VOLT CARBON TECHNOLOGIES INC.
(FORMERLY SAINT JEAN CARBON INC.)

Audited Consolidated Financial Statements

for the years ended October 31, 2022 and October 31, 2021

MANAGEMENT'S REPORT TO THE SHAREHOLDERS

The accompanying consolidated financial statements have been prepared by management and approved by the Board of Directors of the Company. Management is responsible for the information and representations contained in these consolidated financial statements and the accompanying Management's Discussion and Analysis. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The significant accounting policies followed by the Company are set out in *Note 3* to the consolidated financial statements.

To assist management in discharging these responsibilities, the Company maintains a system of procedures and internal controls which are designed to provide reasonable assurance that its assets are safeguarded, that transactions are executed in accordance with management's authorization, and that the financial records form a reliable base for preparation of accurate and timely financial information.

The Company's external auditors are appointed by the shareholders. They independently perform the necessary tests of accounting records and procedures to enable them to report their opinion on whether the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at October 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

The Board of Directors ensures that management fulfills its responsibilities for financial reporting and internal control. The Board of Directors exercises this responsibility through an Audit Committee. The Audit Committee has reviewed and discussed the consolidated financial statements, including the notes thereto, with management and the external auditors. The consolidated financial statements have been approved by the Board of Directors on the recommendation of the Audit Committee.

"V-Bond Lee"
V-Bond Lee
Chief Executive Officer

"David Madill"
David Madill
Chief Financial Officer

Independent Auditors' Report

To: The Shareholders of **Volt Carbon Technologies Inc. (formerly Saint Jean Carbon Inc.)**

Opinion

We have audited the consolidated financial statements of Volt Carbon Technologies Inc. (formerly Saint Jean Carbon Inc and its subsidiary, Solid Ultra Battery Ltd. (collectively, the "Company"), which comprise the consolidated statements of financial position as at October 31, 2022 and 2021 and the consolidated statements of operations and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at October 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 2(a) to the consolidated financial statements which indicate that at October 31, 2022 the Company has incurred a loss from operations of $2,555,912, has a working capital deficit of $1,585,370, negative cash flow from operations of $1,848,665 and an accumulated deficit of $28,133,588. This condition, along with other matters as set forth in Note 2(a), 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 qualified in respect of this matter.

Information Other than the Consolidated Financial Statements and Auditors' Report Thereon

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

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

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

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

Responsibilities of Management and Those Charged With Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, 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.

Auditors’ 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 auditors' 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 judgement 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 auditors’ 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 auditors’ report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

The engagement partner on the audit resulting in this Independent Auditors' report is Roland A. Bishop, CPA, CA.

Kenway Mack Slusarchuk Stewart LLP

February 22, 2023 — Chartered Professional Accountants

Calgary, Alberta

VOLT CARBON TECHNOLOGIES INC. (FORMERLY SAINT JEAN CARBON INC.)
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

		As at October 31, 2022		As at October 31, 2021
ASSETS				
Current				
Cash	$	72,088	$	141,996
Accounts receivable (Note 6)		38,790		45,994
Prepaid expenses		22,660		175,902
		133,538		363,892
Term deposits (Note 16)		61,209		41,000
Equipment (Note 7)		957,357		437,858
Mineral exploration and evaluation assets (Note 8)		954,869		854,869
Right-of-use assets (Note 9)		1,030,201		1,113,483
Intangible assets (Note 10)		1,425,887		1,373,057
Other assets		-		610
	$	4,563,061	$	4,184,769
LIABILITIES				
Current				
Accounts payable and accrued liabilities (Note 11)	$	973,847	$	957,079
Notes payable (Note 12)		574,948		444,452
Current portion of lease liabilities (Note 9)		108,665		73,231
Interest payable		61,448		65,141
Other liabilities		-		85,000
		1,718,908		1,624,903
Lease liabilities (Note 9)		958,881		1,040,098
		2,677,789		2,665,001
SHAREHOLDERS' EQUITY				
Share capital (Note 13)		26,852,937		24,206,052
Contributed surplus		3,165,923		2,891,392
Deficit		(28,133,588)		(25,577,676)
		1,885,272		1,519,768
	$	4,563,061	$	4,184,769

Going concern (Note 2(a))
Contingency (Note 20)

See accompanying notes

On behalf of the Board of Directors:

"V-Bond Lee"
CEO, Director

"David Madill"
CFO, Director

VOLT CARBON TECHNOLOGIES INC. (FORMERLY SAINT JEAN CARBON INC.)
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)

	Year ended, October 31, 2022	Year ended, October 31, 2021
Revenue	$ -	$ -
Expenses		
Consulting fees	$ 647,813	$ 500,856
Office and general	516,588	73,317
Stock-based compensation (Note 13)	390,591	1,086,338
Professional fees	371,949	160,576
Research expenses	152,386	67,570
Amortization on right-of-use assets (Note 9)	131,141	49,796
Amortization on equipment (Note 7)	120,964	76,668
Investor relations	84,324	179,072
Rent and occupancy expenses (recovery)	84,134	5,686
Regulatory and filing fees	78,979	58,504
Interest on lease liabilities (Note 9)	65,570	12,555
Loan interest and bank charges	63,394	155,005
(Gain) loss on foreign exchange	5,724	(8,873)
Gain on settlement of accounts payable	-	(225,945)
Loss on disposal of assets	-	9,144
Reversal of accrued liability	(57,645)	(100,000)
Reversal of impairment (Note 8)	(100,000)	-
	2,555,912	2,100,269
Loss from operations	(2,555,912)	(2,100,269)
Other income (loss)	-	26,449
Loss and comprehensive loss	(2,555,912)	(2,073,820)
Loss per share - basic and diluted (Note 13(b))	$ (0.018)	$ (0.020)
Weighted average number of shares outstanding - basic and diluted	145,431,895	105,309,909

See accompanying notes

VOLT CARBON TECHNOLOGIES INC. (FORMERLY SAINT JEAN CARBON INC.)
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian Dollars)

