



ULTRA LITHIUM INC.
(the “Company”)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

FOR THE THREE AND SIX MONTHS ENDED APRIL 30, 2024 AND 2023

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

The management of Ultra Resources Inc. is responsible for the preparation of the accompanying unaudited condensed interim consolidated financial statements. The unaudited condensed interim consolidated financial statements have been prepared using accounting policies in compliance with International Financial Reporting Standards for the preparation of condensed interim consolidated financial statements and are in accordance with IAS 34 – Interim Financial Reporting.

The Company’s auditor has not performed a review of these condensed interim consolidated financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity’s auditor.

Ultra Lithium Inc.

Condensed Interim Consolidated Statements of Financial Position
(Unaudited - Expressed in Canadian Dollars)

	Note	Unaudited April 30, 2024	Audited October 31, 2023
		\$	\$
Assets			
Current assets:			
Cash and cash equivalents		404,787	466,742
Amounts receivable	3	11,547	423,095
Prepaid expenses and deposits		39,311	57,336
		455,645	947,173
Noncurrent assets:			
Exploration and evaluation assets	4	12,914,843	12,778,607
		13,370,488	13,725,780
Liabilities and Shareholders' Equity			
Current liabilities:			
Trade payables and accrued liabilities	8	1,615,556	1,437,674
Promissory notes	5	78,730	-
Loan payable	6	1,394,282	1,311,188
		3,088,568	2,748,862
Noncurrent liabilities:			
Deferred tax liability		245,077	245,077
		3,333,645	2,993,939
Shareholders' equity:			
Share capital	7	27,838,672	27,838,672
Reserves	7	2,740,439	2,828,364
Deficit		(20,542,268)	(19,935,195)
		10,036,843	10,731,841
		13,370,488	13,725,780

Nature and continuance of operations and going concern (Note 1)
Subsequent events (Note 12)

"Weiguo Lang" Director
Weiguo Lang

"Andrew Lee Smith" Director
Andrew Lee Smith

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

Ultra Lithium Inc.

Condensed Interim Consolidated Statements of Loss and Comprehensive (Loss)
(Unaudited - Expressed in Canadian Dollars)

		Three months ended April 30,		Six months ended April 30,	
	Note	2024	2023	2024	2023
		\$	\$	\$	\$
Expenses:					
Bank charges and interest		3,296	4,969	6,201	10,237
Consulting fees		-	-	-	10,000
General exploration	8	3,000	3,000	6,000	6,000
Management fees	8	91,500	91,500	183,000	183,000
Office, rent and administration		52,055	34,025	104,204	64,337
Professional fees	8	118,542	90,682	208,221	145,295
Shareholder communication		6,837	86,504	17,711	168,283
Stock exchange and filing fees		10,408	9,725	18,170	16,588
Transfer agent fees		1,734	3,666	3,247	5,554
Travel and promotion		14,547	37,116	32,596	90,918
		(301,919)	(361,187)	(579,350)	(700,212)
Other income (expenses):					
Foreign exchange gain (loss)		10,593	(249)	22,587	(701)
Interest expense	6	(23,102)	-	(44,926)	-
Interest income		19,150	21,158	19,150	44,966
Settlement of flow-through premium liability		-	-	-	5,187
Written-off of liabilities		1,000	-	1,000	-
Changes in fair value of derivative liability	6	(182,387)	-	(25,534)	-
		(174,746)	20,909	(27,723)	49,452
Loss for the period		(476,665)	(340,278)	(607,073)	(650,760)
Other comprehensive income (loss):					
Foreign currency translation		226,570	171,395	(87,925)	1,904
Comprehensive loss		(250,095)	(168,883)	(694,998)	(648,856)
Loss per share		(0.00)	(0.00)	(0.00)	(0.00)
Weighted average number of common shares – basic and diluted		191,095,351	168,731,713	191,095,351	168,731,713

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

Ultra Lithium Inc.

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
(Unaudited - Expressed in Canadian Dollars)

	<i>Note</i>	Share Capital		Reserves		Total	Deficit	Total shareholder's equity
		Common shares	Amount	Equity reserve	Foreign currency translation			
		#	\$	\$	\$	\$	\$	\$
Balance, October 31, 2022		168,731,713	26,679,432	2,126,215	540,824	2,667,039	(17,316,427)	12,030,044
Comprehensive income (loss) for the period		-	-	-	1,904	1,904	(650,760)	(648,856)
Balance, April 30, 2023		168,731,713	26,679,432	2,126,215	542,728	2,668,943	(17,967,187)	11,381,188
Balance, October 31, 2023		191,095,351	27,838,672	2,126,215	702,149	2,828,364	(19,935,195)	10,731,841
Comprehensive loss for the period		-	-	-	(87,925)	(87,925)	(607,073)	(694,998)
Balance, April 30, 2024		191,095,351	27,838,672	2,126,215	614,224	2,740,439	(20,542,268)	10,036,843

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

Ultra Lithium Inc.

