



ULTRA LITHIUM INC.
(the “Company”)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

FOR THE THREE AND SIX MONTHS ENDED APRIL 30, 2025 AND 2024

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

The management of Ultra Lithium 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
(Expressed in Canadian Dollars)

	<i>Note</i>	Unaudited April 30, 2025	Audited October 31, 2024
		\$	\$
Assets			
Current assets:			
Cash and cash equivalents		52,913	298,399
Amounts receivable	3	32,800	73,112
Prepaid expenses and deposits	8	22,514	69,490
		108,227	441,001
Noncurrent assets:			
Exploration and evaluation assets	4	8,605,002	9,314,259
		8,713,229	9,755,260
Liabilities and Shareholders' Equity			
Current liabilities:			
Trade payables and accrued liabilities	8	2,390,165	2,046,898
Promissory notes	5	281,520	192,764
Loan payable	6	176,560	1,033,130
		2,848,245	3,272,792
Shareholders' equity:			
Share capital	7	27,838,672	27,838,672
Reserves	7	2,780,939	2,847,854
Deficit		(24,754,627)	(24,204,058)
		5,864,984	6,482,468
		8,713,229	9,755,260

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	2025	2024	2025	2024
		\$	\$	\$	\$
Expenses:					
Bank charges and interest		2,356	3,296	4,608	6,201
General exploration	8	21,000	3,000	54,107	6,000
Management fees	8	91,500	91,500	183,000	183,000
Office, rent and administration		47,515	52,055	131,486	104,204
Professional fees	8	75,298	118,542	138,074	208,221
Shareholder communication		3,810	6,837	7,452	17,711
Stock exchange and filing fees		2,687	10,408	10,036	18,170
Transfer agent fees		2,639	1,734	4,383	3,247
Travel and promotion		8,075	14,547	15,710	32,596
		(254,880)	(301,919)	(548,856)	(579,350)
Other income (expenses):					
Foreign exchange gain		8,977	10,593	15,221	22,587
Interest expense	5&6	(6,666)	(23,102)	(16,934)	(44,926)
Interest income		-	19,150	-	19,150
Written-off of liabilities		-	1,000	-	1,000
Changes in fair value of derivative liability	6	-	(182,387)	-	(25,534)
		2,311	(174,746)	(1,713)	(27,723)
Loss for the period		(252,569)	(476,665)	(550,569)	(607,073)
Other comprehensive income (loss):					
Foreign currency translation		(431,525)	226,570	(66,915)	(87,925)
Comprehensive loss		(684,094)	(250,095)	(617,484)	(694,998)
Loss per share		(0.00)	(0.00)	(0.00)	(0.00)
Weighted average number of common shares – basic and diluted		191,095,351	191,095,351	191,095,351	191,095,351

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)

	Share Capital		Reserves			Deficit	Total shareholder's equity
	Common shares	Amount	Equity reserve	Foreign currency translation	Total		
	#	\$	\$	\$	\$		
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
Balance, October 31, 2024	191,095,351	27,838,672	2,126,215	721,639	2,847,854	(24,204,058)	6,482,468
Comprehensive loss for the period	-	-	-	(66,915)	(66,915)	(550,569)	(617,484)
Balance, April 30, 2025	191,095,351	27,838,672	2,126,215	654,724	2,780,939	(24,754,627)	5,864,984

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,

	2025	2024
	\$	\$
Operations:		
Loss for the period	(550,569)	(607,073)
Items not involving cash:		
Accrued interest expense	16,934	44,926
Foreign exchange loss (gain)	(14,064)	10,276
Changes in fair value of derivative liability	-	25,534
Written-off of liabilities	-	1,000
	(547,699)	(525,337)
Changes in non-cash working capital items:		
Amounts receivable	40,312	410,548
Prepaid expenses and deposits	46,976	18,025
Trade payables and accrued liabilities	242,652	152,682
	(217,759)	55,918
Financing:		
Loan repaid	(91,515)	-
Promissory notes proceeds	78,818	77,225
	(12,697)	77,225
Investing:		
Exploration and evaluation assets	(16,522)	(188,557)
	(16,522)	(188,557)
Change in cash and cash equivalents	(246,978)	(55,414)
Effects of foreign exchange translation on cash and cash equivalents	1,492	(6,541)
Cash and cash equivalents, beginning of period	298,399	466,742
Cash and cash equivalents, end of period	52,913	404,787
Supplementary information:		
Exploration and evaluation assets in trade payables and accrued liabilities	1,219,082	896,801
Cash and cash equivalents consist of:		
Cash (overdraft)	(2,087)	349,787
Guaranteed investment certificates	55,000	55,000
	52,913	404,787

