CENTURY LITHIUM CORP.

CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

Independent auditor's report

To the Shareholders of Century Lithium Corp.

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Century Lithium Corp. and its subsidiaries (together, the Company) as at December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS).

What we have audited
The Company's consolidated financial statements comprise:

- the consolidated statements of financial position as at December 31, 2024 and 2023;
- the consolidated statements of loss and comprehensive loss for the years then ended;
- the consolidated statements of cash flows for the years then ended;
- the consolidated statements of changes in equity for the years then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
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. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Material uncertainty related to going concern

We draw attention to note 1 to the consolidated financial statements, which describes events or conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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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 for the year ended December 31, 2024. 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 determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Assessment of impairment indicators of exploration and evaluation assets *Refer to note 2 – Basis of preparation, note 3 – Material accounting policies and note 7 – Exploration and evaluation assets to the consolidated financial statements.* The carrying value of exploration and evaluation assets amounted to $42.3 million as at December 31, 2024. At the end of each reporting period, management applies judgment in assessing whether there are any indicators of impairment relating to exploration and evaluation assets. If there are indicators of impairment, the recoverable amount of the related asset is estimated in order to determine the extent of any impairment. Indicators of impairment may include (i) the period during which the Company has the right to explore in the specific area has expired during the year or will expire in the near future and is not expected to be renewed; (ii) substantive expenditure on further exploration for and evaluation of mineral resources in the 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 entity has decided to discontinue such activities in the specific area; and (iv) sufficient data exists to indicate that the carrying value of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale. No impairment indicators were identified by management as at December 31, 2024.	Our approach to addressing the matter included the following procedures, among others: • Assessed the judgments made by management in determining whether there were impairment indicators, which included the following: – Obtained, for a sample of mining claims, by reference to government registries, evidence to support (i) the right to explore the area and (ii) claim expiration dates. – Considered whether management has planned to renew the claims in the upcoming year, by reviewing management's budgets and forecasts. – Assessed the planned substantive expenditure on further exploration for and evaluation of mineral resources in the specific area by reading Board of Directors' minutes and inspecting management's budgets and forecasts. – Assessed whether the exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources, leading the Company to discontinue activities, or whether sufficient data exists to indicate that the carrying value of exploration and evaluation assets is unlikely to be recovered in full from successful development or by sale, based on evidence obtained in other areas of the audit.

Key audit matter	How our audit addressed the key audit matter
We considered this a key audit matter due to (i) the significance of the exploration and evaluation assets balance and (ii) the judgments made by management in its assessment of indicators of impairment related to exploration and evaluation assets, which have resulted in a high degree of subjectivity in performing audit procedures.	

Other information

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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 Melanie Matthews.

/s/PricewaterhouseCoopers LLP

Chartered Professional Accountants

Vancouver, British Columbia
March 27, 2025

CENTURY LITHIUM CORP.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
AS AT DECEMBER 31, 2024, AND DECEMBER 31, 2023

	2024	2023
ASSETS		
Current		
Cash and cash equivalents	$5,982,883	$14,369,089
Marketable securities	12,000	24,000
Receivables and prepaid expenses (Note 4)	297,007	401,729
	6,291,890	**14,794,818**
Reclamation bonds (Note 7)	41,774	41,774
Plant and equipment (Note 5)	3,384,755	5,319,691
Intangible asset (Note 8)	1,132,400	1,162,200
Right-of-use asset (Note 6)	236,800	495,124
Exploration and evaluation assets (Note 7)	42,283,991	33,860,853
	$53,371,610	**$55,674,460**
LIABILITIES AND EQUITY		
Current		
Accounts payable and accrued liabilities	$300,271	$446,079
Lease liability, current (Note 6)	294,362	277,826
	594,633	**723,905**
Lease liability, long-term (Note 6)	-	294,071
	594,633	**1,017,976**
Equity		
Capital stock (Note 9)	89,607,276	89,354,049
Reserves (Note 10)	12,598,690	11,954,561
Deficit	(49,428,989)	(46,652,125)
	52,776,977	54,656,485
	$53,371,610	**$55,674,460**

See note 1 – Nature of Operations and Going Concern

Approved and authorized by the Board on March 27, 2025

"Bryan Disher" Director — *"Ken Owen"* Director
Bryan Disher — Ken Owen

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

CENTURY LITHIUM CORP.
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)
YEARS ENDED DECEMBER 31, 2024, AND DECEMBER 31, 2023

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	2024	2023
GENERAL AND ADMINISTRATIVE EXPENSES		
Administrative, office and miscellaneous	$620,655	$646,464
Consulting fees	43,984	115,911
Depreciation	885	2,640
Directors' fees	284,259	271,994
Finance costs (Note 7)	67,210	105,676
Legal	135,412	366,555
Salaries and wages (Note 11)	449,088	559,184
Share-based compensation (Notes 9 and 10)	761,457	1,330,357
Shareholder communications	626,163	1,122,388
Transfer agent and filing fees	43,354	68,723
Travel	108,601	124,676
	(3,141,068)	(4,714,570)
Foreign exchange loss	(36,528)	(48,068)
Unrealized loss on marketable securities	(12,000)	-
Interest income	412,731	825,472
Loss and comprehensive loss for the year	$(2,776,864)	$(3,937,166)
Basic and diluted loss per common share	(0.02)	(0.03)
Weighted average number of common shares outstanding – basic and diluted	149,034,137	147,682,503

