena of all Outstanding Amounts and Coupon outstanding under the Loan Agreement, all other obligations of the Company to Arena in connection with the Loan Agreement, and a "Termination Payment" to Arena in an amount equal to 15% of the undrawn amount of the Tranches not advanced (the "Unused Commitment"), provided that (i) any amounts which Arena had refused to advance pursuant to the Loan Agreement and (ii) any amounts not advanced as a result of termination of the Loan Agreement by the Company under the Loan Agreement or by Arena were to be deemed to not be Unused Commitment, and provided further that in the event Arena refused the advance of any Tranche at any time, no Termination Payment shall be applicable to any Unused Commitment thereafter. The Company had the right to terminate the Loan Agreement upon five days' prior written notice if Arena had materially breached any of its obligations thereunder.

On January 26, 2019, the Company exercised its right to extend the maturity of the Note by 12 months to January 26, 2020, and recorded the 15% coupon payable on the outstanding principle amount. On January 26, 2020, the Note payable was due and payable on demand. Pursuant to the Loan Agreement, the Company accrued interest at 10% per annum on the outstanding balance beginning January 26, 2020.

Because the number of Units issuable on the settlement of the Note was variable and for a value that was different than the value of the debt instrument that would be otherwise recognized, the settlement term was determined to be a derivative financial instrument. The Company elected to measure the entire Note at fair value. As at February 28, 2023, the fair value of the Note was equivalent to its face value plus accrued interest due to the liability being due on demand.

Legal proceedings

On February 24, 2021, the Company was served with a Statement of Claim filed by Arena in Ontario Superior Court in regards to the outstanding balance of the Note ("Ontario Claim"). The claim alleged that the Company owed Arena $4,577,918 in damages, and pre and post judgement interest calculated at the rate of 25% per annum, or in the alternative 10% per annum in accordance with the terms of the agreement between the parties, or in further alternative by the applicable act, plus the legal costs. The Company filed a Statement of Defence and Counterclaim ("Ontario Counterclaim") on May 21, 2021.

The matter in dispute was primarily due to the differences in the calculations of interest and Coupon on the Note between the Company and Arena. As at February 28, 2022, the difference was in the amount of $1,159,150. The

Company disagreed with the additional amount as calculated by Arena under the claim. As a result, there was no provision for the difference made by the Company with regards to this claim for the year ended February 28, 2022.

On December 29, 2021, Arena filed a Notice of Civil Claim in BC Supreme Court against the Company and its directors and officers demanding certain declaration on the business affairs by the Company ("BC Claim"). On May 12, 2022, Arena commenced a Notice of Application in BC Supreme Court to seek for certain court orders. The application alleged that the Company was in breach of the Loan Agreement by not obtaining Arena's consent before entering into the JV Agreement with GOMG (Note 8). In June 2022, the Company responded to the application with a similar standing as its Ontario Counterclaim.

Loan and Legal Settlement

On February 1, 2023, the Company entered into a binding settlement agreement pursuant to which Arena and the Company agreed to settle all amounts owing to Arena by the Company ("Arena Debt Settlement"). The Company and Arena agreed on a settlement amount owing of $5,625,000 (the "Arena Debt"). On March 21, 2023, the Arena Debt was settled by the issuance of 30,000,000 common shares at a fair value of $0.1549 per common share valued at $4,647,000 and 8,000,000 share purchase warrants with a fair value of $0.0326 per warrant valued at $260,800. Each share purchase warrant has a three-year term at an exercise price of $0.30 per common share. The issuance of the common shares and warrants eliminated all Arena Debt and resulted in the withdrawal and release of related litigations. The difference between the Arena Debt value and the value of equity instruments issued of $717,200 was recorded as realized gain on debt settlement.

Upon closing of Arena Debt Settlement, the Company paid Triangle a success fee equal to 10% of the $5,625,000 (the "Success Fee"). The Success Fee was settled by the issuance of 3,000,000 common shares at fair value of $0.1549 per common share valued at $464,700 and 3,000,000 share purchase warrants valued at $97,800, being $0.0326 per warrant share. Each share purchase warrant has a three-year term and an exercise price of $0.30 per warrant share. The fair value of the warrants was determined using Black-Scholes Option Pricing Model based on the following assumptions: volatility of 85%; risk free rate of 4.17% and estimated time to liquidity of 2 years. The total Success Fee paid amounting to $562,500 was recorded as a realized loss on debt settlement. This loss was offset against the realized gain on debt settlement of $717,200, resulting in an overall realized gain on debt settlement of $154,700.

