



**International
Lithium
Corp.**

CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

INTERNATIONAL LITHIUM CORP.

CHAIRMAN'S STATEMENT

1. Introduction

The year 2024 and early 2025 have seen a number of successes for International Lithium Corp. ("ILC" or "the Company") but also obvious challenges. We were very pleased to be able to release in January 2024 a favourable 43-101 compliant Preliminary Economic Assessment ("PEA") for the lithium at Raleigh Lake in Ontario for an NPV of C\$342.9 million. In September 2024 we contracted to sell our interest in the Avalonia lithium project in Ireland. Against that the significant fall in lithium prices has brought with it a significant fall in the share prices of most quoted lithium companies including that of the Company. We have remained a company with net cash, which is a good place to be in a less benevolent capital market. Of course the fall in prices also gives rise to opportunities, and your board continues actively to explore opportunities.

The Company's main commodities are lithium and rubidium, for both of which since 2023 we have resource estimates, as well as the PEA for lithium only at Raleigh Lake, Ontario. The mineralization on ILC's properties also includes copper and gold but we have not yet ascertained the scale or economic viability of these. Our geographical focus is now on Canada and Southern Africa.

2. Markets

a) Lithium Market

The last year has seen lithium prices fall back to mid-2020 levels. The lithium carbonate price rose by 8x in the three years to early 2023, but by late April 2025 that gain has been fully reversed with the price per tonne of 99.2% lithium carbonate measured in US\$ now down from a peak of US\$71,000 per metric tonne to US\$ 8,337, a drop of over 88%. Inevitably a price fall of this magnitude has also substantially slowed investment in the entire industry. That investment slowdown may well contribute to the next cycle of lithium price appreciation being greater and faster than would otherwise have been the case, but we are not at that point yet.

b) Rubidium Market

Rubidium prices as quoted in price sources such as metal.com have remained firm with the price for 99% Rubidium Carbonate listed at US\$1,040 per kg. This is more than 100x the price of lithium carbonate. If, and it is a big if, we could sell our rubidium resource at anything like this price, it could have a value appreciably higher than the value of our lithium. The world market for rubidium is much smaller than that for lithium, so one of our key challenges is to establish how big that market really is or could become, and also the extent to which rubidium could be a viable alternative to cesium.

3. Our Active Projects

The Company now has projects for lithium, rubidium and copper all of which are critical metals in the United States.

a) Raleigh Lake, near Ignace, NW Ontario

2024 started well with the publishing of our 43-101 report on the Raleigh Lake project. That showed a net present value of CAD\$ 342.9 million for the lithium there at an 8% NPV. This number was based on lithium prices and costs in late 2023 when we announced the PEA. That number was for the Company's lithium only with the rubidium not yet estimated economically.

b) Firesteel, near Upsala, NW Ontario

We acquired in February 2024 a 90% interest in the Firesteel Copper claims near Upsala, Ontario. We conducted preliminary drilling in mid-2024 which confirmed the presence of a Volcanogenic Massive Sulphide ("VMS") system there. We have, as expected, found copper there as well as some gold and cobalt which might be useful by products if we validate the copper story. More drilling will be required to determine whether there is enough copper at the site to be economically interesting.

4. Finances

The Company maintained respectable overall financial strength with cash and current receivables of \$2.3 million. This resulted largely from the sale of the Avalonia project, of which \$1.2 million has now been received since the year end.

5. Market Entry

In Southern Africa, the Company has now entered the Zimbabwe market with majority stakes in some lithium and gold properties either acquired or under option. We have applied for a number of EPOs, and hope to be able to make announcements in that respect later this year. We are also looking at other opportunities.

6. Projects disposed of

- a) The Avalonia project in Ireland was sold in September 2024 for \$2,200,000 plus a 2% Net Smelter Royalty.
- b) The Mavis Lake project (our 49% stake) was sold in January 2022, and ILC received a further resource-based bonus payment of AUD\$ 750,000. There remains further upside of AUD\$ 750,000 if the second resource-based milestone at Mavis Lake is achieved, and on reading the Annual Report of the buyer, Critical Resources Ltd. ("CRR"), we note that CRR expects its current exploration plan to trigger making the final resource payment of AUD\$750,000 to ILC.