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

CENTURY LITHIUM CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)
YEARS ENDED DECEMBER 31, 2024, AND DECEMBER 31, 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the year	$(2,776,864)	$(3,937,166)
Items not affecting cash:		
Depreciation	885	1,199
Finance costs	67,210	105,676
Share-based compensation	761,457	1,330,357
Unrealized loss on marketable securities	12,000	-
Foreign exchange loss	36,528	48,068
Changes in non-cash working capital items:		
Decrease in receivables and prepaid expenses	104,722	45,498
Decrease (increase) in accounts payable and accrued liabilities	32,638	(29,114)
Net cash flows used in operating activities	(1,761,424)	(2,435,481)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of equipment	(737,029)	(1,110,953)
Redemption of short-term investments	-	700,000
Expenditures on exploration and evaluation assets	(5,642,380)	(9,021,921)
Net cash flows used in investing activities	(6,379,409)	(9,432,874)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from option and warrants exercised	135,900	289,615
Lease payments	(344,745)	(345,033)
Net cash flows used in financing activities	(208,845)	(55,418)
Effect of foreign exchange on cash	(36,528)	(257,256)
Change in cash and cash equivalents during the year	(8,386,206)	(12,181,029)
Cash and cash equivalents, beginning of year	14,369,089	26,550,120
Cash and cash equivalents, end of year	$5,982,883	$14,369,089

Supplemental disclosures with respect to cash flows (Note 13)

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

CENTURY LITHIUM CORP.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Expressed in Canadian Dollars)
YEARS ENDED DECEMBER 31, 2024, AND DECEMBER 31, 2023

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	Capital Stock		Reserves	Deficit	Total
	Number of shares	Amount			
Balance, as at December 31, 2022	147,458,136	$88,837,293	$10,851,344	$(42,714,959)	$56,973,678
Shares issued for warrants exercised	6,412	12,453	(4,438)	-	8,015
Shares issued for options exercised	1,280,000	504,302	(222,702)	-	281,600
Share based compensation	-		1,330,357	-	1,330,357
Loss for the year	-	-	-	(3,937,166)	(3,937,166)
Balance, as at December 31, 2023	**148,744,548**	**$89,354,048**	**$11,954,561**	**$(46,652,125)**	**$54,656,485**
Shares issued for options exercised	755,000	253,228	(117,328)	-	135,900
Share based compensation	-		761,457	-	761,457
Loss for the year	-	-	-	(2,776,864)	(2,776,864)
Balance, as at December 31, 2024	**149,499,548**	**$89,607,276**	**$12,598,690**	**$(49,428,989)**	**$52,776,977**

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Century Lithium Corp. (formerly Cypress Development Corp.) (the "Company" or "Century") was incorporated on August 23, 1991, under the Business Corporations Act (Saskatchewan). The Company is a publicly traded entity listed on the TSX Venture Exchange under the symbol "LCE" and on the OTCQB market in the United States under the symbol "CYDVF". Century is an exploration and development-stage company engaged in the identification, acquisition, exploration, and development of lithium and other mineral properties in the United States. The Company's primary focus is the advancement and potential development of its Angel Island Lithium Project (formerly Clayton Valley Lithium Project) (the "Project") in Esmeralda County, Nevada, USA.

The head office and records of the Company are located at Suite #1030 - 505 Burrard Street, Vancouver, British Columbia, Canada. The registered office is located at Suite #1710 - 1177 West Hastings Street, Vancouver, British Columbia, Canada.

Material Uncertainty Related to Going Concern

These financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS") on a going concern basis, assuming that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for at least the next twelve months.

As at December 31, 2024, the Company had a cash balance of $5,982,883 (December 31, 2023: $14,369,089), a working capital balance of $5,697,257 (December 31, 2023: $14,070,913). The Company has incurred losses since inception and does not generate any cash inflows from operations. For the year ended December 31, 2024, cash used in operating activities totaled $1,761,424 (December 31, 2023: $2,435,481) and $6,379,409 (December 31, 2023: $10,132,874) was spent on Project related expenditures.

Management has assessed the Company's ability to continue as a going concern for at least twelve months from December 31, 2024. Based on this assessment, material uncertainties exist that may cast significant doubt on the Company's ability to continue as a going concern. The Company does not currently generate revenues and is therefore dependent on external sources to finance its operations and Project development activities. These factors, along with the inherent risks of mineral exploration and development, create material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern.