Condensed Interim Consolidated Statements of Cash Flows
(Unaudited - Expressed in Canadian Dollars)
For the six months ended April 30,

	2024	2023
	\$	\$
Operations:		
Loss for the period	(607,073)	(650,760)
Items not involving cash:		
Accrued interest expense	44,926	-
Written-off of liabilities	1,000	-
Foreign exchange loss	10,276	28,132
Settlement of flow-through premium liability	-	(5,187)
Changes in fair value of derivative liability	25,534	-
	(525,337)	(627,815)
Changes in non-cash working capital items:		
Amounts receivable	410,548	(69,043)
Prepaid expenses and deposits	18,025	101,262
Trade payables and accrued liabilities	152,682	(44,293)
	55,918	(639,889)
Financing:		
Promissory notes proceeds	77,225	-
	77,225	-
Investing:		
Exploration and evaluation assets	(188,557)	(3,144,866)
Advance payable	-	(5,000,000)
	(188,557)	(8,144,866)
Change in cash and cash equivalents	(55,414)	(8,784,755)
Effects of foreign exchange translation on cash and cash equivalents	(6,541)	(3,997)
Cash and cash equivalents, beginning of period	466,742	8,958,944
Cash and cash equivalents, end of period	404,787	170,192
Supplementary information:		
Exploration and evaluation assets in trade payables and accrued liabilities	896,801	456,232
Cash and cash equivalents consist of:		
Cash	349,787	170,192
Guaranteed investment certificates	55,000	-
	404,787	170,192

Ultra Lithium Inc.

Notes to the Condensed Interim Consolidated Financial Statements
(Unaudited - Expressed in Canadian Dollars)
For the three and six months ended April 30, 2024 and 2023

NOTE 1 – NATURE AND CONTINUANCE OF OPERATIONS AND GOING CONCERN

Ultra Lithium Inc. (the “Company”) was incorporated on November 27, 2004 under the Business Corporations Act of British Columbia and is engaged in the acquisition, exploration and evaluation of exploration and evaluation assets. On January 21, 2022, the Company changed its name to Ultra Lithium Inc. The Company’s common shares are listed for trading on Tier 2 of the TSX Venture Exchange (the “Exchange”) under the symbol “ULT”. The head office and principal address of the Company are located at 2735 Carolina Street, Vancouver, BC, Canada, V5T 3T3. The Company’s records office and registered office address is located at Suite 1120 - 789 West Pender Street, Vancouver, British Columbia, Canada, V6C 1H2.

The Company is in the process of exploring its exploration and evaluation assets and has not yet determined whether these properties contain mineral reserves that are economically recoverable. The Company’s ability to continue as a going concern and the recoverability of the amounts shown for exploration and evaluation assets are dependent upon the ability of the Company to raise additional financing in order to complete the exploration and development of its resource properties, the discovery of economically recoverable reserves and upon future profitable production or proceeds from disposition of the Company’s exploration and evaluation assets. As a resource company in the exploration stage, the ability of the Company to complete its acquisition, exploration and development will be affected principally by its ability to raise adequate amounts of capital through equity financings, debt financings, joint venturing of projects and other means.

These condensed interim consolidated financial statements have been prepared on a basis of accounting principles applicable to a going concern which contemplates the realization of assets and the satisfaction of liabilities and commitments in the normal course of business. The Company has a history of losses with no operating revenue other than interest income and had a working capital deficit of \$2,632,923 as at April 30, 2024 (October 31, 2023 - \$1,801,689) and accumulated deficit of \$20,542,268 (October 31, 2023 - \$19,935,195) and expects to incur further losses in the development of its business. The Company requires additional financing in order to fund working capital requirements and operations for the upcoming fiscal year. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be available on acceptable terms. These material uncertainties may cast significant doubt on the entity’s ability to continue as a going concern.

These condensed interim consolidated financial statements do not reflect any adjustments, which could be material, to the carrying values of assets and liabilities, which may be required should the Company be unable to continue as a going concern

NOTE 2 – SUMMARY OF MATERIAL ACCOUNTING POLICIES

The condensed interim consolidated financial statements were authorized for issue on July 2, 2024, by the Directors of the Company. The accounting policies have been applied consistently to all years presented in these consolidated financial statements.