12. TERM LOAN

On March 21, 2023, the Company and Arena closed a New Credit Facility to be drawn down in three tranches which shall equal up to $15 million. The first tranche of $7 million (the "Term Loan") was drawn down by the Company on March 21, 2023. The Term Loan matures on March 20, 2025, bears interest at 12% per annum and, at Arena's option, up to 50% of such interest can be paid in common shares of the Company subject to approval of the TSXV. The Term Loan is secured against all of the assets of the Company. As consideration of the Term Loan, the Company issued to Arena share purchase warrants to acquire up to 29,166,666 common shares of the Company at an exercise price of $0.24 per warrant share expiring on March 21, 2025. The warrants were valued at $472,712 using Black Scholes Options Pricing Model with the following assumptions: volatility of 85%; risk free rate of 4.17% and estimated time to liquidity of 2 years.

Upon closing of the New Credit Facility and the drawdown of the initial Term Loan of $7 million, the Company issued to Mr. Howard (the Company's former CEO) 4,666,667 common shares of the Company at a deemed price of $0.1875 representing 12.5% of the Loan as success fee. The shares were valued at $722,867.

	Liability	Equity Reserves	Total
	$	$	$
Balance, February 28, 2023	–	–	–
Issued during the period	6,527,288	472,712	7,000,000
Transaction costs	(940,641)	(68,122)	(1,008,763)
Accretion	397,178	–	397,178
Balance, November 30, 2023	**5,983,825**	**$ 404,590**	**$ 6,388,415**

The Term Loan was determined to be a financial instrument comprising an equity classified feature with host debt component. On initial recognition, the Company used the residual value method to allocate the principal amount of the term loan between the two components. The host debt component was valued first, based on similar debt securities without any warrants attached, and the residual was allocated to the equity-classified feature.

Transaction costs were allocated between the debt and equity components of the Term Loan on a relative fair value basis. The effective interest rate for the liability component is 25% with a maturity date of March 20, 2025.

During the nine-month period ended November 30, 2023, the Company recognized accretion expense of $397,178 and incurred a total interest expense of $589,151 in relation to the Term Loan. At November 30, 2023, the Company had issued a total of 1,242,489 shares valued at $211,725 and made cash payments totaling $212,886 as settlement of its accrued interest. At November 30, 2023, accrued interest of $164,340 remained payable on the Term Loan.

13. SHARE CAPITAL

a) Authorized

Unlimited number of common shares without par value.

b) Issued and outstanding

At November 30, 2023, total issued and outstanding common shares: 148,469,280 (2023 – 70,026,790) with no preferred shares issued and outstanding.

On September 20, 2023, the Company issued 756,154 common shares totaling $105,862 to Arena as settlement of interest payable on the Term Loan at a deemed price of $0.14 per share, being five-day volume weighted price preceding the settlement date.

On June 20, 2023, the Company issued 340,738 common shares totaling $70,192 to Arena as settlement of interest payable on the Term Loan at a deemed price of $0.206 per share, being the five-day volume weighted price preceding the settlement date.

On April 20, 2023, the Company issued 145,597 common shares totaling $35,671 to Arena as settlement of interest payable on the Term Loan at a deemed price of $0.245 per share, being the five-day volume weighted price preceding the settlement date.

On March 21, 2023, the Company issued 2,500,000 common shares to a former CFO on the exercise of options for total gross proceeds of $350,000, which was offset with $350,000 the Company owed to him for services rendered.

On March 21, 2023, Steven Howard resigned from the position of the CEO and director of the Company, and Omar Ortega resigned from his position of the Vice President of the Company. On resignation, Mr. Howard and Mr. Ortega were paid severance pay through the issuance of 1,450,268 common shares, each. The shares were valued at $0.1549 per common share totaling $449,294.

On March 21, 2023, the Company completed a non-brokered private placement subscribed by Triangle for gross proceeds of $500,000 (the "Private Placement"). The Private Placement consisted of 2,666,667 units at a price of $0.1875 per unit. Each unit consisted of one common share and one common share purchase warrant exercisable at $0.30 per common share expiring on March 20, 2026. The Company recorded each common share at a fair value of $0.1549 totaling $413,067 and each warrant at a fair value of $0.0326 valued at $86,933. The fair value of the warrants was determined using Black-Scholes Option Pricing Model based on the following assumptions: volatility of 85%; risk free rate of 4.17%, and an estimated time to liquidity of 2 years.