The Company put spending reduction initiatives in place beginning in the fourth quarter of 2023. Since the completion and issuance of the Project's feasibility study in the second quarter of 2024, spending has been further limited to optimizing the mine and operations plan to reduce the estimated capital cost for the Project and to further permitting. Management continues to pursue various financing options. However, there is no assurance that such financing will be available on acceptable terms or at all.

If the Company is unable to secure sufficient funding, it may be required to curtail or cease operations. These consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations for the next twelve months. These adjustments could be material.

2. BASIS OF PREPARATION

Statement of Compliance with International Financial Reporting Standards

These consolidated financial statements (the "consolidated financial statements") have been prepared in accordance with IFRS. The consolidated financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value.

Estimation uncertainty and judgements in applying the entity's accounting policies

The preparation of these consolidated financial statements requires management to make certain estimates, judgments that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the year. Actual results could differ from these estimates.

The accounting policy judgements used in the preparation of the consolidated financial statements that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities and earnings within the next financial year include:

i) *Impairment:* At the end of each reporting period, management applies judgment in assessing whether there are any indicators of impairment relating to exploration and evaluation assets. If there are indicators of impairment, the recoverable amount of the related asset is estimated in order to determine the extent of any impairment. Indicators of impairment may include (i) the period during which the Company has the right to explore in the specific area has expired during the year or will expire in the near future and is not expected to be renewed, (ii) substantive expenditure on further exploration for and evaluation of mineral resources in the 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 entity has decided to discontinue such activities in the specific area; and sufficient data exists to indicate that the carrying value of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale. Management identified no impairment indicators as of December 31, 2024 and 2023.

ii) *Pilot Plant Costs:* The Company exercises significant judgment in determining the appropriate classification of costs related to its Pilot Plant. In 2023, the Pilot Plant was deemed ready for its intended use and was reclassified from exploration and evaluation assets to plant and equipment. However, ongoing costs associated with operating the Pilot Plant, including consumables, and related expenditures, continue to be capitalized as exploration and evaluation costs, as they are directly attributable to evaluating the technical feasibility and commercial viability of the underlying mineral resource. Conversely, costs incurred to enhance the Pilot Plant's capabilities, such as modifications or upgrades that improve its operational efficiency or extend its useful life, are capitalized as plant and equipment in accordance with IAS 16. The distinction between these cost classifications requires management to assess the nature of expenditures carefully, considering the asset's intended use and future economic benefits.

3. MATERIAL ACCOUNTING POLICIES

Basis of consolidation

These consolidated financial statements include the accounts of the Company and its wholly controlled subsidiaries. All intercompany balances and transactions have been eliminated upon consolidation.

These consolidated financial statements are presented in Canadian dollars which are the parent and subsidiaries' functional currency. The functional currency for each entity consolidated with the Company is determined by the currency of the primary economic environment in which it operates.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognized in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the average exchange rates for the period.

Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Details of the Company's subsidiaries are as follows:

Name of Subsidiary	Place of Incorporation	Percentage Ownership December 31, 2024	Percentage ownership December 31, 2023	Principal Activity	Functional Currency
Cypress Holdings (Nevada), Ltd.	Nevada, USA	100%	100%	US Exploration	CAD
2845028 Ontario Ltd.	Ontario, Canada	100%	100%	Holding company	CAD

Foreign currency translation

Transactions in currencies other than the functional currency are recorded at rates approximating those in effect at the time of the transactions. Monetary items are translated at the exchange rate in effect at the statement of financial position date and non-monetary items are translated at historical exchange rates. Translation gains and losses are reflected in profit or loss.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, term deposits, and short-term liquid investments with the original term to maturity of three months or less, which are readily convertible to known amounts of cash, and which are subject to an insignificant risk of changes in value.

3. MATERIAL ACCOUNTING POLICIES (cont'd…)

Exploration and evaluation assets

Costs related to the acquisition, exploration and evaluation of mineral properties are capitalized until the determination of technical feasibility and commercial viability. Once a decision is made that a mining project is technically feasible and commercially viable, exploration and evaluation assets related to that project are reclassified to mineral property development costs within property, plant and equipment. An impairment test is performed at the time of the reclassification.

Any option payments received by the Company from third parties or tax credits refunded to the Company are credited to the capitalized cost of the mineral property. If payments received exceed the capitalized cost of the mineral property, the excess is recognized as income in the year received. The amounts shown for mineral properties do not necessarily represent present or future values. Their recoverability is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development, and future profitable production or proceeds from the disposition thereof.

Plant and equipment

Plant and equipment are recorded at cost less accumulated amortization and impairment losses at the following amortization rates:

Computer hardware	30%	Declining balance
Pilot Plant	2 years	Straight-line over useful life

Equipment that is withdrawn from use or has no reasonable prospect of being recovered through use or sale, are regularly identified, and written off. The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Subsequent expenditures relating to items of plant and equipment are capitalized when it is probable that future economic benefits from the use of the assets will be increased. All other subsequent expenditures are recognized as repairs and maintenance.