7. Project objectives in 2025

The Company's primary project objectives in 2025 are:

- Rubidium: Working on the next stage at Raleigh Lake to identify the realistic economic value of the rubidium there, and reviewing partnership opportunities for the lithium now that we have completed our first PEA there.
- Start of our project activities in Southern Africa.
- Further drilling at Firesteel to ascertain the promise of the copper resource there

8. Conclusion

There is a clear divergence between the U.S. vision for hydrocarbons and that of the Carney government in Canada, with many other countries more agnostic. The strategic outlook for lithium and battery metals remains strong over the next few years, fuelled by more electric vehicles, greater energy demands from Artificial Intelligence, and electric battery storage combined with solar power. Particularly for our Canadian projects, but also for what we are looking to build in Southern Africa, ILC is well placed to benefit from the determination by the USA and Canada and Europe to secure critical resources.

The Company, through its projects in Canada and Southern Africa, is building a strong platform for future growth. The Board, which is highly aligned with shareholders, having invested significantly in the Company's equity, has clear strategic objectives for the period ahead. We remain focused on further enhancing shareholder value and building world-class assets.

We want to determine as well as we can the economic value of our rubidium assets, which could be very significant for ILC. This together with building on the value of our lithium assets and hopefully establishing some good copper results, can create considerable shareholder value. Naturally no company can be immune from a sharp sell-off of all world markets, but we believe we have the right base for when a lithium upturn comes.

I thank our board and team for their ongoing dedication and good performance. I would also like to thank our shareholders, advisors and partners for their support and assistance.

John Wisbey
Chairman and CEO
30 April 2025

To the Shareholders of International Lithium Corp.:

Opinion

We have audited the consolidated financial statements of International Lithium Corp. and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2024 and December 31, 2023, and the consolidated statements of loss and comprehensive income (loss), changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits 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 1 in the consolidated financial statements, which indicates that the Company incurred a net loss during the year ended December 31, 2024. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter described in the Material Uncertainty Related to Going Concern section, we have determined that there are no other key audit matters to communicate in our report.

Other Information

Management is responsible for the other information. The other information comprises 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 audits of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's 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. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Jian-Kun Xu.

Vancouver, British Columbia

April 30, 2025

MNP LLP

Chartered Professional Accountants

INTERNATIONAL LITHIUM CORP.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
AS AT DECEMBER 31,

	<i>Notes</i>	2024	2023
ASSETS			
Current			
Cash		\$ 37,931	\$ 2,672,085
Receivables	4 & 7	2,288,257	106,654
Marketable securities	6	-	177,909
Loan receivable	5	321,433	295,248
Prepaid expenses		21,999	45,133
Investment	7	300,000	-
		2,969,620	3,297,029
Advances	8	205,403	99,870
Equipment		790	1,757
Equity investment	7	-	3,136,186
Exploration and evaluation assets	8	7,328,472	6,661,670
		\$ 10,504,285	\$ 13,196,512
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current			
Accounts payable and accrued liabilities	9 & 10	\$ 912,545	\$ 189,340
		912,545	189,340
Shareholders' Equity			
Share capital	11	19,203,945	19,200,195
Equity reserves	11	4,966,991	4,966,991
Accumulated other comprehensive loss		(137,965)	(135,740)
Deficit		(14,366,148)	(11,024,274)
Non-controlling interest		(75,083)	-
		9,591,740	13,007,172
		\$ 10,504,285	\$ 13,196,512

Nature of operations and going concern (Note 1)

Commitments (Note 10)

Subsequent events (Note 17)

Approved and authorized by the Board on April 30, 2025.