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, 2025 and 2024

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. The Company’s common shares are listed for trading on Tier 2 of the TSX Venture Exchange (the “Exchange”) under the symbol “ULT”. The Company’s head office and registered records 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 \$2,740,018 as at April 30, 2025 (October 31, 2024 - \$2,831,791) and accumulated deficit of \$24,754,627 (October 31, 2024 - \$24,204,058) 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 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 consolidated financial statements were authorized for issue on June 30, 2025, 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, 2024, 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, 2025 and 2024

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 consolidated financial statements are presented in Canadian dollars which is the functional currency of the Company. The functional currency of ULI USA and UAL 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 year 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 year; 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, 2025 and 2024

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, 2025, amounts receivable is comprised of GST receivable of \$32,124 (October 31, 2024 - \$17,013) and other receivable of \$676 (October 31, 2024 - \$56,099).

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, 2025 and 2024

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	Cordoba, Argentina	Salta, Argentina	Big Smoky Valley, Nevada	Total
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	
	\$	\$	\$	\$	\$	\$	\$	\$	\$
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	-	-	-	-	68,062	-	-	-	68,062
Exploration and evaluation expenditures	36,000	84,770	380,200	37,470	212	-	8,649	247	547,548
Recoveries	-	-	-	(388,394)	-	-	-	-	(388,394)
Impairment	(974,761)	(2,317,753)	-	-	(365,936)	-	-	(63,290)	(3,721,740)
Foreign exchange	-	-	31,601	3,415	(4,515)	-	719	(1,044)	30,176
Subtotal	(938,761)	(2,232,983)	411,801	(347,509)	(302,177)	-	9,368	(64,087)	(3,464,348)
Balance, October 31, 2024	223,891	532,356	8,156,414	338,907	-	45,639	17,052	-	9,314,259
Exploration and evaluation expenditures	-	-	102,573	11,972	-	82	2,509	-	117,136
Disposal	(223,891)	(532,356)	-	-	-	-	-	-	(756,247)
Foreign exchange	-	-	(61,425)	(7,169)	-	(49)	(1,503)	-	(70,146)
Subtotal	(223,891)	(532,356)	41,148	4,803	-	33	1,006	-	(709,257)
Balance, April 30, 2025	-	-	8,197,562	343,710	-	45,672	18,058	-	8,605,002

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, 2025 and 2024

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	Cordoba, Argentina	Salta, Argentina	Big Smoky Valley, Nevada	Total
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	
	\$	\$	\$	\$	\$	\$	\$	\$	\$
For the year ended October 31, 2024									
Exploration expense	-	-	246,993	5,944	212	-	6,708	-	259,857
Geology and geophysics	24,000	72,770	34,068	14,679	-	-	1,303	-	146,820
Licenses, permits, claim fees and taxes	-	-	3,127	914	-	-	-	247	4,288
Local office and administration	12,000	12,000	22,898	202	-	-	242	-	47,342
Travel, transport, and storage	-	-	73,114	15,731	-	-	396	-	89,241
Total	36,000	84,770	380,200	37,470	212	-	8,649	247	547,548
For the period ended April 30, 2025									
Exploration expense	-	-	85,065	2,661	-	-	2,509	-	90,235
Geology and geophysics	-	-	11,939	5,969	-	-	-	-	17,908
Licenses, permits, claim fees and taxes	-	-	2,345	-	-	-	-	-	2,345
Local office and administration	-	-	70	1,690	-	82	-	-	1,842
Travel, transport, and storage	-	-	3,154	1,652	-	-	-	-	4,806
Total	-	-	102,573	11,972	-	82	2,509	-	117,136

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, 2025 and 2024

NOTE 4 – EXPLORATION AND EVALUATION ASSETS (continued)

(a) Georgia Lake Property, Ontario

The Company held certain claims staked in Ontario. During the year ended October 31, 2024, the Company recorded an impairment of exploration and evaluation asset of \$974,761. The claims were transferred to a lender to settle the loan payable during the period ended April 30, 2025 (Refer note 6).

(b) Forgan Lake Property, Ontario

The Forgan Lake Lithium property was 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. During the year ended October 31, 2024, the Company recorded an impairment of exploration and evaluation asset of \$2,317,753. The claims were transferred to a lender to settle the loan payable during the period ended April 30, 2025 (Refer note 6).