Intangible assets

Intangible assets with finite lives are measured at cost less accumulated amortization and impairment losses. These intangible assets are amortized on a straight-line basis over their estimated useful lives. Useful lives, residual values, and amortization methods for intangible assets with finite useful lives are reviewed at least annually.

The Company amortizes its finite life intangible assets over their estimated useful lives which are considered to be the lesser of the term of the underlying license and the mine life, which is estimated to be 40 years. Amortization expense during the exploration and evaluation stage is recorded to exploration and evaluation assets.

Capital stock

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

Proceeds from the issuance of equity units are allocated between common shares and common share purchase warrants based on the residual value method. Under this method, the proceeds are allocated to share capital based on the fair value of the common shares and any residual value is allocated to common share purchase warrants.

3. MATERIAL ACCOUNTING POLICIES (cont'd…)

Share-based compensation

The Company grants stock options to acquire common shares of the Company to Directors, Officers, employees and consultants.

The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model, and is recognized over the vesting period. A corresponding increase in reserves is recorded when stock options are expensed. When stock options are exercised, capital stock is credited for the consideration paid plus the related portion of share-based compensation previously recorded in reserves.

Share-based payments issued to non-employees are measured at the fair value of the goods or services received, except in situations where the fair value of some or all of the goods or services received cannot be specifically identified, in which case they are measured at the fair value of the share-based payment.

Income taxes

Income tax on the profit or loss for the years presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the statement of financial position liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting or taxable loss; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the consolidated statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

3. MATERIAL ACCOUNTING POLICIES (cont'd…)

Loss per share

The Company presents basic and diluted loss per share data for its common shares. Basic loss per share is calculated by dividing the profit or loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year, adjusted for own shares held. Diluted loss per share is determined by dividing the profit or loss attributable to common shareholders by the weighted average number of common shares outstanding, adjusted for own shares held and for the effects of all potential dilutive common shares related to outstanding stock options and warrants issued by the Company for the years presented, except if their inclusion is anti-dilutive.

Financial instruments

Financial assets

The Company classifies its financial assets in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income ("FVTOCI") or at amortized cost. The determination of the classification of financial assets is made at initial recognition. 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.

The Company's accounting policy for each of the categories is as follows:

*Financial assets at FVTPL***:** Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of (loss) income. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets held at FVTPL are included in profit or loss for the period.

Financial assets at amortized cost: A financial asset is measured at amortized cost if the objective of the business model is to hold the financial asset for the collection of contractual cash flows, and the asset's contractual cash flows are comprised solely of payments of principal and interest. They are classified as current assets or non-current assets based on their maturity date and are initially recognized at fair value and subsequently carried at amortized cost less any impairment.

The Company assesses all information available, including on a forward-looking basis, the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as the reporting date, with the risk of default as at the date of initial recognition, based on all information available, and reasonable and supportive forward-looking information.

3. MATERIAL ACCOUNTING POLICIES (cont'd…)

Financial instruments (cont'd…)

The following table shows the classification of the Company's financial assets and liabilities:

Financial instruments	Classification
Cash and cash equivalents	FVTPL
Short-term investments Receivables	FVTPL
Due from related parties	Amortized cost
Marketable securities	FVTPL
Accounts payable and accrued liabilities	Amortized

Financial instrument disclosures

The Company provides disclosures that enable users to evaluate (a) the significance of financial instruments for the entity's financial position and performance; and (b) the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the date of the statement of financial position, and how the entity manages these risks.

The Company provides information about its financial instruments measured at fair value at one of three levels according to the relative reliability of the inputs used to estimate the fair value (Note 14):

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

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

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

3. MATERIAL ACCOUNTING POLICIES (cont'd…)

Leases

At the inception of a contract, the Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company assesses whether the contract involves the use of an identified asset, whether the right to obtain substantially all of the economic benefits from use of the asset during the term of the arrangement exists, and if the Company has the right to direct the use of the asset. At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative standalone prices.

As a lessee, the Company recognizes a right-of-use asset and a lease liability at the commencement date of a lease. The right-of-use asset is initially measured at cost, which is comprised of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any decommissioning and restoration costs, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the lease term, or the end of the useful life of the asset. In addition, the right-of-use asset may be reduced due to impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

A lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by the interest rate implicit in the lease, or if that rate cannot be readily determined, the incremental borrowing rate. Lease payments included in the measurement of the lease liability are comprised of:

- fixed payments, including in-substance fixed payments, less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- exercise prices of purchase options if the Company is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

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 from a change in an index or rate, or if there is a change in the estimate or assessment of the expected amount payable under a residual value guarantee, purchase, extension or termination option. Variable lease payments not included in the initial measurement of the lease liability are charged directly to profit or loss.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. These amounts are capitalized to exploration and evaluation assets.