	Number of shares		Share Capital		Contributed Surplus		Deficit		Total
Balance at November 1, 2020	**83,797,532**		**21,190,744**		**1,805,054**		**(23,503,856)**		**(508,058)**
Issuance of shares for non-cash items	115,000		5,750		-		-		5,750
Issuance of shares for acquisition of	22,000,000		1,320,000						1,320,000
Private placements	10,500,000		997,500		-		-		997,500
Shares issued due to exercise of warrants	8,131,250		494,062		-		-		494,062
Shares issued due to exercise of options	4,850,000		242,500		-		-		242,500
Stock-based compensation	-		-		1,086,338		-		1,086,338
Share issuance costs	-		(44,504)		-		-		(44,504)
Loss and comprehensive loss	-		-		-		(2,073,820)		(2,073,820)
Balance, October 31, 2021	**129,393,782**	**$**	**24,206,052**	**$**	**2,891,392**	**$**	**(25,577,676)**	**$**	**1,519,768**
Balance at November 1, 2021	**129,393,782**	**$**	**24,206,052**	**$**	**2,891,392**	**$**	**(25,577,676)**		**1,519,768**
Private placements	20,000,000		2,500,000		-		-		2,500,000
Shares issued due to exercise of warrants	3,183,750		159,188		-		-		159,188
Shares issued due to exercise of options	800,000		216,060		(116,060)		-		100,000
Stock-based compensation	-		-		390,591		-		390,591
Share issuance costs	-		(228,363)		-		-		(228,363)
Loss and comprehensive loss	-		-		-		(2,555,912)		(2,555,912)
Balance, October 31, 2022	**153,377,532**	**$**	**26,852,937**	**$**	**3,165,923**	**$**	**(28,133,588)**	**$**	**1,885,272**

See accompanying notes

VOLT CARBON TECHNOLOGIES INC. (FORMERLY SAINT JEAN CARBON INC.)
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)

	Year ended, October 31, 2022	Year ended, October 31, 2021
Cash flows from (used in) operating activities		
Loss and comprehensive loss	$ (2,555,912)	$ (2,073,820)
Items not involving cash:		
Amortization on capital assets	120,964	76,668
Amortization on right-of-use assets	131,141	49,796
Stock-based compensation	390,591	1,086,338
Gain on reversal of accrued liability	-	(100,000)
Gain on reversal of impairment	(100,000)	-
Gain on settlement of accounts payable	-	(225,945)
Interest on lease liabilities	65,570	12,555
Write off of other assets	610	-
Loan bonus	-	5,750
Loss on disposal of assets	-	9,144
	(1,947,036)	(1,159,514)
Changes in non-cash working capital items:		
Accounts receivable	7,204	(28,204)
Prepaid expenses	148,092	(172,181)
Accounts payable and accrued liabilities	16,768	(278,103)
Interest payable	11,307	63,407
Other liabilities	(85,000)	(62,500)
	(1,848,665)	(1,637,095)
Cash flows from (used in) investing activities		
Purchase of capital assets	(640,463)	(148,910)
Proceeds from sale of capital assets	-	1,000
Acquisition of intangible asset	(52,830)	(36,257)
Exploration and evaluation expenditures	-	(15,287)
Acquisition of other assets	-	432
	(693,293)	(199,022)
Cash flows from (used in) financing activities		
Issuance of share capital	2,500,000	997,500
Exercise of warrants	159,188	494,062
Exercise of options	100,000	242,500
Share issuance costs	(228,363)	(44,504)
Proceeds of notes payable	655,496	442,931
Repayment of note payable	(540,000)	(138,000)
Restricted cash	(20,210)	-
Decrease of lease liability obligation	(154,061)	(45,817)
	2,472,050	1,948,672
Increase (decrease) in cash	(69,908)	112,555
Cash, beginning of year	141,996	29,441
Cash, end of year	$ 72,088	$ 141,996

See accompanying notes

1. CORPORATE INFORMATION AND NATURE OF OPERATIONS

Volt Carbon Technologies Inc. (formerly Saint Jean Carbon Inc.) (the "Company") is incorporated provincially in Alberta, and extra provincially in Saskatchewan, Manitoba, Quebec and British Columbia has shares listed on the TSX Venture Exchange ("TSX-V"). The Company's registered office is located at 117 – 70 Country Hills Landing NW, Calgary, Alberta T3K 2L2.

The Company's operations are focused on exploring mineral properties and developing its air classifier technology. Volt Carbon Technologies Inc.'s wholly-owned subsidiary, Solid Ultrabattery Inc. is focused on developing its battery technology.

2. BASIS OF PRESENTATION AND GOING CONCERN

Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Reporting Interpretations Committee ("IFRIC"). These consolidated financial statements were approved by the Board of Directors on February 14, 2023.

a) Going concern

These consolidated financial statements have been prepared on a going-concern basis which assumes that the Company will be able to realize assets and discharge liabilities in the normal course of business for the foreseeable future. Accordingly, it does not give effect to adjustments, if any, that would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and liquidate its liabilities in other than normal course of business and at amounts which may differ from those shown in the consolidated financial statements.

As at October 31, 2022, the Company has incurred a loss from operations of $2,555,912, has a working capital deficit of $1,585,370, negative cash flow from operations of $1,848,665 and an accumulated deficit of $28,133,588. As the Company currently has no revenue generating activity, it is dependent upon obtaining additional equity and debt financing to fund its research activities and continue as a going concern. During the year, the Company raised proceeds of $2,500,000 through the issuance of units through private placement, $100,000 from the exercise of stock options, $159,188 from the exercise of warrants and proceeds of $649,000 from debt financing. Subsequent to year-end, the Company raised additional $700,000 through the issuance of shares through private placement and $267,300 from the exercise of stock options.

This condition, along with other matters as set forth in the above paragraph, indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

2. BASIS OF PRESENTATION AND GOING CONCERN (continued)

b) Measurement basis

These consolidated financial statements are prepared on the historical cost basis except for certain financial instruments, which are measured at fair value. The Company's presentation and functional currency is Canadian dollars.

The accounting policies set out below have been applied consistently to all years presented in these consolidated financial statements.

a) Mineral exploration and evaluation assets

The Company is in the exploration stage with respect to its investment in mineral properties. Expenditures incurred before the entity has obtained the legal rights to explore a specific area are expensed.

All costs directly associated with property acquisition and exploration activities are capitalized as exploration and evaluation assets. Costs that are capitalized are limited to costs related to the acquisition and exploration activities that can be associated with finding specific mineral resources, and do not include costs related to production, administrative expenses and other general indirect costs.

Costs related to the acquisition of mining properties and exploration and evaluation expenditures are capitalized by property until the technical feasibility and commercial viability of extracting a mineral resource are demonstrable. When the technical feasibility and commercial viability of extracting a mineral resource are demonstrable, exploration and evaluation assets are reclassified as mining assets under development. Exploration and evaluation assets are assessed for impairment before reclassification, and any impairment loss is then recognized.