(a) Basis of presentation and consolidation

These condensed interim consolidated financial statements are unaudited and have been prepared in accordance with IAS 34 ‘Interim Financial Reporting’ (“IAS 34”) using accounting policies consistent with the International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). These interim financial statements should be read in conjunction with the audited financial statements for the year ended October 31, 2023, which have been prepared in accordance with IFRS.

These condensed interim consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, Ultra Lithium (USA) Inc. (“ULI USA”), Ultra Argentina S.R.L. (“UAL”), Ultra Minerals S.A. (“ULM”), and North Canada Lithium Corp. (“NCLC”). All intercompany balances and transactions are eliminated on consolidation.

Ultra Lithium Inc.

Notes to the Condensed Interim Consolidated Financial Statements
(Unaudited - Expressed in Canadian Dollars)
For the three and six months ended April 30, 2024 and 2023

NOTE 2 – SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(b) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of the Company's consolidated entities are measured using the currency of the primary economic environment in which the entity operates.

The condensed interim consolidated financial statements are presented in Canadian dollars which is the functional currency of the Company. The functional currency of ULI USA, UAL, and ULM is the US dollar, and the functional currency of NCLC is the Canadian dollar.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of transaction. Foreign currency gains and losses resulting from the settlement of such transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are included in profit or loss.

(iii) Consolidated entities

The results and financial position of consolidated entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Shareholder's equity is translated at historical rates of exchange at the reporting date;
- Assets and liabilities are translated at the closing rate at the reporting date;
- Income and expenses are translated at average exchange rates for the period; and
- All resulting exchange differences are recognized in other comprehensive income as cumulative translation adjustments.

(c) Use of estimates and judgments

The preparation of financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the year in which the estimates are revised.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting years include the recoverability of the carrying value of exploration and evaluation assets, fair value measurements for financial instruments, the recoverability and measurement of deferred tax assets, provisions for restoration and environmental obligations and contingent liabilities.

(i) Share-based payments

Share-based payments, as measured with respect to stock options granted and finders warrants issued and re-priced, are estimated by reference to the Black-Scholes pricing model; a detailed discussion of management's estimates with respect to the pricing model is found in Note 7.

Ultra Lithium Inc.

Notes to the Condensed Interim Consolidated Financial Statements
(Unaudited - Expressed in Canadian Dollars)
For the three and six months ended April 30, 2024 and 2023

NOTE 2 – SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(c) Use of estimates and judgments (continued)

(ii) Valuation of derivative liability

The fair value of the derivative liability at the reporting date is estimated by reference to the Black-Scholes pricing model. A detailed discussion of management's estimates with respect to the pricing model is found in Note 6.

(iii) Recoverability of exploration and evaluation assets

Recorded costs of exploration and evaluation assets and deferred exploration and evaluation costs are not intended to reflect present or future values of these properties. The recorded costs are subject to measurement uncertainty and it is reasonably possible, based on existing knowledge, that change in future conditions could require a material change in the recognized amount. Management is required, at each reporting date, to review its exploration and evaluation assets for signs of impairment. This is highly subjective process taking into consideration exploration results, metal prices, economics, financing prospects and sale or option prospects. Management makes these judgements based on information available, but there is no certainty that a property is or is not impaired. 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.

(iv) Going concern

These condensed interim consolidated financial statements have been prepared on a going concern basis. Management has applied judgment in the assessment of the Company's ability to continue as a going concern, considering all available information, and concluded that the going concern assumption is appropriate for a period of at least twelve months following the end of the reporting period. Given the judgment involved, actual results may lead to a materiality different outcome.

(v) Deferred income tax amounts

The determination of deferred income tax assets or liabilities requires subjective assumptions regarding future income tax rates and the likelihood of utilizing tax carry forwards. Changes in these assumptions could significantly affect the recorded amounts, and therefore do not necessarily provide certainty as to their recorded values.

(vi) Functional currency

The determination of the functional currency of the Company and its subsidiaries requires judgment in assessing the primary economic environment in which each of the entities operate in.

NOTE 3 – AMOUNTS RECEIVABLE

As at April 30, 2024, amounts receivable is comprised of GST receivable of \$10,913 (October 31, 2023 - \$422,462) and other receivable of \$634 (October 31, 2023 - \$633).

Ultra Lithium Inc.