(Expressed in Canadian Dollars)

4. RECEIVABLES AND PREPAID EXPENSES

Receivables and prepaids are comprised of:

		2024		2023
GST receivable	$	10,093	$	14,345
Prepayments		286,915		387,384
Total	$	297,007	$	401,729

5. PLANT AND EQUIPMENT

	Pilot Plant	Equipment	Total
Cost			
Balance, December 31, 2023	$6,168,426	$ 11,199	$ 6,179,625
Additions	737,029	-	737,029
Balance, December 31, 2024	6,905,455	11,199	6,916,654
Accumulated depreciation			
Balance, December 31, 2023	856,160	3,774	859,934
Depreciation for the year	2,671,080	885	2,671,965
Balance, December 31, 2024	3,527,240	4,659	3,531,899
Net plant and equipment			
Balance, December 31, 2023	$5,312,266	$ 7,425	$5,319,691
Balance, December 31, 2024	$3,378,215	$ 6,540	$3,384,755

(Expressed in Canadian Dollars)

6. RIGHT-OF-USE ASSET AND LEASE LIABILITY

The Company's right-of-use asset is a refining facility lease located in the Amargosa Valley of Nye County, Nevada.

On December 16, 2021, the Company entered into a lease agreement (the "Agreement") replacing the initial lease agreement entered on February 7, 2021. The initial term of the Agreement is for forty-eight (48) months, running from December 1, 2021, to November 30, 2025, at a cost of US$22,500 per month. The Agreement may be terminated with ninety (90) days' notice and extended upon written agreement by all parties. The site is to be used solely for the operation of the lithium extraction Pilot Plant facility unless written consent is received.

Lease liability

A reconciliation of the carrying amount of the lease liability recognized on inception of the lease as follows:

Balance December 31, 2022	$ 811,255
Lease payments	(345,033)
Lease interest (finance costs)	105,676
Balance December 31, 2023	$ 571,897
Lease payments	(344,745)
Lease interest (finance costs)	67,210
Balance December 31, 2024	$ 294,362

During the year ended December 31, 2024, the Company incurred expenditures of $20,207 (December 31, 2023 - $37,732) on short term and low value leases that were not reflected as right-of-use assets and lease liabilities. This amount was capitalized to exploration and evaluation assets (see note 7).

The following amounts were classified as current and non-current liabilities:

	December 31, 2024	December 31, 2023
Current portion of lease liabilities	$ 294,362	$ 277,826
Non-current portion of lease liabilities	$ -	$ 294,071

As at December 31, 2024, the total undiscounted amount of the estimated future cash flows to settle the Company's lease liabilities through November 30, 2025, the remaining lease term, is $316,278.

(Expressed in Canadian Dollars)

6. RIGHT-OF-USE ASSET AND LEASE LIABILITY (cont'd…)

Right-of-use asset

Balance December 31, 2022	753,448
Accumulated depreciation	(258,324)
Balance December 31, 2023	$ 495,124
Accumulated depreciation	(258,324)
Balance December 31, 2024	$ 236,800
Carrying amounts	
December 31, 2023	$ 495,124
December 31, 2024	$ 236,800

7. EXPLORATION AND EVALUATION ASSETS

December 31, 2024

	Angel Island Mine Project	Goat Claims	Nevada, USA Total
Acquisition costs:			
Balance as at December 31, 2023 and 2024	$7,039,565	$ 75,950	$7,115,515
Exploration and evaluation costs:			
Incurred during the year:			
Administrative expenses	386,435	-	386,435
Assaying/sampling	102,572	-	102,572
Consulting	864,760	-	864,760
Feasibility	588,095	-	588,095
Other/supplies	142,891	-	142,891
Pilot plant operating expenses	5,486,660	-	5,486,660
Transportation/fuel	49,324	-	49,324
Travel	94,657	-	94,657
Wages	707,745	-	707,745
	8,423,139	-	8,423,139
Balance, December 31, 2023	26,745,337	-	26,745,337
Balance, December 31, 2024	35,168,476	-	35,168,476
Total balance December 31, 2024	$42,208,041	$75,950	$42,283,991

(Expressed in Canadian Dollars)

7. EXPLORATION AND EVALUATION ASSETS

December 31, 2023

	Angel Island Mine Project	Clayton Valley Pilot Plant	Goat Claims	Nevada, USA Total
Acquisition costs:				
Balance as at December 31, 2022 and 2023	$ 7,039,565	$ -	$ 75,950	$ 7,115,515
Exploration and evaluation costs:				
Incurred during the year:				
Administrative expenses	513,820	-	-	513,820
Assaying/sampling	91,718	-	-	91,718
Consulting	1,036,809	-	-	1,036,809
Depreciation	-	64,582	-	64,582
Feasibility	2,689,167	-	-	2,689,167
Other/supplies	61,472	-	-	61,472
Pilot plant	-	438,117	-	438,117
Pilot plant operating expenses	4,646,033	-	-	4,646,033
Transportation/fuel	22,298	-	-	22,298
Travel	138,985	-	-	138,985
Water rights	613,398	-	-	613,398
	9,813,700	502,699	-	10,316,399
Balance, December 31, 2022	16,931,637	4,554,774	-	21,486,411
Transfer to Plant and Equipment	-	(5,057,473)	-	(5,057,473)
Balance, December 31, 2023	26,745,337	-	-	26,745,337
Total balance, December 31, 2023	$33,784,902	$ -	$75,950	$33,860,853

In 2023, the Company determined the Pilot Plant was ready for its intended use. As such, the carrying value of the Pilot Plant was reclassified from exploration and evaluation asset to plant and equipment

7. EXPLORATION AND EVALUATION ASSETS (cont'd…)

Angel Island Mine

The contiguous Dean, Glory and Enertopia properties collectively comprise the Company's Angel Island Mine. Exploration drilling began in 2017.