The Company may occasionally enter into farm-out arrangements, whereby the Company will transfer part of a mineral interest, as consideration, for an agreement by transferee to meet certain exploration and evaluation expenditures which would have otherwise been undertaken by the Company. The Company does not record any expenditures made by the farmee on its behalf. Any cash consideration received from the agreement is credited against the costs previously capitalized to the mineral interest given up by the Company, with any excess cash accounted for as a gain on disposal.

b) Equipment

Equipment is recorded at cost less accumulated amortization and accumulated impairment losses. Amortization is calculated at the following annual rates and basis:

Leasehold improvements	Straight line -Lease term
Mill equipment	20% Declining balance
Furniture, fixtures and other equipment	20 – 55% Declining balance

One-half of the above rates are used in the year of acquisition.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Intangible asset

Purchased intangible assets are recognized as assets in accordance with IAS 38 – Intangible Assets, where it is probable that the use of the asset will generate future economic benefits and where the cost of the asset can be determined reliably. Intangible assets acquired are initially recognized at cost of purchase and are subsequently carried at cost less accumulated amortization, if applicable, and accumulated impairment losses. The useful lives of intangible assets are assessed as either finite or indefinite. All indefinite life intangible assets are stated at cost less accumulated impairment. The initial acquisition cost is based on the fair value of consideration paid and related acquisition costs. Subsequent costs are expensed unless they meet the criteria for capitalization.

d) Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its mineral exploration and evaluation assets, equipment and intangible assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated in order to determine the extent of the impairment loss, if any.

The recoverable amount is the greater of fair value less costs to sell and value in use of the asset. When the recoverable amount is less than the carrying amount, the carrying amount of the asset is reduced to its recoverable amount by recording an impairment loss.

For the purposes of determining impairment of exploration and evaluation assets, the Company considers each property to be a cash-generating unit. When assessing for a possible impairment the Company considers whether any of the following facts and circumstances apply to a specific property: the rights to explore the property have expired (or are about to expire), no further substantive expenditure or further exploration of the property is planned, the exploration conducted on the property has not led to the discovery of commercially viable quantities of mineral resources and the Company has decided to discontinue such activities, or sufficient data exists to indicate that development of the property is likely to proceed but the carrying amount of the property is unlikely to be recovered in full from successful development or by sale.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

e) Leases

The Company recognizes a right-of-use asset ("RUA") and a lease liability based on the present value of future lease payments when the leased asset is available for use by the Company. The lease payments include fixed payments. The lease payments are discounted using the interest rate implicit in the lease or the lessee's incremental borrowing rate. Generally, the Company uses the lessee's incremental borrowing rate for its present value calculations.

Lease payments are discounted over the lease term, which includes the fixed term and renewal options that the Company is reasonably certain to exercise. Lease payments are allocated between the lease liability and a finance cost, which is recognized in finance costs over the lease term in the statement of earnings. RUA are measured at cost, less any accumulated amortization and accumulated impairment losses, and adjusted for any re-measurement of lease liabilities. Cost is calculated as the initial measurement of the lease liability plus any initial direct costs and any lease payments made at or before the commencement date. RUA's are amortized on a straight-line basis over the shorter of the lease term or the useful life.

f) Revenue recognition

The Company earns incidental revenue from graphite processing services, which is recognized when the services are performed.

g) Income taxes

Income tax expense represents current tax and deferred tax. The Company records current tax based on the taxable profits for the period which is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred income taxes are accounted for using the liability method. The liability method requires that income taxes reflect the expected future tax consequences of temporary differences between the carrying amounts of assets and liabilities and their tax bases. Deferred income tax assets and liabilities are determined for each temporary difference based on currently enacted or substantively enacted tax rates that are expected to be in effect when the underlying items of income or expense are expected to be realized. The effect of a change in tax rates or tax legislation is recognized in the period of substantive enactment. Deferred tax assets, such as non-capital loss carry forwards, are recognized to the extent it is probable that taxable profit will be available against which the asset can be utilized.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

h) Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. At each financial position reporting date presented the Company has not incurred any decommissioning costs related to the exploration and evaluation of its mineral properties and accordingly no provision has been recorded for such site reclamation or abandonment.

i) Share capital

The Company records proceeds from share issuances net of issue costs. When unit issuances include warrants the excess of proceeds over fair value of shares is credited to contributed surplus.

Shares issued for consideration other than cash are valued at the quoted price on the TSX-V on the date the shares are issued unless the fair value of goods and services is readily determinable.

j) Share-based payments

The Company has a stock option plan that is described in *Note 13(d).*

Where equity instruments are granted to employees, they are recorded at the fair value of the equity instrument granted at the grant date. The fair value is determined by the Black-Scholes Option Pricing Model with assumptions for: weighted average risk-free interest rates; dividend yields; weighted-average volatility factors of the expected market price of the Company's Common Shares; and a weighted average expected life of the options.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received, unless they are related to the issuance of shares. Amounts related to the issuance of shares are recorded as a reduction of share capital.

Where equity instruments are used to purchase mineral properties the value of these share-based payments is calculated using the closing price of the shares on the date of issue as determined by the public exchange upon which they are listed as this is the most readily determinable value.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

k) Basic and diluted loss per share

Basic loss per share is computed by dividing the loss for the year by the weighted average number of common shares outstanding during the year. Diluted earnings per share reflect the potential dilution that could occur if potentially dilutive securities were exercised or converted to Common Shares. The dilutive effect of options and warrants and their equivalent is computed by application of the treasury stock method and the effect of convertible securities by the "if converted" method. Fully diluted amounts are not presented when the effect of the computations is anti-dilutive due to the losses incurred. Accordingly, there is no difference in the amounts presented for basic and diluted loss per share.

l) Share capital – flow through shares

The Company finances a portion of its exploration activities through the issue of flow-through shares.

The Company provides certain share subscribers with a flow-through component for tax incentives available on qualifying Canadian exploration expenditures. The Company renounces the qualifying expenditures upon issuance of the respective flow-through common shares and accordingly is not entitled to the related taxable income deductions for such expenditures.

The shares issued require that the Company make certain qualifying expenditures for tax purposes on or before December 31, the deduction of which flow through to the shareholders.

The Company may incur liabilities in the event that it has not incurred sufficient qualifying expenditures or has renounced expenses to investors that do not meet the definition of a qualifying expenditure for tax purposes.