Notes to the Condensed Interim Consolidated Financial Statements
(Unaudited - Expressed in Canadian Dollars)
For the three and six months ended April 30, 2024 and 2023

NOTE 4 – EXPLORATION AND EVALUATION ASSETS

Exploration and evaluation assets are comprised of:

	Georgia Lake, Ontario	Forgan Lake, Ontario	Laguna Verde, Antofagasta, Argentina	La Rioja, Argentina	La Borita, Argentina	Antigua, Argentina	Cordoba, Argentina	Salta, Argentina	Big Smoky Valley, Nevada	Total
	(a) \$	(b) \$	(c) \$	(d) \$	(e) \$	(f) \$	(g) \$	(h) \$	(i) \$	\$
Balance, October 31, 2022	1,114,497	1,761,428	5,283,614	562,386	150,657	-	-	-	39,046	8,911,628
Acquisition costs	-	-	741,881	-	134,887	67,444	39,712	-	-	983,924
Exploration and evaluation expenditures	48,155	1,003,911	2,307,927	111,649	11,183	10,027	5,104	7,545	23,885	3,529,386
Impairment	-	-	(741,881)	-	-	(77,486)	-	-	-	(819,367)
Foreign exchange	-	-	153,072	12,381	5,450	15	823	139	1,156	173,036
Subtotal	48,155	1,003,911	2,460,999	124,030	151,520	-	45,639	7,684	25,041	3,866,979
Balance, October 31, 2023	1,162,652	2,765,339	7,744,613	686,416	302,177	-	45,639	7,684	64,087	12,778,607
Acquisition costs	-	-	-	-	-	-	-	-	-	-
Exploration and evaluation expenditures	18,000	42,000	128,931	16,732	-	-	-	7,848	246	213,757
Foreign exchange	-	-	(67,784)	(6,054)	(2,602)	-	(393)	(134)	(554)	(77,521)
Subtotal	18,000	42,000	61,147	10,678	(2,602)	-	(393)	7,714	(308)	136,236
Balance, April 30, 2024	1,180,652	2,807,339	7,805,760	697,094	299,575	-	45,246	15,398	63,779	12,914,843

Ultra Lithium Inc.

Notes to the Condensed Interim Consolidated Financial Statements
(Unaudited - Expressed in Canadian Dollars)
For the three and six months ended April 30, 2024 and 2023

NOTE 4 – EXPLORATION AND EVALUATION ASSETS (continued)

Exploration and evaluation costs were as follows:

	Georgia Lake, Ontario	Forgan Lake, Ontario	Laguna Verde, Antofagasta, Argentina	La Rioja, Argentina	La Borita, Argentina	Antigua, Argentina	Cordoba, Argentina	Salta, Argentina	Big Smoky Valley, Nevada	Total
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
For the year ended October 31, 2023										
Assays and laboratory	-	43,612	20,826	169	-	310	-	-	-	64,917
Drilling	-	304,441	680,852	-	-	-	-	-	-	985,293
Exploration expense	6,503	195,710	1,095,095	37,495	11,183	-	1,616	5,216	-	1,352,818
Geology and geophysics	34,180	228,880	42,574	30,864	-	2,208	-	-	-	338,706
Licenses, permits, claim fees and taxes	-	140,616	5,412	1,281	-	-	-	1,285	23,885	172,479
Local office and administration	7,472	22,363	73,319	10,737	-	-	243	7	-	114,141
Travel, transport, and storage	-	68,289	389,849	31,103	-	7,509	3,245	1,037	-	501,032
Total	48,155	1,003,911	2,307,927	111,649	11,183	10,027	5,104	7,545	23,885	3,529,386
For the period ended April 30, 2024										
Assays and laboratory	-	-	-	-	-	-	-	-	-	-
Drilling	-	-	-	-	-	-	-	-	-	-
Exploration expense	-	-	42,297	3,187	-	-	-	6,289	-	51,773
Geology and geophysics	12,000	36,000	11,874	5,937	-	-	-	1,342	-	67,153
Licenses, permits, claim fees and taxes	-	-	29	472	-	-	-	-	246	747
Local office and administration	6,000	6,000	17,462	106	-	-	-	132	-	29,700
Travel, transport, and storage	-	-	57,269	7,030	-	-	-	85	-	64,384
Total	18,000	42,000	128,931	16,732	-	-	-	7,848	246	213,757

Ultra Lithium Inc.

Notes to the Condensed Interim Consolidated Financial Statements
(Unaudited - Expressed in Canadian Dollars)
For the three and six months ended April 30, 2024 and 2023

NOTE 4 – EXPLORATION AND EVALUATION ASSETS (continued)

(a) Georgia Lake Property, Ontario

The Company holds certain claims staked in Ontario.