On March 21, 2023, The Company entered into a Lithium Processing Agreement with Ensorcia (Note 7). Under the terms of the Lithium Processing Agreement, the Company paid, a one-time fee in the amount of $1,173,668, comprised of a $335,817 cash payment and issuance of 5,408,979 common shares of the Company at a fair value of $0.1549 per common share totaling $837,851.

On March 21, 2023, the Company issued 4,666,667 common shares at a price of $0.1549 valued at $722,867 to Mr. Howard as a success fee in relation to obtaining the New Credit Facility of $15 million. The success fee was calculated at 12.5% of the Term Loan, at a deemed price of $0.1875 per common share.

On March 21, 2023, the Company entered into several debt settlement arrangements for the payment and elimination of its debt obligations with various debtors through share issuances:

- The Company issued 4,160,068 common shares at $0.1549 per common share totaling $644,426 to a company controlled by the former CEO for the settlement of $767,111 owing as at February 28, 2023. The difference between the amount owing and the settlement amount was recorded in the statement of comprehensive loss as a realized gain on debt settlement of $122,685 (Notes 9 and 10).
- The Company issued 18,924,354 common shares at $0.1549 per common share totaling $2,931,382 and issued 18,924,354 share purchase warrants valued at $616,934 to Triangle for the partial settlement of its total obligations of $4,455,349 (Note 10). The Company also issued 2,972,730 at $0.1549 per common share totaling $460,476 to Meteor and Mountas in relation to the debt. The Company recorded realized gain on debt settlement of $446,557. As at November 30, 2023, the Company's debt obligation to these parties is $nil (2023 – $4,455,349).
- The Company issued 30,000,000 common shares to Arena to settle its Note payable balance of $5,625,000, at a price of $0.1549 per share totaling $4,647,000. In addition, the Company issued 8,000,000 share purchase warrants with a fair value of $0.0326 valued at $260,800 (Note 11). The difference between the debt obligation under the Note and the settlement amount was recorded as realized gain on debt settlement of $717,200.
- In relation to the above debt settlements, the Company issued to Triangle 3,000,000 common shares at a price of $0.1549 valued at $464,700 and 3,000,000 share purchase warrant with fair value of $0.0326 (Note 11) totaling $97,800 as success fee, calculated as 10% of $5,625,000. The payment of success fee of $562,500 was recorded as a loss on debt settlement. As at November 30, 2023, Note payable balance was $nil (2023 – $5,625,000).

c) Stock options

On July 19, 2011, the Company adopted a stock option plan (the "Plan") whereby it can grant options to directors, senior officers, employees, and consultants of the Company. The maximum number of shares that may be reserved for issuance under the Plan is limited to 10% of the issued common shares of the Company. An option shall be granted as fully vested, unless a vesting schedule is imposed by the Board of Directors as a condition of the grant.

On September 15, 2023, the Company granted stock options to its CFO to purchase up to 400,000 common shares at $0.14 per share for a three-year period. The options were recorded at a fair value of $42,515 using Black-Scholes Option Pricing Model based on the following assumptions:

Volatility (annualized)	131%
Risk free rate	4.47%
Annual dividends	0%
Remaining life	3 years

On May 2, 2023, the Company granted stock options to officers and directors to purchase an aggregate of up to 500,000 common shares at $0.21 per share for a three-year period. The options are recorded at a fair value of $81,678, using Black-Scholes Option Pricing Model based on the following assumptions:

Volatility (annualized)	137%
Risk free rate	3.73%
Annual dividends	0%
Remaining life	3 years

On April 18, 2023, the Company granted stock options to consultants and directors to purchase an aggregate of up to 5,000,000 common shares at $0.21 per share for a three-year period. The options are recorded at a fair value of $837,768, using Black-Scholes Option Pricing Model based on the following assumptions:

Volatility (annualized)	144%
Risk free rate	3.73%
Annual dividends	0%
Remaining life	3 years

On March 21, 2023, the Company granted stock options to officers and directors to purchase an aggregate of up to 4,000,000 common shares at $0.20 per share for a three-year period. The options are recorded at a fair value of $637,470, using Black-Scholes Option Pricing Model based on the following assumptions:

Volatility (annualized)	144%
Risk free rate	3.39%
Annual dividends	0%
Remaining life	3 years

Stock option transactions are summarized as follows:

	Number of Options	Weighted Average Exercise Price
Outstanding at February 28, 2022	6,000,000	$ 0.17
Cancelled	(1,000,000)	$ 0.21
Outstanding at February 28, 2023	5,000,000	$ 0.16
Issued	9,900,000	$ 0.21
Exercised	(2,500,000)	$ 0.14
Cancelled	(1,500,000)	$ 0.14
Expired	(500,000)	$ 0.27
Outstanding at November 30, 2023	**10,400,000**	**$ 0.20**