"John Wisbey" Director *"Maurice Brooks"* Director

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

INTERNATIONAL LITHIUM CORP.**CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE INCOME (LOSS)**

(Expressed in Canadian Dollars)

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	<i>Notes</i>	2024	2023
OPERATING EXPENSES			
Consulting fees	10	\$ 820,640	\$ 811,435
Depreciation		966	2,148
Directors' fees	10	638,406	835,186
Foreign exchange (gain) loss		(97,095)	40,273
Interest and bank charges		5,908	5,721
Professional fees		333,598	266,012
Project investigation		163,938	210,454
Office and miscellaneous		89,614	77,160
Shareholder communications		255,830	337,345
Share-based payments	10 & 11	-	255,002
Transfer agent and filing fees		49,584	54,432
Travel and Promotion		<u>112,045</u>	<u>138,241</u>
Total operating expenses		<u>(2,373,434)</u>	<u>(3,033,409)</u>
Loss on equity investment	7	(78,568)	(78,682)
Loss on marketable securities	6	(84,776)	(196,185)
Interest income	5	27,993	26,928
Gain on investment	7	3,057,708	-
Write-down of exploration assets	8	(337,630)	-
Project milestone payment income	8	<u>-</u>	<u>661,050</u>
Total other income		<u>2,584,727</u>	<u>413,111</u>
Income (loss) before tax for the year		211,293	(2,620,298)
Deferred income tax (expense) recovery	15	<u>(134,517)</u>	<u>134,517</u>
Income (loss) after tax for the year		<u>76,776</u>	<u>(2,485,781)</u>
Income (loss) attributable to:			
Common shareholders		151,859	(2,485,781)
Non-controlling interest		<u>(75,083)</u>	<u>-</u>
		<u>76,776</u>	<u>(2,485,781)</u>
Basic and diluted earnings (loss) per common share		\$ 0.00	\$ (0.01)
Weighted average number of common shares outstanding – basic and diluted		248,678,391	248,539,328

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

INTERNATIONAL LITHIUM CORP.**CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE INCOME (LOSS)**

(Expressed in Canadian Dollars)

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	<i>Notes</i>	2024	2023
Income (loss) for the year		\$ 76,776	\$ (2,485,781)
OTHER COMPREHENSIVE INCOME (LOSS)			
Items that will be reclassified subsequently to profit or loss			
Foreign currency translation	7	<u>(2,225)</u>	<u>23,825</u>
Comprehensive income (loss) for the year		\$ 74,551	\$ (2,461,956)
Comprehensive income (loss) attributable to:			
Common shareholders		\$ 149,634	\$ (2,461,956)
Non-controlling interest		<u>(75,083)</u>	<u>-</u>
		\$ 74,551	\$ (2,461,956)

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

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

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Income (loss) for the year	\$ 76,776	\$ (2,485,781)
Items not affecting cash:		
Depreciation	967	2,148
Foreign exchange	(10,542)	324
Share-based payments	-	255,002
Accrued interest income	(27,640)	(26,758)
Loss on equity investment	78,568	78,682
Loss on marketable securities	84,776	196,185
Gain on investment	(3,057,708)	-
Write-down of exploration assets	337,630	-
Project milestone payment income	-	(661,050)
Deferred income tax expense (recovery)	134,517	(134,517)
Changes in non-cash working capital items:		
Receivables	18,397	61,287
Prepaid expenses	23,134	166,881
Accounts payable and accrued liabilities	<u>335,981</u>	<u>59,858</u>
Net change from operating activities	<u>(2,005,144)</u>	<u>(2,487,739)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Exploration and evaluation expenditures	(595,819)	(1,654,430)
Sale of marketable securities	93,133	-
Advances	(121,324)	(42,027)
Project milestone payment received	-	656,715
Grants received	200,000	140,000
Property acquisition cost	(165,000)	-
Property option payments made	<u>(40,000)</u>	<u>(20,000)</u>
Net change from investing activities	<u>(629,010)</u>	<u>(919,742)</u>
Change in cash for the year	(2,634,154)	(3,407,481)
Cash, beginning of the year	<u>2,672,085</u>	<u>6,079,566</u>
Cash, end of the year	\$ 37,931	\$ 2,672,085