(b) Forgan Lake Property, Ontario

The Forgan Lake Lithium property is wholly owned by the Company. The property is located in the Thunder Bay Mining District in Northwestern Ontario, Canada, and is subject to 1.5% NSR with an option for the Company to purchase 1% NSR for \$1,000,000.

(c) Laguna Verde, Antofagasta, Argentina

On June 28, 2019, the Company entered into an option agreement to acquire a 100% interest in one lithium brine property located in the Antofagasta region, Province of Catamarca in Argentina. Under the terms of agreement, the Company paid \$500,000 USD in five equal bi-annual payments to acquire 100% rights to the property. The property is subject to a 2.5% royalty. During the year ended October 31, 2023, the Company completed the acquisition of the Laguna Verde Property.

On September 8, 2022, the Company entered into a purchase agreement to acquire 100% interest in three mining concessions located in the Antofagasta region. Under the terms of agreement, the Company may acquire a 100% interest in the concessions by paying \$100,000 USD upon signing of the agreement (paid), a second payment of \$450,000 USD on December 24, 2022 (paid) a final payment of \$450,000 USD on June 24, 2023. The property was subject to a 2.5% royalty. During the year ended October 31, 2023, the Company relinquished the right to acquire the three mining concessions and recorded an impairment loss of \$741,881.

The Laguna Verde project also consists certain claims staked in Archivarca, Argentina.

(d) La Rioja, Argentina

The Company holds certain claims (the “ULTRA” claims) in La Rioja, Argentina. On June 24, 2019, the Company acquired thirteen gold mining licenses in Chepes Area, La Rioja Province, Argentina (the “Chepes licences”). The Company will pay the vendor 10% of the profit from any future production from the Chepes licences. The Company also agreed to pay the vendor 5% of the profit from any future production from its ULTRA claims which are in the vicinity of the newly acquired Chepes licences.

(e) La Borita, Argentina

In February 2022, the Company entered into a purchase agreement to obtain 100% of the La Borita mining concessions. The Company may acquire 100% interest in the concessions by paying purchase consideration totalling \$300,000 USD payable as follows:

March 25, 2022	\$50,000 USD (paid)
September 25, 2022	\$50,000 USD (paid)
March 25, 2023	\$50,000 USD (paid)
September 25, 2023	\$50,000 USD (paid)
March 25, 2024	\$50,000 USD (see Note 12)
September 25, 2024	\$50,000 USD

The property is subject to 2% NSR. As of October 31, 2023, the Company has paid \$200,000 USD in instalments as the purchase consideration.

Ultra Lithium Inc.

Notes to the Condensed Interim Consolidated Financial Statements
(Unaudited - Expressed in Canadian Dollars)
For the three and six months ended April 30, 2024 and 2023

NOTE 4 – EXPLORATION AND EVALUATION ASSETS (continued)

(f) Antigua, Argentina

On November 2, 2022, the Company entered into a purchase agreement to acquire the Antigua property located in La Rioja, Argentina. As consideration for the mining rights, the Company agreed to make payments in the amount of \$20,000 USD on the date of signing of the agreement (paid), and \$45,000 USD payable in three (3) equal instalments on December 1, 2022, January 1, 2023 and February 1, 2023. During 2022 and 2023, the Company paid \$50,000 USD purchase consideration for the Antigua Property.

In 2023, the La Rioja government established a new critical minerals policy and suspended all lithium licences. Consequently, the company recorded an impairment loss of \$77,486 during the year ended October 31, 2023.

(g) Cordoba, Argentina

During 2023, the Company staked certain claims in Cordoba, Argentina. The Company paid \$39,712 in staking fees for these claims.

(h) Salta, Argentina

The Company holds certain claims in Salta, Argentina.

(i) Big Smoky Valley, Nevada

The Company holds certain claims in Big Smoky Valley, Nevada.

NOTE 5 – PROMISSORY NOTES

In January 2024, the Company issued a promissory note in the principal amount of \$10,000 to a director and officer of the Company. The note is unsecured, payable on demand, and bears interest at a rate of 12% per annum. During the three and six months ended April 30, 2024, the Company recorded interest expense of \$362 and \$362 (2023 - \$nil and \$nil) on the promissory note.

In March 2024, the Company issued a promissory note in the principal amount of \$50,000 USD (\$67,225) to a director and officer of the Company. The note is unsecured, payable one year from the date of issuance, and bears interest at a rate of 12% per annum. During the three and six months ended April 30, 2024, the Company recorded interest expense of \$1,171 and \$1,171 (2023 - \$nil and \$nil) on the promissory note.