Glory

In 2016, the Company acquired a 100% interest in the Glory Lithium Project for US$162,500 in cash payments ($212,357) and the issuance of 1,100,000 shares of the Company (issued at a fair value of $175,000). The optionor retains a 3% net smelter royalty ("NSR") with the Company having the right to purchase 2% of the NSR for US$1,000,000.

Dean

On September 8, 2016, the Company acquired a 100% interest in the Dean claims for US$140,000 in cash payments and the issuance of 1,050,000 shares of the Company. The optionor retains a 3% NSR. The Company has the right to purchase 2% of the NSR for US$1,000,000.

Enertopia

On May 4, 2022, the Company acquired the Enertopia Project.. The underlying royalty holders retain a 1% NSR. The Company issued 3,000,000 common shares valued at $4,890,000 and paid US$1,100,000 ($1,418,147) in cash for the Enertopia Project. In connection with the transaction, the Company also paid a finder's fee of US$105,000 ($135,368).

Other Claims

Gunman Project, White Pine Claims, Nevada, USA

The Company has a 49% interest in certain claims located in White Pine County, Nevada, known as the Gunman Project. The project is subject to a 2% NSR. On December 5, 2017, the Company entered into an option agreement (the "Agreement") with Pasinex Resources Limited ("Pasinex"), whereby a previous optionee transferred its option to earn up to an 80% interest in the project to Pasinex.

In order to acquire an initial 51% interest in the project (the "First Option"), Pasinex issued 600,000 of its common shares to the Company, made cash payments of US$100,000 and had to incur exploration expenditures totaling US$1,850,000 over the three-year term of the agreement. The Company also granted Pasinex a second option (the "Second Option") to acquire an additional 29% interest by issuing 200,000 common shares, making a cash payment of US$250,000 and incurring US$1,100,000 in exploration expenditures within one year of satisfying and exercising the First Option.

On September 11, 2019, and again on November 27, 2020, the Company and Pasinex amended the Agreement, whereby the First Option was extended to December 31, 2022, and the Second Option was extended to December 31, 2024. As Pasinex did not fulfill the necessary conditions before the expiry date, the Second Option has lapsed, and Pasinex's ownership interest in the project remains fixed at 51%. As a condition for extending the Agreement, Pasinex paid the Company US$15,000 ($19,498) and must incur exploration expenditures of US$200,000 by December 31, 2021. On December 13, 2021, a third amending agreement extended the due date of US$200,000 in exploration expenditures from December 31, 2021, to June 30, 2022. As consideration, the Company received US$20,000 ($25,849) and recognized a recovery on exploration and evaluation assets in the statement of profit or loss during fiscal 2021.

Pasinex completed the required US$200,000 in exploration expenditures by June 30, 2022.

On December 29, 2022, a fourth amending agreement extended the deadline for completion of the First Option Conditions of Exercise from December 31, 2022, to September 30, 2023. Pasinex completed the required US$1,400,000 expenditure commitment during the third quarter 2023 and has now earned a 51% interest in the project.

(Expressed in Canadian Dollars)

7. EXPLORATION AND EVALUATION ASSETS (cont'd…)

Other Claims (cont'd…)

Gunman Project, White Pine Claims, Nevada, USA (cont'd…)

Pasinex had the following cash payments and share issuances to make to the Company to earn the Second Option:

Due Date	Cash Payments	Share Issuances	Expenditure Commitments
To acquire an additional 29%:			
By December 31, 2024	US$250,000	200,000	US$1,100,000
Receipt of a feasibility report within 90 days of exercise of the First Option			

The cash payment was not made, and the feasibility report has not been received from Pasinex as of December 31, 2024. Consequently, Pasinex's interest in the project remains at 51%, and with the expiration of the Second Option on December 31, 2024, Pasinex no longer has the right to acquire an additional 29% interest in the project unless renegotiation occurs.

Goat Claims, Nevada, USA

On May 3, 2021, the Company acquired mining by issuing 49,000 common shares with a fair value of $75,950.

Water Rights, Nevada, USA

On September 7, 2021, the Company entered into a Water Rights Purchase and Sale Agreement (the "Water Rights Agreement") with Intor Resources Corporation ("Intor"), a wholly-owned subsidiary of Nevada Sunrise Gold Corporation, for the purchase of Intor's Water Rights Permit in Clayton Valley, Nevada (the "Permit"). The Permit allows for the use of water for mining, milling and domestic use.