(c) Laguna Verde, Antofagasta, Argentina

The Company wholly owns Laguna Verde project, comprised of one lithium brine property located in the Antofagasta region, province of Catamarca in Argentina and certain claims staked in Archivarca, Argentina.

In May 2025, the General Manager of the Company's Argentinian subsidiary UAL signed an agreement to purportedly sell the Laguna Verde project (the "Purported Agreement"). This unauthorized action was taken without notice to the Company and without any legal authorization or validity. The Company has retained reputable Argentine and Canadian counsel who are initiating both civil and criminal proceedings against all individuals and entities involved in the Illegal Transaction. The Company is committed to taking all necessary steps to protect its ownership of the Laguna Verde project

(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.

On August 22, 2024, the Company signed an agreement to form a joint venture entity in Argentina in which the Company will hold 35% interest and the joint venture partner will hold a 65% interest. Per the terms of the agreement, the Company shall establish a company that serves as joint venture and to contribute the licenses, local connections and its expertise in venture exploration for the 35% interest. Pursuant to the aforesaid agreement, the Company will receive US\$500,000 as one-time compensation for its previous mining and license related expenditures, of which, the first payment of US\$280,000 will be made within one week of the signing of the agreement and the remaining US\$220,000 will be paid within one week of the incorporation of the joint venture entity.

The Company has received US\$280,000 (CA\$388,394) from the partner company which the Company has recorded as recovery against the properties to be contributed to the joint venture. As of April 30, 2025, the Company has not yet formed a joint venture entity with its partner company.

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, 2025 and 2024

NOTE 4 – EXPLORATION AND EVALUATION ASSETS (continued)

(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 (paid)
September 25, 2024	\$50,000 USD

The property is subject to 2% NSR. As of October 31, 2024, the Company has paid \$250,000 USD (October 31, 2023 - \$200,000 USD) in instalments as the purchase consideration. During the year ended October 31, 2024, the recorded an impairment of exploration and evaluation asset of \$365,936.

(f) Cordoba, Argentina

The Company holds certain claims in Cordoba, Argentina.

(g) Salta, Argentina

The Company holds certain claims in Salta, Argentina.

(h) Big Smoky Valley, Nevada

The Company held certain claims in Big Smoky Valley, Nevada. During the year ended October 31, 2024, the recorded an impairment of exploration and evaluation asset of \$63,290.

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 2024, the Company received further advances of \$65,750 under the promissory note. During the six months ended April 30, 2025, the Company received a further advance of \$50,000. During the three and six months ended April 30, 2025, the Company recorded interest expense of \$2,923 and \$5,214 (2024 - \$362 and \$362) 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 six months ended April 30, 2025, the Company received a further advance of US\$20,000. During the three and six months ended April 30, 2025, the Company recorded interest expense of \$2,606 and \$4,963 (2024 - \$1,171 and \$1,171) on the promissory note.

In September 2024, the Company issued a promissory note in the principal amount of US\$28,000 (\$38,965) to an arms-length party. The note is unsecured, payable one year from the date of issuance, and bears interest at a rate of 10% per annum. During the three and six months ended April 30, 2025, the Company recorded interest expense of \$970 and \$1,973 (2024 - \$nil and \$nil) on the promissory note.

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, 2025 and 2024

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.

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.

At October 31, 2024, the fair value of the derivative liability is \$nil as the lender has demanded cash settlement of the loan and the conversion option has expired. The carrying value of the loan payable approximates the aggregate of face value of the debt and accrued interest as of October 31, 2024.

During the year ended October 31, 2023, the Company repaid AUD \$150,000 of the loan balance.

On December 05, 2024, the Company reached a settlement agreement with the lender with respect to the outstanding loan balance of AUD \$1,136,372.60. Per the terms of the agreement, in full payment of the outstanding balance, the Company shall:

- pay \$50,000 AUD to the lender (Paid),
- transfer the Company's Forgan Lake and Georgia Lake claims to the lender (transferred)
- pay \$250,000 AUD to the lender within 60 days of signing the settlement agreement, subsequently amended to
 - pay \$50,000 AUD by March 21, 2025 (Paid)
 - pay \$50,000 AUD by April 15, 2025 (Paid)
 - pay \$150,000 AUD by April 30, 2025

Interest expense recognized during the three and six months ended April 30, 2025, is \$nil and \$4,784 (2024 - \$21,569 and \$43,393). As at April 30, 2025 the carrying amount of the loan is \$176,560 (October 31, 2024 - \$1,033,130), which includes interest accrued.

NOTE 7 – SHARE CAPITAL AND RESERVES

(a) Authorized

Unlimited number of voting common shares without par value.