NOTE 6 – LOAN PAYABLE

On May 12, 2023, the Company received a secured demand loan of AUD \$1,130,000 (\$1,018,077) that bears interest at 10% per annum. The lender has a right to demand settlement of the loan in shares until June 30, 2024, and either in shares or cash thereafter. The loan is secured by a general security agreement.

The number of shares that are issuable upon conversion of the demand loan is calculated at a variable price based on the ratio of the Company's share price on the date of the loan and Company's share price on the date of notice of conversion, subject to TSXV policies. If the lender demands repayment, the loan principal is a variable amount based on the ratio of the Company's share price on the date of the loan and Company's share price on the date of the notice of repayment.

The Company determined that the loan payable is a derivative liability. The derivative liability is recorded at fair value and re-measured each period with movements being recorded as a gain or loss on the condensed interim consolidated statement of loss and comprehensive loss. The fair value of the loan approximated its face value at inception as the share price and conversion price were the same on the inception date. At October 31, 2023, the fair value of the derivative liability was determined to be \$1,264,759 using the Black-Scholes option pricing model. The Company recorded a loss of \$403,241 as changes in fair value of the derivative liability for the year ended October 31, 2023.

Ultra Lithium Inc.

Notes to the Condensed Interim Consolidated Financial Statements
(Unaudited - Expressed in Canadian Dollars)
For the three and six months ended April 30, 2024 and 2023

NOTE 6 – LOAN PAYABLE (continued)

At April 30, 2024, the fair value of the derivative liability was determined to be \$1,303,522 using the Black-Scholes option pricing model. The Company recorded a loss of \$25,534 as changes in fair value of the derivative liability for the period ended April 30, 2024.

The Company determined the fair value of the derivative liability using the Black-Scholes model using the following assumptions:

	April 30, 2024	October 31, 2023
Share price	\$0.03	\$0.06
Conversion price	\$0.03	\$0.05
Risk-free interest rate	4.92%	5.21%
Expected life	0.17 years	0.67 years
Expected volatility	320.87%	99.12%

During the year ended October 31, 2023, the Company repaid AUD \$150,000 of the loan balance. Interest expense recognized during the three and six months ended April 30, 2024, is \$21,569 and \$43,393 (2023 - \$nil and \$nil). As at April 30, 2024 the carrying amount of the loan is \$1,394,282 (October 31, 2023 - \$1,311,188), which includes interest accrued.

In November 2023, the Company was notified by the lender that they are assessing if whether the Company is in default in accordance with the loan agreement. (Note 12)

NOTE 7 – SHARE CAPITAL AND RESERVES

(a) Authorized

Unlimited number of voting common shares without par value.

(b) Issued Share Capital

At April 31, 2024, there were 191,095,351 issued and fully paid common shares (October 31, 2023 – 191,095,351).

(c) Share Issuances

In August 2023, the Company closed a non-brokered private placement comprised of 18,181,818 units at a price of \$0.055 per unit for gross proceeds of \$1,000,000. Each Unit is comprised of one common share of the Company and one half of one common share purchase warrant. Each whole Warrant entitles the holder thereof to purchase one common share of the Company at \$0.11 in the first twelve months following issuance and at \$0.25 in the second twelve months following issuance. In connection with this Private Placement the Company paid cash finder's fees of \$30,000, issued 545,455 finder's shares to a finder with a fair value of \$32,727, and incurred \$8,195 of the share issue costs.

In September 2023, the Company closed a non-brokered private placement comprised of 3,636,365 units at a price of \$0.055 per unit for gross proceeds of \$200,000. Each Unit is comprised of one common share of the Company and one half of one common share purchase warrant. Each whole Warrant entitles the holder thereof to purchase one common share of the Company at \$0.11 in the first twelve months following issuance and at \$0.25 in the second twelve months following issuance. In connection with this this private placement, the Company incurred share issue costs of \$2,565.

Ultra Lithium Inc.

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NOTE 7– SHARE CAPITAL AND RESERVES (continued)

(d) Warrants

Each whole warrant entitles the holder to purchase one common share of the Company. A summary of the status of the warrants outstanding follows:

	Warrants	Weighted Average Exercise Price
	#	\$
Balance, October 31, 2022	31,716,389	0.25
Issued	10,909,092	0.25
Expired	(30,579,254)	0.25
Balance, October 31, 2023	12,046,227	0.25
Issued	-	0.25
Expired	-	0.25
Balance, April 30, 2024	12,046,227	0.26

The following table summarizes the warrants outstanding as at April 30, 2024:

Warrants	Exercise Price	Expiry Date	Weighted Average Remaining Contractual Life
#	\$		
1,137,135	0.35*	October 7, 2024	0.44
9,090,910	0.11**	August 10, 2025	1.28
1,818,182	0.11***	September 6, 2025	1.35
12,046,227			1.21