Consideration paid for the Permit was US$2,150,000 ($2,691,445) and the issuance of 546,909 common shares with a fair value of $973,498.

The original Permit was valid until August 28, 2022, and thereafter annual extensions are made. The annual extension was granted on August 22, 2024, granting the Company an extension of time to August 28, 2025.

Reclamation Bonds, Nevada, USA

As at December 31, 2024, the Company held reclamation bonds with respect to the Nevada, USA properties of $41,774 (December 31, 2023 - $41,774).

(Expressed in Canadian Dollars)

8. INTANGIBLE ASSET

In 2021 the Company acquired a license to use the Lionex direct lithium extraction ("DLE") process to recover lithium from brines at the Company's Angel Island Mine. The Company acquired 100% ownership of a private company, 2845028 Ontario Inc., which owns the pilot plant equipment ("Pilot Plant Equipment") and the DLE license, for $350,000 and 1,000,000 of the Company's common shares ("Consideration Shares"). The purchase price grants the Company full ownership of 2845028 Ontario Inc. with no further payment or royalty obligations for the use of the DLE process. The shares were released from escrow in 2022.

On January 1, 2023, the Company determined the DLE License was ready for its intended use. As such, the asset is being depreciated over its estimated useful life of 40 years from that date.

	DLE License
Cost	
Balance, December 31, 2023 and 2024	$1,192,000
Accumulated Depreciation	
Balance, December 31, 2023	29,800
Depreciation for the year	29,800
Balance, December 31, 2024	59,600
Balance, December 31, 2023	$1,162,200
Balance, December 31, 2024	$1,132,400

9. CAPITAL STOCK

Authorized

An unlimited number of common shares without par value.

Issuances during the year ended December 31, 2024:

The Company issued a total of 755,000 common shares on the exercise of share options for gross proceeds of $135,900. The original $117,328 value of these share options was transferred from reserves to capital stock.

Issuances during the year ended December 31, 2023:

The Company issued a total of 6,412 common shares on the exercise of share purchase warrants for gross proceeds of $8,015. The original $4,438 value of these warrants was transferred from reserves to capital stock.

The Company also issued a total of 1,280,000 common shares on the exercise of share options for gross proceeds of $281,600. The original $222,702 value of these share options was transferred from reserves to capital stock.

(Expressed in Canadian Dollars)

10. RESERVES

The Company has a stock option plan in place under which it is authorized to grant options, restricted share units and deferred share units to Directors, Officers, employees, and consultants, to acquire up to 10% of the issued and outstanding common stock of the Company. The exercise price of each option is set by the directors but cannot be less than the closing price on the grant date. The options can be granted for a maximum term of 10 years and vest at the discretion of the Board of Directors.

Stock option and share purchase warrant transactions are summarized as follows:

	Warrants		Stock Options	
	Number	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
Outstanding at December 31, 2023	21,134,679	$2.141	8,083,000	$1.278
Granted	-	-	845,000	0.32
Exercised	-	-	(755,000)	0.18
Expired	(21,134,679)	2.141	(625,000)	1.446
Outstanding at December 31, 2024	-	-	7,548,000	$1.267

Share-based Compensation

During the year ended December 31, 2024, the Company granted 845,000 (2023 – 2,613,000) options to consultants, officers, and directors. Total share-based compensation recognized in the statement of loss and comprehensive loss for options granted and vested was $761,457 (2023 - $1,330,357) and the weighted average fair value of each option granted was $0.32 (2023 - $0.87). There were 755,000 options exercised in 2024 with a weighted average price on the day of exercise of $0.18.

The following incentive stock options were outstanding at December 31, 2024:

	Number of Shares	Exercise Price	Expiry Date
Stock Options:	200,000	$ 0.345	August 4, 2025
	750,000	$ 1.250	May 3, 2026
	1,745,000	$ 2.260	November 22, 2026
	750,000	$ 1.840	April 4, 2027
	645,000	$ 1.060	November 17, 2027
	1,318,000	$ 1.030	April 24, 2028
	450,000	$ 0.940	June 28, 2028
	845,000	$ 0.590	November 29, 2028
	845,000	$ 0.320	December 11, 2029
Total:	**7,548,000**	**$ 1.267**	

(Expressed in Canadian Dollars)

10. RESERVES (cont'd…)

Share-based Compensation

The following range of assumptions were used for the Black-Scholes valuation of stock options granted during fiscal 2024 and 2023:

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	2024	2023
Risk-free interest rate	2.89%	3.08% – 3.78%
Expected life	5 years	5 years
Annualized volatility	77.98%	76.33% - 78.87%
Estimated forfeiture rate	0%	0%
Dividend rate	0%	0%

11. RELATED PARTY TRANSACTIONS

Key management compensation

Key management personnel consists of the Company's Directors and Officers. The aggregate amount paid or accrued to key management personnel, or companies under their control, was as follows:

	December 31, 2024	December 31, 2023
Directors' fees	$ 284,259	$ 271,994
Salaries and wages	200,000	246,000
Administrative, office and miscellaneous	248,353	362,743
Capitalized to exploration and evaluation assets	861,718	1,273,488
Share-based compensation	392,498	751,295
Total	$ 1,986,828	$ 2,905,520

As at December 31, 2024, $15,382 (December 31, 2023 - $14,904) is included in accounts payable and accrued liabilities owing to Directors and/or companies under their control.