The proceeds from issuing flow-through shares are allocated between the offering of shares and the sale of tax benefits. The allocation is based on the difference ("premium") between the quoted price of the Company's existing shares and the amount the investor pays for the actual flow-through shares. A liability is recognized for the premium and is reversed into the statement of loss as a deferred tax recovery when the eligible expenditures are incurred. If the flow-through shares are not issued at a premium, a liability is not recorded.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

m) Financial instruments

Recognition
Financial assets and financial liabilities are recognized on the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Classification
Financial assets are classified as subsequently measured at amortized cost or fair value through profit or loss on the basis of both the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. The classification of subsequently measured at amortized cost is used when the objective of the business model is to hold assets and collect contractual cash flows, and the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company's cash, accounts receivable and term deposits are classified as financial assets subsequently measured at amortized cost.

Financial liabilities are classified as subsequently measured at amortized cost, unless they meet the criteria for measurement at fair value or other prescribed measurement. The Company's accounts payable and accrued liabilities, notes payable, interest payable and other liabilities are classified as financial liabilities subsequently measured at amortized cost.

Measurement
Financial assets and financial liabilities classified as subsequently measured at amortized cost are initially measured at fair value plus or minus transaction costs that are directly attributable to the acquisition of the financial asset or issue of the financial liability. Subsequently, the financial assets and liabilities are measured at amortized cost using the effective interest rate method.

Impairment
Financial assets classified as subsequently measured at amortized cost or fair value through other comprehensive income reflect the Company's assessment of expected credit losses.

Expectations reflect historical credit losses, adjusted for forward looking factors. The expected credit loss provision is based on expectations for the next twelve months unless there has been a significant increase in the customer's credit risk, resulting in the provision being based on expectations for the remaining lifetime of the asset.

4. RECENT ACCOUNTING PRONOUNCEMENTS

At the date of authorization of these consolidated financial statements, the IASB and IFRIC have issued the following new and revised standards, amendments and interpretations which are not yet effective during the year ended October 31, 2022. The following new or amended standards are effective for year-ends starting after January 1, 2023 and have not yet been adopted by the Company.

(a) IAS1 "Presentation of financial statements" – amendments to the classification of liabilities as current. The objectives of the amendments are to provide clarification on the classification of liabilities and state explicitly than a company classifies a liability as current when it does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

(b) IAS8 "Accounting Policies, Changes in Accounting Estimates and Errors" – amendment. The amendment provides a definition of accounting estimates and provides clarifications to help distinguish between accounting policies and accounting estimates. Accounting estimates are defined as monetary amounts that are subject to measurement uncertainty.

The Company does not anticipate that adoption of the above standards will have significant financial reporting implications.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

Information about critical judgments in applying accounting policies that have the most significant risk to cause material adjustment to the carrying amounts of assets and liabilities recognized in these consolidated financial statements within the next financial year are discussed below:

(Expressed in Canadian Dollars)

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Impairment of non-financial assets
The impairment assessment requires estimates and assumptions such as discount rates, exchange rates, commodity prices, future capital requirements and future operating performance.

Fair value of options
The fair value of equity instruments is subject to the limitations of the Black-Scholes option pricing model, as well as other pricing models that incorporate market data and involves uncertainty in estimates used by management in the assumptions. Because option pricing models require inputs of highly subjective assumptions, including the volatility of share prices, changes in subjective input assumptions can materially affect the fair value estimate.

Business acquisitions
Management determines whether assets acquired, and liabilities assumed constitute a business. A business consists of inputs and processes applied to those inputs to create outputs of measurable value. The Company completed the acquisition of Solid Ultrabattery Inc. on May 27, 2021 which was deemed not to be a business in accordance with IFRS 3, so the transaction has been treated as an asset acquisition.

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

6. ACCOUNTS RECEIVABLE

	2022	**2021**
Other receivables	$ 592	$ 3,427
GST receivable	38,198	42,567
	$ 38,790	**$ 45,994**

(Expressed in Canadian Dollars)

7. EQUIPMENT

Cost	**Plant equipment**	**Leasehold improvements**	**Furniture, fixtures and other equipment**	**Total**
At November 1, 2020	**$ 629,991**	**$ 49,866**	**$ 15,184**	**$ 695,041**
Additions	-	136,189	12,721	148,910
Disposals	-	(49,866)	(9,518)	(59,384)
At October 31, 2021	**$ 629,991**	**$ 136,189**	**$ 18,387**	**$ 784,567**
Additions	270,432	338,765	31,266	640,463
Disposals	-	-	-	-
At October 31, 2022	**$ 900,423**	**$ 474,954**	**$ 49,653**	**$1,425,030**

Accumulated amortization	**Plant equipment**	**Leasehold improvements**	**Furniture, fixtures and other equipment**	**Total**
At November 1, 2020	**$ 266,821**	**$ 44,348**	**$ 8,113**	**$ 319,282**
Disposals	-	(44,348)	(4,893)	(49,241)
Amortization	72,634	-	4,034	76,668
At October 31, 2021	**$ 339,455**	**$ -**	**$ 7,254**	**$ 346,709**
Disposals	-	-	-	-
Amortization	74,624	35,891	10,449	120,964
At October 31, 2022	**$ 414,079**	**$ 35,891**	**$ 17,703**	**$ 467,673**

Net book value	**Plant equipment**	**Leasehold improvements**	**Furniture, fixtures and other equipment**	**Total**
At October 31, 2021	**$ 290,536**	**$ 136,189**	**$ 11,133**	**$ 437,858**
At October 31, 2022	**$ 486,344**	**$ 439,063**	**$ 31,950**	**$ 957,357**

(Expressed in Canadian Dollars)

8. MINERAL EXPLORATION AND EVALUATION ASSETS

The Company has acquired certain mineral properties and rights. Mineral exploration and evaluation assets include property acquisition costs and deferred exploration costs.