* the exercise prices is \$0.25 until October 7, 2023, and \$0.35 thereafter

* the exercise prices is \$0.11 until August 10, 2024, and \$0.25 thereafter

* the exercise prices is \$0.11 until September 6, 2024, and \$0.25 thereafter

(e) Stock Options

The Company adopted a stock option plan whereby the Company may from time to time in accordance with the Exchange requirements grant to directors, officers, employees and consultants options to purchase common shares of the Company provided that the number of options granted, including all options granted by the Company to date, does not exceed 10% of the Company's common shares issued and outstanding at the time of granting stock options. Options granted under the Option Plan can have a maximum exercise term of 10 years from the date of grant. Vesting terms will be determined at the time of grant by the Board of Directors.

A summary of the status of the options outstanding follows:

	Options	Weighted Average Exercise Price
	#	\$
Balance, October 31, 2022	12,035,000	0.12
Expired/Cancelled	(2,772,500)	0.14
Balance, October 31, 2023	9,262,500	0.11
Expired/cancelled	-	-
Balance, April 30, 2024	9,262,500	0.11

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NOTE 7 – SHARE CAPITAL AND RESERVES (continued)

The following table summarizes the options outstanding and exercisable as at April 30, 2024:

Shares	Exercise Price Per Share	Expiry Date	Exercisable	Weighted Average Remaining Contractual Life
#	\$		#	
810,000	0.19	June 4, 2024	810,000	0.10
2,190,000	0.13	March 8, 2026	2,190,000	1.85
6,262,500	0.10	October 11, 2027	6,262,500	3.45
9,262,500			9,262,500	2.78

NOTE 8 – RELATED PARTY TRANSACTIONS

(a) Related party transactions

During the three and six months ended April 30, 2024 and 2023, the Company incurred the following transactions with a company controlled by the VP exploration:

	Three months ended April 30		Six months ended April 30	
	2024	2023	2024	2023
	\$	\$	\$	\$
Geological fees	36,000	36,000	72,000	72,000
	36,000	36,000	72,000	72,000

(b) Compensation of key management personnel

The remuneration of directors and other members of key management personnel were as follows:

	Three months ended April 30		Six months ended April 30	
	2024	2023	2024	2023
	\$	\$	\$	\$
Short-term benefits ⁽¹⁾	142,500	142,500	285,000	285,000
	142,500	142,500	285,000	285,000

⁽¹⁾ Short-term benefits include management fees paid directly to key management and accounting fees paid to a company controlled by the CFO.

(c) Related party balances

Included in the trade payables and accrued liabilities is \$521,406 (October 31, 2023 - \$261,205) due to the related parties.

As at April 30, 2024, promissory notes with aggregate principal and accrued interest of \$78,730 are owed to a director and officer of the Company (October 31, 2023 - \$nil).

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NOTE 9 – SEGMENTED INFORMATION

The Company operated in the following geographic segments as at:

	Canada	United States	Argentina	Total
	\$	\$	\$	\$
Exploration and evaluation assets				
April 30, 2024	3,987,991	63,779	8,863,073	12,914,843
October 31, 2023	3,927,991	64,087	8,786,529	12,778,607

NOTE 10 - FINANCIAL RISK EXPOSURE AND RISK MANAGEMENT

(a) Fair Value of Financial Instruments

IFRS requires disclosures about the inputs to fair value measurements for financial assets and liabilities recorded at fair value, including their classification within a hierarchy that prioritizes the inputs to fair value measurement.

The three levels of hierarchy are:

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

The carrying values of cash and cash equivalents, amounts receivable, exclusive of sales tax recoverable, trade payables and accrued liabilities and promissory notes approximate their fair values because of their short-term nature. The Company's loan payable is measured using level 3 inputs as disclosed in Note 6.

(b) Financial Instruments Risk

The Company is exposed in varying degrees to a variety of financial instrument-related risks. The Board approves and monitors the risk management processes:

(i) Credit Risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company is subject to credit risk on the cash and cash equivalents and amounts receivable. The risk to the Company is managed as its investments are with Schedule 1 banks or equivalent, with the majority of its cash held in Canadian based banking institutions, authorized under the Bank Act to accept deposits, which may be eligible for deposit insurance provided by the Canadian Deposit Insurance Corporation. Cash in Argentina is held at Tier 1 banking institutions. The credit risk from amounts receivable is also minimal as at April 30, 2024, as it consists primarily of GST.