Administrative agreement

The Company operates from the premises of a private company owned by a director of the Company. Through March 2023 the Company received office and administrative services under this contract for a fixed price of $27,500 per month. In March 2024, the Company extended the agreement for three-months, at $17,500 per month, and in July 2024, the agreement was continued at an amended price of $12,000 per month, cancellable by three-month's notice by either party.

(Expressed in Canadian Dollars)

12. INCOME TAXES

A reconciliation of current income taxes at statutory rates with the reported taxes is as follows:

	2024	2023
Loss before income taxes	$(2,776,864)	$(3,937,166)
Expected income tax recovery	$(750,000)	$(1,063,000)
Non-deductible items	205,000	359,000
Change in statutory and foreign tax	11,000	20,000
Losses and temporary differences for which no future income tax asset has been recognized	(286,000)	(441,000)
Change in unrecognized deductible temporary differences	820,000	1,125,000
Adjust to prior years provision versus statutory return	-	-
Total income tax recovery	$ -	$ -

Significant components of deductible and taxable differences and unused tax losses that have not been included in the statement of financial position are as follows:

	2024	2023	Expiry Dates
Exploration and evaluation assets	$4,725,000	$2,557,000	No expiry date
Share issue costs	890,000	1,485,000	2038 – 2045
Marketable securities	53,000	41,000	No expiry date
Non-capital losses	21,189,000	20,777,000	2020 – 2042
Total	$26,857,000	$24,860,000	

(Expressed in Canadian Dollars)

13. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOWS

	December 31, 2024	December 31, 2023
Cash received during the period for interest	$412,731	$825,472

Significant non-cash transactions as at and for the year ended December 31, 2024, are as follows:

i) Exploration and evaluation asset expenditures of $166,022 are included in accounts payable and accrued liabilities.

ii) Plant and equipment depreciation of $2,671,080 was capitalized to exploration and evaluation assets (Note 5).

Significant non-cash transactions as at and for the year ended December 31, 2023, are as follows:

iii) Exploration and evaluation asset expenditures of $344,468 remain in accounts payable and accrued liabilities.

iv) Plant and equipment depreciation of $856,160 was capitalized to exploration and evaluation assets (Note 5).

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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

Cash and cash equivalents are measured at amortized cost, while marketable securities are carried at fair value using a Level 1 fair value measurement. The carrying value of receivables, due from related party and accounts payable and accrued liabilities approximate their fair value because of the short-term nature of these instruments.

Financial risk factors

The Company’s risk exposures and the impact on the Company’s financial instruments are summarized below:

Credit risk

Credit risk is the risk of loss associated with a counter-party’s inability to fulfill its payment obligations. The Company’s credit risk is primarily attributable to cash and cash equivalents. Management believes that credit risk with respect to cash and cash equivalents is limited, as the majority of the Company’s cash and cash equivalents are held with the Bank of Montreal, a Canadian bank.

14. INSTRUMENTS AND RISK MANAGEMENT (cont'd…)

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when they come due. As at December 31, 2024, the Company had cash and cash equivalents of $5,982,883 (2023 - $14,369,089) to settle current liabilities of $594,633 (2023 - $723,905) and had working capital of $5,697,257 (2023 - $14,070,913). All of the Company's financial liabilities are subject to normal trade terms.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. These fluctuations may be significant.

(a) Interest rate risk

The Company has cash and cash equivalents balances held with financial institutions. The Company's current policy is to invest excess cash in savings accounts or guaranteed investment certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. The Company has $5,718,839 in interest-bearing savings accounts with banks as at December 31, 2024 (December 31, 2023 - $13,588,341) with accrued interest of $nil (December 31, 2023 - $nil). A 1% change in interest rates would have an effect of $57,188 (2023 - $135,883) on interest income.

(b) Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to cash, receivables and accounts payable and accrued liabilities that are denominated in United States Dollars. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. In addition to cash in US currency of $221,631 (December 31, 2023 - $687,580) as of December 31, 2024, the Company has $166,022 (December 31, 2023 - $303,752) in liabilities to US payees. A 1% change in foreign exchange rates would have an effect of $3,876 (2023 - $9,913) on foreign currency gain/loss.

15. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it based on the funds available to the Company, in order to support the acquisition, exploration and evaluation of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital that it manages as shareholders' equity.

The properties in which the Company currently has an interest are in the exploration and evaluation stage. As such the Company has historically relied on the equity markets to fund its activities. The Company may continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the year ended December 31, 2024.