Details of stock options outstanding and exercisable as at November 30, 2023 are as follows:

Number of Options	Exercise Price	Remaining Contractual Life (years)	Expiry Date
500,000	$ 0.14	2.60	July 12, 2026
4,000,000	$ 0.20	2.30	March 20, 2026
5,000,000	$ 0.21	2.40	April 18, 2026
500,000	$ 0.21	2.40	May 2, 2026
400,000	$ 0.14	2.79	September 15, 2026
10,400,000	**$ 0.20**	**2.38**	

d) Warrants

Warrant transactions are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance at February 28, 2022	1,825,000	$ 0.29
Expired	(1,825,000)	$ 0.29
Balance at February 28, 2023	–	
Issued	61,757,687	$ 0.27
Balance at November 30, 2023	61,757,687	$ 0.27

Details of warrants outstanding and exercisable as at November 30, 2023 are as follows:

Number of Warrants	Exercise Price	Remaining Contractual Life (in years)	Expiry Date
32,591,021	$0.30	2.30	March 20, 2026
29,166,666	$0.24	1.30	March 20, 2025
61,757,687	$0.27	1.83	

e) Equity reserve

The equity reserve records items recognized as share-based compensation expense and other share-based payments until such time that the stock options or warrants are exercised, at which time the corresponding amount will be transferred to share capital.

14. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to identify and invest in other businesses. The Company does not have any externally imposed capital requirements to which it is subject.

As at November 30, 2023, the Company considers capital to be all components of shareholders' equity. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. There were no changes in the Company's approach to management of capital during the year.

15. FINANCIAL INSTRUMENTS

The Company is exposed to varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit Risk

Credit risk is the risk of potential loss to the Company, if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash and advances receivable. The Company limits the exposure to credit risk by only investing its cash with high-credit quality financial institutions and advancing funds to parties that management believes will make the necessary repayments. Receivables primarily comprise of balances recoverable for the tax authority for sales tax paid for which management has estimated $nil expected credit loss. The Company's exposure to credit risk is low.

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 manages liquidity risk through the management of its capital structure and financial leverage as described in Note 14 to these unaudited condensed consolidated interim financial statements.

The Company monitors its ability to meet its short-term exploration and administrative expenditures by raising additional funds through share issuance when required. Most of the Company's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms. The Term Loan is due on March 22, 2025, being 24 months from the draw down date (Note 12). The Company does not have investments in any asset backed deposits.

In the normal course of business, the Company enters into contracts that give rise to commitments for future minimum payments. The following table summarizes the Company's significant commitments and corresponding maturities:

	<1 year	1 - 3 Years	Total
Accounts payable and accrued liabilities (Note 4)	$ 951,080	$ –	$ 951,080
Term loan (Note 12)	$ –	$ 5,983,825	$ 5,983,825

Foreign Exchange Risk

Foreign exchange risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency.

As at November 30, 2023, the Company was exposed to foreign currency risk through the following financial assets and liabilities denominated in foreign source currencies, converted to Canadian Dollars at the prevailing rate at the end of the reporting period.

As at November 30, 2023	**CAD equivalent**	**Currency**	**+/- 10% Fluctuation Increase/(Decrease)**	
Cash	$ 68,536	ARS	$ 6,854	$ (6,854)
Cash	193,309	USD	19,331	(19,331)
Receivables	572	ARS	57	(57)
Receivables	82,324	USD	8,232	(8,232)
Accounts payable	(14,723)	ARS	(1,472)	1,472
Accounts payable and accrued liabilities	(628,265)	USD	(62,827)	62,827
Total	$ (298,247)		$ (29,825)	$ 29,825

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's accounts payable and accrued liabilities do not bear any interest and the Term Loan (Note 12) is subject to a fixed interest rate, therefore the Company is not exposed to significant interest rate risk.

Fair Value Measurements

The Company's financial instruments consist of cash, receivables, and accounts payable. The fair values of these financial instruments approximate their carrying values because of their current nature or they have been measured using market-based assumptions.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, and
- Level 3 – Inputs that are not based on observable market date.

16. SUBSEQUENT EVENT

On December 20, 2023, the Company issued 962,390 common shares totaling $105,863 to Arena as settlement of interest payable on the Term Loan at a deemed price of $0.11 per share, being five-day volume weighted price preceding the settlement date.