(ii) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure that it will have sufficient liquidity to settle obligations and liabilities when due. As at April 30, 2024, the Company had a cash and cash equivalents balance of \$404,787 to settle current liabilities of \$3,088,568 that are considered short term. Management believes that the Company will be able to obtain financing as required to meet its obligations and commitments for fiscal 2024.

Ultra Lithium Inc.

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NOTE 10 - FINANCIAL RISK EXPOSURE AND RISK MANAGEMENT (continued)

(iii) Market Risk

a) Currency Risk

Currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. The Company has subsidiaries in the United States, Argentina, and the Republic of Serbia and holds cash in Canadian dollars, United States dollars, Argentina pesos, and Serbian Dinar currencies in line with forecasted expenditures. In addition, the Company's loan payable is denominated in Australian dollars. The Company's main risk is associated with fluctuations in the US dollar, Argentina pesos, Serbian Dinar and Australian dollars. Assets and liabilities are translated based on the foreign currency translation policy described in Note 2.

The Canadian dollar equivalent of the Company's net exposure to the US dollar, Argentina pesos, and Serbian Dinar on financial instruments is as follows:

	April 30, 2024	October 31, 2023
	\$	\$
US dollar:		
Cash	120	134
Trade payable and accrued liabilities	(1,514)	(373)
Promissory notes	(68,730)	-
Net US dollar	(70,124)	(239)
Argentina pesos:		
Cash	-	-
Trade payable and accrued liabilities	(2,956)	(13,073)
Net Argentina pesos	(2,956)	(13,073)
Serbian Dinar:		
Amounts receivable	634	633
Trade payable and accrued liabilities	(44,140)	(44,085)
Net Serbian Dinar	(43,506)	(43,452)
Australian dollar:		
Loan payable	(965,507)	(907,947)
Net Australian dollar	(965,507)	(907,947)

The Company has determined that an effect of a 10% increase or decrease in the US dollar, Argentina pesos, Serbian Dinar and Australian dollar against the Canadian dollar on financial assets and liabilities, as at April 30, 2024, denominated in US dollars, Argentina pesos, Serbian Dinar and Australian dollar would result in an increase or decrease of approximately \$108,209 to net loss for the period ended April 30, 2024.

At April 30, 2024, the Company had no hedging agreements in place with respect to foreign exchange rates. The Company has not entered into any agreements or purchased any instruments to hedge possible currency risks at this time.

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NOTE 10 - FINANCIAL RISK EXPOSURE AND RISK MANAGEMENT (continued)

b) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The interest on cash and cash equivalents is typical of Canadian banking rates, which are at present low, however, the conservative investment strategy mitigates the risk of deterioration to the investment. The Company is not exposed to interest rate risk as its loan payable is at a fixed rate of 10%.

c) Commodity Price Risk

Commodity price risk is the risk of financial loss resulting from movements in the price of the Company's commodity inputs and outputs. The Company's risk relates primarily to the expected output to be produced at its exploration and evaluation assets described in Note 4 of which production is not expected in the near future.

During the period ended April 30, 2024, there were no changes to the Company's risk exposure or to the Company's policies for risk management.

NOTE 11 – CAPITAL MANAGEMENT

The Company's objectives when managing capital are to ensure that there are adequate capital resources to safeguard the Company's ability to continue as a going concern and maintain adequate levels of funds to support the acquisition, exploration and development of exploration and evaluation assets such that it can continue to provide returns to shareholders and benefits for other stakeholders.

The Company considers the items included in shareholders' equity as capital. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the Company's underlying assets. In order to maintain or adjust its capital structure, the Company may issue new shares or sell assets to settle liabilities. The Company has no long-term debt and is not subject to externally imposed capital requirements.

The properties in which the Company currently has an interest in are in the exploration stage, as such, the Company does not recognize revenue from its exploration properties. The Company's historical sources of capital have consisted of the sale of equity securities, loans, and advances from related parties. In order for the Company to carry out planned exploration and development and pay for administrative costs, the Company will spend its working capital and expects to raise additional amounts externally as needed.

There were no changes in the Company's management of capital during the period ended April 30, 2024.

NOTE 12 – SUBSEQUENT EVENTS

- On June 4, 2024, 810,000 stock options with an exercise price of \$0.19 expired unexercised. (Note 7)
- The Company paid \$50,000 USD purchase consideration due on March 25, 2024, pursuant to the La Borita Property purchase agreement. (Note 4e)
- On June 30, 2024, the Company received a demand to pay AUD \$1,098,246 (comprised of AUD \$980,000 principal and AUD \$118,246 interest) in cash within 10 business days. (Note 6)