(b) Issued Share Capital

At April 30, 2025, there were 191,095,351 issued and fully paid common shares (October 31, 2024 – 191,095,351).

(c) Share Issuances

There were no share issuances during the period ended April 30, 2025.

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, 2025 and 2024

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, 2023	12,046,227	0.25
Issued	-	0.25
Expired	-	0.25
Balance, October 31, 2024	12,046,227	0.25
Expired	(1,137,135)	0.35
Balance, April 30, 2025	10,909,092	0.25

The following table summarizes the warrants outstanding as at April 30, 2025:

Warrants #	Exercise Price \$	Expiry Date	Weighted Average Remaining Contractual Life
9,090,910	0.25*	August 10, 2025	0.28
1,818,182	0.25**	September 6, 2025	0.35
10,909,092			0.29

* the exercise price was \$0.11 until August 10, 2024, and \$0.25 thereafter

** the exercise price was \$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, 2023	9,262,500	0.11
Expired/Cancelled	(810,000)	0.19
Balance, October 31, 2024	9,262,500	0.11
Expired	-	-
Balance, April 30, 2025	8,452,500	0.11

Ultra Lithium Inc.

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NOTE 7 – SHARE CAPITAL AND RESERVES (continued)

(e) Stock Options (continued)

The following table summarizes the options outstanding and exercisable as at April 30, 2025:

Shares	Exercise Price Per Share	Expiry Date	Exercisable	Weighted Average Remaining Contractual Life
#	\$		#	
2,190,000	0.13	March 8, 2026	2,190,000	0.85
6,262,500	0.10	October 11, 2027	6,262,500	2.45
8,452,500			8,452,500	2.04

NOTE 8 – RELATED PARTY TRANSACTIONS

(a) Related party transactions

During the three and six months ended April 30, 2025 and 2024, the Company incurred the following transactions with a company controlled by the VP exploration:

	Three months ended April 30		Six months ended April 30	
	2025	2024	2025	2024
	\$	\$	\$	\$
Geological fees	30,000	36,000	60,000	72,000
	30,000	36,000	60,000	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	
	2025	2024	2025	2024
	\$	\$	\$	\$
Short-term benefits ⁽¹⁾	136,500	142,500	273,000	285,000
	136,500	142,500	273,000	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 \$1,029,902 (October 31, 2024 - \$752,462) due to the related parties.

As at April 30, 2025, promissory notes with aggregate principal and accrued interest of \$240,536 are owed to a director and officer of the Company (October 31, 2024 - \$153,404) (Note 5).

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NOTE 9 – SEGMENTED INFORMATION

The Company operated in the following geographic segments as at:

	Canada	Argentina	Total
	\$	\$	\$
Exploration and evaluation assets			
April 30, 2025	-	8,605,002	8,605,002
October 31, 2024	756,247	8,558,012	9,314,259

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. In the prior year, the Company's loan payable was measured using level 3 inputs as disclosed in Note 6. Subsequent to the expiry of the conversion feature, the Company's loan payable is measured using level 1 inputs.

(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, 2025, 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, 2025, the Company had a cash and cash equivalents balance of \$52,913 to settle current liabilities of \$2,848,245 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 2025.

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, 2025	October 31, 2024
	\$	\$
US dollar:		
Cash	4,792	168,482
Trade payable and accrued liabilities	(44,528)	(32,709)
Promissory notes	(135,358)	(108,545)
Net US dollar	(175,094)	27,228
Argentina pesos:		
Trade payable and accrued liabilities	(135,616)	(48,476)
Net Argentina pesos	(135,616)	(48,476)
Serbian Dinar:		
Amounts receivable	676	654
Trade payable and accrued liabilities	(47,046)	(45,499)
Net Serbian Dinar	(46,370)	(44,845)
Australian dollar:		
Loan payable	(176,560)	(1,033,130)
Net Australian dollar	(176,560)	(1,033,130)

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, 2025, denominated in US dollars, Argentina pesos, Serbian Dinar and Australian dollar would result in an increase or decrease of approximately \$53,364 to net loss for the period ended April 30, 2025.

At April 30, 2025, 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%, and promissory notes are at a fixed rate of 12% and 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, 2025, 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, 2025.

NOTE 12 – SUBSEQUENT EVENTS

Subsequent to April 30, 2025, the Company,

Repaid AUD 50,000 of the outstanding loan payable (Note 6).

Received a further advance of \$65,000 under the promissory note issued to director and officer of the Company (Note 5).