Property acquisition costs:

	Red Bird (a)	Mount Copeland (b)	Lochaber (c)	Total
At November 1, 2020	**$ 140,000**	**$ 221,186**	**$ -**	**$ 361,186**
Additions	-	-	-	-
At October 31, 2021	**$ 140,000**	**$ 221,186**	**$ -**	**$ 361,186**
Additions	-	-	-	-
Reversal of impairment	-	-	90,000	90,000
At October 31, 2022	**$ 140,000**	**$ 221,186**	**$ 90,000**	**$ 451,186**

Deferred exploration costs:

	Red Bird (a)	Mount Copeland (b)	Lochaber (c)	Total
At November 1, 2020	**$ 16,681**	**$ 461,715**	**$ -**	**$ 478,396**
Additions	-	-	15,287	15,287
At October 31, 2021	**$ 16,681**	**$ 461,715**	**$ 15,287**	**$ 493,683**
Additions	-	-	-	-
Reversal of impairment	-	-	10,000	10,000
At October 31, 2022	**$ 16,681**	**$ 461,715**	**$ 25,287**	**$ 503,683**

Total costs:

	Red Bird (a)	Mount Copeland (b)	Lochaber (c)	Total
At October 31, 2021	**$ 156,681**	**$ 682,901**	**$ 15,287**	**$ 854,869**
At October 31, 2022	**$ 156,681**	**$ 682,901**	**$ 115,287**	**$ 954,869**

a) **Red Bird**
The Red Bird molybdenum property consists of three mineral claims situated in the Skeena Mining Division of west central British Columbia. The Company holds a 25% undivided interest in the property.

b) **Mount Copeland**
The Mount Copeland molybdenum property is situated in British Columbia. The Company holds a 100% interest in the Mount Copeland property.

(Expressed in Canadian Dollars)

8. MINERAL EXPLORATION AND EVALUATION ASSETS (continued)

c) Lochaber

In May 2018, the Company acquired a 100% ownership of the historical graphite mining property known as the Lochaber claims located in South Western Quebec.

The Company made an adjustment to reverse a prior impairment related to nine claims that had previously thought to have been expired.

9. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

On July 15, 2021, the Company entered into a lease agreement for its premises to house its research activities. A 6% discount rate was used to fair value the lease liability over its 10-year lease term. On November 28, 2022, the Company negotiated an amendment to the lease agreement to include a termination clause. The Company has the ability to terminate the lease with one year notice and payment of three years rent.

On June 15, 2022, the Company entered into a new lease agreement for its premises to house additional research activities. A 6% discount rate was used to fair value the lease liability over its one-year lease term.

All leases in place at October 31, 2020 were either expired or terminated.

a) Right-of-use assets

Cost	
Balance, November 1, 2020	$ 181,742
Additions during the year	1,142,280
Derecognition of right-of-use asset	(181,742)
Balance, October 31, 2021	**$ 1,142,280**
Additions during the year	47,858
Balance, October 31, 2022	**$ 1,190,138**

Accumulated amortization	
Balance, November 1, 2020	$ 137,897
Amortization	49,796
Derecognition of right-of-use asset	(158,896)
Balance, October 31, 2021	**$ 28,797**
Amortization	131,140
Balance, October 31, 2022	**$ 159,937**

Net book value	
October 31, 2021	$1,113,483
October 31, 2022	$1,030,201

(Expressed in Canadian Dollars)

9. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

b) Lease liabilities

Balance, November 1, 2020	$ 44,502
Additions during the year	1,124,934
Lease finance expense	12,555
Repayments during the year	(45,226)
Derecognition of right-of-use asset	(23,436)
Balance, October 31, 2021	**$ 1,113,329**
Additions during the year	42,708
Lease finance expense	65,570
Repayments during the year	(154,061)
Balance, October 31, 2022	**$ 1,067,546**

Current	$ 108,665
Long-term	958,881
Total discounted lease liabilities	**$ 1,067,546**

Under the premise's lease, the Company is committed to the following lease payments:

2023	$ 169,437
2024	144,914
2025	148,492
2026	152,172
After	761,700
	$ 1,376,715

10. INTANGIBLE ASSET

	Intellectual property	Patents	Total
At November 1, 2020	**$ -**	**$ -**	**$ -**
Additions (a)	1,373,057	-	1,373,057
At October 31, 2021	**$ 1,373,057**	**$ -**	**$ 1,373,057**
Additions	-	52,830	52 830
At October 31, 2022	**$ 1,373,057**	**$ 52,830**	**$ 1,425,887**

(a) On May 27, 2021, The Company completed a transaction which resulted in the acquisition of Solid Ultrabattery Inc. ("SUB"). In exchange for all the issued and outstanding common shares of SUB, the Company issued 22,000,000 common shares at a deemed value of $0.06 per share. As part of the acquisition, the Company acquired intellectual property related to solid state battery technology for which two patent applications had been filed previously. Upon the completion of the transaction, SUB became a wholly owned subsidiary of the Company.

(Expressed in Canadian Dollars)

10. INTANGIBLE ASSET (continued)

As SUB was deemed not to be a business in accordance with IFRS 3, the transaction was treated as an asset acquisition.

Cost of intangible asset acquired:	
Share consideration	$ 1,320,000
Legal fees	36,447
Working capital deficiency assumed	16,610
	$ 1,373,057

11. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2022	**2021**
Trade payables	$ 753,290	$ 873,179
Trade payables – related parties	220,557	83,900
	$ 973,847	**$ 957,079**

Included in accounts payable are amounts due to related parties relating to management fees and expenses incurred as follows:

Amounts due to	**Nature of relationship**	**2022**	**2021**
Private corporation	Key Management personnel	$ 64,553	$ 83,900
Private corporation	Key Management personnel	63,000	-
Private corporation	Key Management personnel	7,004	-
Unincorporated business	Key Management personnel	84,000	-
Unincorporated business	Website consulting	2,000	-
		$220,557	**$ 83,900**

(Expressed in Canadian Dollars)

12. NOTES PAYABLE

	2022	2021
Unsecured advance payable to a senior officer and director of the Company, due upon demand, non-interest bearing.	$ 134,000	$ -
Unsecured promissory notes payable to a senior officer and director of the Company, due October 11, 2023, bearing interest at 2% per annum.	255,000	-
Unsecured promissory notes payable to a senior officer and director of the Company, due between December 1, 2021 and March 25, 2022, and bear interest at 12% per annum.	-	165,000
Unsecured loan payable of $145,000 USD, bears interest at 12% per annum with no fixed terms of repayment.	185,948	179,452
Unsecured promissory note payable, due November 14, 2021, bearing interest at 12% per annum.	-	100,000
	$ 574,948	**$ 444,452**

The amount of $238 (2021 – $14,000) owing to related parties for interest payable on the above loans is included in interest payable.

During the year, the Company exchanged various promissory note agreements with the President for a total amount of $240,000 due between December 21, 2021 and September 14, 2022, bearing interest at 12% per annum plus interest payable of $15,000 for a new promissory note agreement for $255,000 due October 11, 2023, bearing interest at 2% per annum. The new note of $255,000 and all accrued interest was repaid subsequent to year-end, during November 2022.

Subsequent to year-end, on November 1 and 8, 2022, the advance of $134,000 was repaid.

Subsequent to year-end, on November 17, 2022, the unsecured loan of $145,000 USD and accrued interest was converted to 2,843,371 common shares for an agreed amount of $241,687 CAD.

13. SHARE CAPITAL

a) Authorized:

The authorized share capital of the Company is:

An unlimited number of voting common shares without par value.
An unlimited number of non-voting first preferred shares.
An unlimited number of non-voting second preferred shares.

b) Issued and outstanding:

See the Statement of Changes in Shareholders' Equity. The number of the shares outstanding presented in the statements of changes in shareholders' equity refers only to voting common shares. Diluted loss per share did not include the effect of 9,980,000 options (2021 – 7,580,000) and 18,152,500 warrants (2021 – 14,098,750) as they are anti-dilutive.

c) Share Issuances:

Private placements

On January 31, 2022 the Company received a subscription for a private placement of 5,600,000 shares at a price of $0.125 per unit for gross proceeds of $700,000. Each unit consisted of one common share and one-half warrant, each whole warrant is exercisable at $0.25 per share. The warrants expire two years from the date of issuance.

On February 28, 2022 the Company received a subscription for a private placement of 6,400,000 shares at a price of $0.125 per unit for gross proceeds of $800,000. Each unit consisted of one common share and one-half warrant, each whole warrant exercisable at $0.25 per share. The warrants expire two years from the date of issuance.

On March 15, 2022 the Company received a subscription for a private placement of 8,000,000 shares at a price of $0.125 per unit for gross proceeds of $1,000,000. Each unit consisted of one common share and one-half warrant, each whole warrant exercisable at $0.25 per share. The warrants expire two years from the date of issuance.

Subsequent to year-end, on November 10, 2022 the Company received a subscription for a private placement of 9,999,999 shares at a price of $0.07 per share for gross proceeds of $700,000.

Exercise of warrants

On January 12, 2022 the Company issued 500,000 common shares in the capital of the Company due to exercise of warrants at an exercise price of $0.05 per share for gross proceeds of $25,000.

On March 18, 2022, the Company issued 2,183,750 common shares in the capital of the Company due to exercise of warrants at an exercise price of $0.05 per share for gross proceeds of $109,188.

(Expressed in Canadian Dollars)

13. SHARE CAPITAL (continued)

On April 20, 2022 the Company issued 500,000 common shares in the capital of the Company due to exercise of warrants at an exercise price of $0.05 per share for gross proceeds of $25,000.

Exercise of options

On March 22, 2022, the Company issued 800,000 common shares in the capital of the Company due to exercise of options at an exercise price of $0.125 per share for gross proceeds of $100,000.

Subsequent to year-end, on November 28, 2022 the Company issued 1,880,000 common shares in the capital of the Company due to exercise of options at exercise prices of $0.115, $0.15 and $0.16 per share for gross proceeds of $267,300.

d) Stock options

The Company has established a stock-based compensation plan pursuant to which options to purchase common shares may be granted to certain officers, directors, and contractors of the Company as well as persons providing ongoing services to the Company. Exercise price of options equals at least the market price of the Company's stock on the date of grant. Stock options are exercisable on the day of grant and are for a two or five-year term in accordance with TSX Venture Exchange policy.

A summary of the status of the Company's incentive stock option plan as at October 31, 2022 and 2021 is as follows:

	Number of options	**Weighted Average Exercise Price**
Balance November 1, 2020	260,000	$0.20
Granted	12,430,000	$0.09
Expired	(260,000)	$0.20
Exercised	(4,850,000)	$0.05
Balance October 31, 2021	**7,580,000**	**$0.12**
Granted	3,200,000	$0.12
Expired	-	-
Exercised	(800,000)	$0.125
Balance October 31, 2022	**9,980,000**	**$0.12**

(Expressed in Canadian Dollars)

13. SHARE CAPITAL (continued)

Options Granted

On February 16, 2022, the Company granted 1,400,000 options to a senior officer and director of the Company with an exercise price of $0.125. The options expire on February 15, 2027.

On March 16, 2022, the Company granted 1,500,000 options to a senior officer and director and a consultant of the Company with an exercise price of $0.115. The options expire on March 15, 2027.

On May 4, 2022, the Company granted 300,000 options to an investor relations consultant of the Company with an exercise price of $0.12. The options originally were to expire on May 4, 2027 but due to the consultant's departure, the options expire on December 21, 2022.

The Black-Scholes option valuation model was used to estimate the fair value of the options with the following assumptions.

	Dividend Yield	Volatility	Risk free interest rate	Expected life	Grant date value (per option)
Options granted December 14, 2020	0%	193.45%	0.99%	5 years	$0.04
Options granted July 26, 2021	0%	192.10%	0.80%	5 years	$0.17
Options granted August 11, 2021	0%	192.58%	0.89%	5 years	$0.16
Options granted October 6, 2021	0%	190.07%	1.09%	5 years	$0.15
Options granted February 16, 2022	0%	185.88%	1.80%	5 years	$0.15
Options granted March 16, 2022	0%	172.32%	2.02%	5 years	$0.11
Options granted May 4, 2022	0%	169.97%	2.74%	5 years	$0.10

A summary of options outstanding as at October 31, 2022 is as follows:

Number of Shares Under Option	Exercise Price	Expiry Date
2,450,000	$0.05	December 14, 2025
2,350,000	$0.15	July 26, 2026
1,280,000	$0.16	August 11, 2026
1,500,000	$0.15	October 6, 2026
600,000	$0.125	February 15, 2027
1,500,000	$0.115	March 15, 2027
300,000	$0.12	December 21, 2022
9,980,000		

On February 15, the Company granted the following:

- 1,500,000 options to a current director of the Company with an exercise price of $0.12 per option.
- 350,000 options to a certain current employees and consultants of the Company, exercisable a $0.08 per option.

These option vest immediately and expire on February 28, 2028.

(Expressed in Canadian Dollars)

13. SHARE CAPITAL (continued)

e) Share purchase warrants

A summary of outstanding warrants as at October 31, 2022 and 2021 is as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, November 1, 2020	24,755,750	$0.11
Granted	3,500,000	$0.25
Expired	(6,025,750)	$0.21
Exercised	(8,131,250)	$0.06
Balance October 31, 2021	**14,098,750**	**$0.13**
Granted	10,000,000	$0.25
Expired	(2,762,500)	$0.22
Exercised	(3,183,750)	$0.05
Balance October 31, 2022	**18,152,500**	**$0.20**

A summary of warrants outstanding as at October 31, 2022 is as follows:

Number of Warrants	Exercise Price	Expiry Date
4,652,500	$0.050	October 9, 2023
3,500,000	$0.250	May 21, 2023
2,800,000	$0.250	January 31, 2024
3,200,000	$0.250	February 28, 2024
4,000,000	$0.250	March 15, 2024
18,152,500		

14. INCOME TAXES

The effective rate on the Company's earnings before income tax differs from the expected amount that would arise using the combined Canadian Federal and Provincial statutory income tax rates. A reconciliation of the difference is as follows:

	Year ended October 31, 2022	2021
Net loss before income taxes	2,555,912	2,073,820
Statutory income tax rate	26.50%	26.50%
Tax recovery	677,317	549,562
Share issuance costs	60,516	11,794
Stock based compensation	(103,507)	(287,880)
Adjustments to tax pools	-	(65,785)
Adjustments to right-of-use assets	(1,365)	(4,753)
Other	(10,249)	(14,214)
Unrecognized deferred tax asset	(622,712)	(188,724)
Deferred income tax recovery (expense)	**-**	**-**

(Expressed in Canadian Dollars)

14. INCOME TAXES (continued)

Deferred Tax Assets and Liabilities

Deferred income taxes represent the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. The following represents the components of the net unrecognized deferred income tax asset:

	Year ended October 31, 2022	2021
Non-capital losses	4,269,862	3,601,691
Mineral exploration and evaluation assets	1,540,836	1,567,339
Property and equipment	25,193	69,165
Right-of-use assets	(273,003)	(295,073)
Lease liabilities	282,900	295,032
Share issuance costs	59,083	21,480
Other liabilities	-	22,525
Unrecognized deferred tax asset	(5,904,871)	(5,282,159)
Deferred tax asset (liability)	**-**	**-**

As at October 31, 2022 the Company has non-capital losses for Canadian income tax purposes totaling $16,117,331 carried forward for tax purposes and are available to reduce taxable income of future years. These losses expire as follows:

Year	Non-Capital Losses
2026	$ 548,829
2027	563,645
2028	600,405
2029	320,201
2030	211,839
2031	287,654
2032	226,298
2033	2,212,787
2034	2,003,660
2035	563,909
2036	639,744
2037	1,348,008
2038	1,305,854
2039	835,859
2040	878,548
2040	1,048,705
2042	2,521,386
	$ 16,117,331

(Expressed in Canadian Dollars)

15. RELATED PARTY TRANSACTIONS

Management and consulting fees	Year ended October 31, 2022	2021
Company controlled by a director	$ 120,000	$ 50,000
Company controlled by a director and senior officer	132,600	18,000
Company controlled by a director and senior officer	205,538	155,000
Business controlled by the former Chief Operating Officer	-	10,000
Business controlled by the President	84,000	-
Business controlled by a relative of a director	14,000	12,000
	$ 556,138	$ 245,000

Key management compensation

Key management personnel include the board of directors, chief executive officer, chief financial officer, chief operating officer, chief commercialization officer, chief technology officer and president.

	Year ended October 31, 2022	2021
Management and consulting fees	$ 409,538	$ 215,000
Stock based compensation	255,215	794,304
	$ 664,753	$1,009,304

16. TERM DEPOSITS

Term deposits of $36,209 have been pledged as security to the Scotia Bank for their irrevocable letter of credit in favor of the Province of British Columbia, Ministry of Energy and Mines. Term deposits totaling $25,000 (2021 – $5,000) has been pledged as security to the Scotia Bank to secure the Company credit cards.

(Expressed in Canadian Dollars)

17. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial assets and financial liabilities are measured on an ongoing basis at fair value or amortized cost. The disclosures in the notes to these consolidated financial statements describe how the categories of financial instruments are measured and how income and expenses, including fair value gains and losses, are recognized.

Financial instruments recognized at fair value on the statements of financial position must classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurement. The fair value hierarchy levels are as follows:

- Level 1: Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2: Valuation techniques based on inputs that are other than Level 1 quoted prices that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices).
- Level 3: Valuation techniques with unobservable market inputs (involves assumptions and estimates by management).

As at October 31, 2022, the classification of the financial instruments, as well as their carrying values and fair values, with comparative figures for October 31, 2021 are shown in the table below:

	October 31, 2022		**October 31, 2021**	
	Fair value	**Carrying value**	**Fair value**	**Carrying value**
Financial assets				
Cash	72,088	72,088	141,996	141,996
Accounts receivable *(1)*	592	592	3,427	3,427
Financial liabilities				
Accounts payable and accrued liabilities	973,847	973,847	957,079	957,079
Notes payable	574,984	574,984	444,452	444,452
Interest payable	61,448	61,448	65,141	65,141
Other liabilities	-	-	85,000	85,000

(1) Excluding taxes receivable

(Expressed in Canadian Dollars)

17. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its obligations. The Company's maximum exposure to credit risk as at October 31, 2022 under its financial instruments is summarized as follows:

	October 31, 2022	October 31, 2021
Accounts and other receivables -		
Currently due	592	3,427
Past due by 90 days or less, not impaired	-	-
Past due by greater than 90 days, not impaired	-	-
	592	3,427
Cash	72,088	141,996
	72,680	145,423

All of the Company's cash is held with major financial institutions in Canada, and management believes the exposure to credit risk with such institutions is not significant. The Company considers the risk of material loss to be significantly mitigated due to the financial strength of the major financial institutions where cash is held. As at October 31, 2022, no material provision has been recorded in respect of impaired receivables. The Company's maximum exposure to credit risk as at October 31, 2022, is the carrying value of its financial assets.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with financial liabilities. The Company has a planning and budgeting process in place by which it anticipates and determines the funds required to support normal operation requirements as well as the growth and development of its mineral property interests. The Company coordinates this planning and budgeting process with its financing activities through the capital management process described in *Note 18*, in normal circumstances. Due to the lack of liquidity, management has increased its focus on liquidity risk given the impact of the current economic climate on the availability of finance. Further information regarding liquidity risk is set out in *Note 2 (a)*.

The following table summarizes the contractual maturities of the Company's financial liabilities at October 31, 2022:

	Contractual cash flows	Less than one year
Accounts payable and accrued liabilities	$ 973,847	$ 973,847
Notes payable	574,948	574,948
Interest payable	61,448	61,448
	$ 1,610,243	$ 1,610,243

17. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Market risk

The significant market risks to which the Company is exposed include commodity price risk, interest rate risk and currency risk.

- Commodity price risk

  The Company's ability to raise capital to fund exploration or development activities is subject to risk associated with fluctuations in the market prices of graphite, molybdenum, copper and gold and the outlook for these metals, as the Company's ability to raise capital is affected by the commodity that the Company is exploring for on its mineral property interests. The Company does not have any hedging or other derivative contracts respecting its operations.

- Interest rate risk

  The Company has no significant exposure at October 31, 2022 to interest rate risk through its financial instruments.

- Currency risk

  Currency risk relates to the risk that the fair values and future cash flows of the Company`s financial instruments will fluctuate as a result of changes in foreign exchange rates. $145,000 of notes payable are denominated in USD. Exchange rate fluctuations may impact the Company`s financial results.

18. MANAGEMENT OF CAPITAL

The Company's objective in managing capital is to maintain adequate levels of funding to safeguard its ability to continue as a going concern in order to pursue the development of its mineral property interests.

The Company considers the items included in shareholders' equity to be capital. The Company relies on equity financing in order to fund future exploration and development and makes adjustments to the Company's capital structure based on financing needs, as well as in response to economic conditions and the risk characteristics of the underlying assets.

Management makes adjustments to its capital structure through share issuances and the acquisition or disposition of assets.

As the Company is in the exploration stage it endeavors to manage its capital structure in a manner that provides sufficient funding for operational activities through funds primarily secured through equity capital obtained in private placements. There can be no assurances that the Company will be able to continue raising capital in this manner.

The Company facilitates the management of capital though the preparation of annual expenditure budgets and cash forecasts that are updated as necessary. The Company does not have any externally imposed capital requirements.

(Expressed in Canadian Dollars)

18. MANAGEMENT OF CAPITAL (continued)

The Company's managed capital is as follows:

	October 31, 2022	October 31, 2021
Share capital	26,852,937	24,206,052
Contributed surplus	3,165,923	2,891,392
Deficit	(28,133,588)	(25,577,676)
	1,885,272	1,519,768

19. SEGMENTED INFORMATION

The Company has two operating segments. These two operating segments have been differentiated based on the type of services provided and equipment requirements. The mineral exploration segment focuses on the acquisition and exploration of property interests that are considered potential sites of economic mineralization. The research and development segment focuses on the scientific study and technology applications for air classifier and battery development. All transactions not related to the operating segments are considered Corporate. All of the Company's operations are in Canada.

Segmented information for the year ended October 31, 2022 and as at October 31, 2022 is as follows:

For the year ended October 31, 2022	Research & Development	Mineral Exploration	Corporate	Total
Revenue	$ -	$ -	$ -	$ -
Consulting fees	393,469	-	254,344	647,813
Office and general	107,434	-	409,154	516,588
Stock-based compensation	205,775	-	184,816	390,591
Research expenses	152,386	-	-	152,386
Amortization on right-of-use assets	131,141	-	-	131,141
Amortization on capital assets	111,334	-	9,630	120,964
Professional fees	7,265	-	364,684	371,949
Investor relations	-	-	84,324	84,324
Rent and occupancy expenses	84,134	-	-	84,134
Regulatory and filing fees	-	-	78,979	78,979
Interest on lease liabilities	65,570	-	-	65,570
Loan interest and bank charges	-	-	63,394	63,394
(Gain) loss on foreign exchange	-	-	5,724	5,724
Reversal of accrued liability	-	-	(57,645)	(57,645)
Reversal of impairment	-	(100,000)	-	(100,000)
Total expenses (recovery)	1,258,508	(100,000)	1,397,404	2,555,912
Net income (loss) for the year	$(1,258,508)	$ 100,000	$ (1,397,404)	$ (2,555,912)

(Expressed in Canadian Dollars)

19. SEGMENTED INFORMATION (continued)

As at October 31, 2022	Research & Development	Exploration	Corporate	Total
Total assets	$ 3,396,471	$ 999,581	$ 167,009	$ 4,563,061
Capital expenditures	$ 672,946	$ -	$ 20,347	$ 693,293

Segmented information for the year ended October 31, 2021 and as at October 31, 2021 is as follows:

For the year ended October 31, 2021	Research & Development	Exploration	Corporate	Total
Revenue	$ -	$ -	$ -	$ -
Stock-based compensation	354,424	-	731,914	1,086,338
Consulting fees	349,777	7,200	143,879	500,856
Investor relations	-	-	179,072	179,072
Professional fees	-	-	160,576	160,576
Loan interest and bank charges	-	-	155,005	155,005
Amortization on capital assets	72,634	-	4,034	76,668
Office and general	6,733	-	66,584	73,317
Research expenses	67,570	-	-	67,570
Regulatory and filing fees	-	-	58,504	58,504
Amortization on right-of-use assets	36,089	-	13,707	49,796
Interest on lease liabilities	11,278	-	1,277	12,555
Loss on disposal of assets	-	9,144	-	9,144
Rent expenses	5,686	-	-	5,686
Gain on foreign exchange	-	-	(8,873)	(8,873)
Reversal of accrued liability	(100,000)	-	-	(100,000)
Gain on settlement on accounts payable	-	(225,945)	-	(225,945)
Other income	(26,449)	-	-	(26,449)
Total expenses (recovery)	777,742	(209,601)	1,505,679	2,073,820
Net income (loss) for the year	$ (777,742)	$ 209,601	$ (1,505,679)	$ (2,073,820)
As at October 31, 2021				
Total assets	$ 3,043,739	$ 904,372	$ 236,658	$ 4,184,769
Capital expenditures	$ 136,189	$ 15,287	$ 12,721	$ 164,197

20. CONTINGENCY

The Company has been named as a defendant in a statement of claim filed on January 5, 2021 in the Province of Ontario. The plaintiff is seeking $814,820 for unpaid compensation, and $1,000,000 for wrongful termination and damages. The consolidated financial statements include a provision for unpaid compensation of $241,820. Management has filed a statement of defense and counterclaim. The counterclaim against the plaintiff and other non-arm's length parties seeks damages up to $3 million, plus further amounts which will be particularized prior to trial. As of October 31, 2022, the litigation has not progressed significantly since the pleadings closed in March, 2021. The parties are in the process of exchanging affidavits of documents. As the outcome of this lawsuit and any liability to the Company cannot be reasonably determined at this time, no additional provisions have been made in the consolidated financial statements.