Supplemental disclosure with respect to cash flows (Note 12)

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

INTERNATIONAL LITHIUM CORP.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian Dollars)

	Share capital		Equity reserves	Accumulated other comprehensive income (loss)	Deficit	Non-Controlling Interest	Total
	Number	Amount					
Balance at December 31, 2022	248,461,588	\$ 19,192,695	\$ 4,711,989	\$ (159,565)	\$ (9,376,574)	\$ -	\$ 14,368,545
Shares issued for property acquisition	125,000	7,500	-	-	-	-	7,500
Equity gain on carried interest	-	-	-	-	838,081	-	838,081
Share based payments	-	-	255,002	-	-	-	255,002
Other comprehensive income	-	-	-	23,825	-	-	23,825
Loss for the year	-	-	-	-	(2,485,781)	-	(2,485,781)
Balance at December 31, 2023	248,586,588	19,200,195	4,966,991	(135,740)	(11,024,274)	-	13,007,172
Shares issued for property acquisition	150,000	3,750	-	-	-	-	3,750
Equity gain on carried interest	-	-	-	-	166,331	-	166,331
Reclassification of equity investment	-	-	-	-	(3,660,064)	-	(3,660,064)
Other comprehensive loss	-	-	-	(2,225)	-	-	(2,225)
Income (loss) for the year	-	-	-	-	151,859	(75,083)	76,776
Balance at December 31, 2024	248,736,588	\$ 19,203,945	\$ 4,966,991	\$ (137,965)	\$ (14,366,148)	\$ (75,083)	\$ 9,591,740

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

1. NATURE OF OPERATIONS AND GOING CONCERN

International Lithium Corp. (the “Company”) was incorporated under the Business Corporations Act, British Columbia on March 26, 2009 and is considered to be in the exploration stage with respect to its mineral properties. The Company’s records office address is 550 Burrard Street, Suite 1008, Vancouver, British Columbia, Canada, V6C 2B5 and head office address is 789 West Pender Street, Suite 1120, Vancouver, British Columbia, Canada, V6C 1H2. The Company is listed on the TSX Venture Exchange and trades under the stock symbol “ILC”.

The Company is in the process of exploring and investing in mineral properties located in Canada and has not yet determined whether the properties contain reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production.

These consolidated financial statements have been prepared by management on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company has incurred ongoing losses and expects to incur further losses in the development of its business. These circumstances comprise a material uncertainty which may cast significant doubt on the Company’s ability to continue as a going concern. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing, to sell mineral assets from time to time, and to commence profitable operations in the future and repay its liabilities arising from normal business operations as they become due.

The consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence, and these adjustments could be material. The following table provides information regarding the Company’s working capital and accumulated deficit as at December 31, 2024 and December 31, 2023.

	December 31, 2024	December 31, 2023
Working capital	\$ 2,057,075	\$ 3,107,689
Accumulated deficit	\$ (14,366,148)	\$ (11,024,274)

2. BASIS OF PREPARATION

Statement of Compliance

These consolidated financial statements have been prepared in accordance with the IFRS® Accounting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

Basis of Presentation

The consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The consolidated financial statements of the Company are presented in Canadian dollars, which is the presentation currency and functional currency of the Company.

2. BASIS OF PREPARATION (cont'd...)

Consolidation

These consolidated financial statements incorporate the financial statements of the Company and its controlled subsidiaries. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements include the accounts of the Company and its subsidiaries. All significant intercompany transactions and balances have been eliminated. The Company's subsidiaries are as follows:

	Country of Incorporation	Ownership
International Lithium UK Ltd.	United Kingdom	100%
International Lithium Canada Ltd.	Canada	100%
International Lithium Africa (Private) Limited	Zimbabwe	75%

The financial statements of a subsidiary are included in the consolidated financial statements from the date that control commences until the date that control ceases. When the Company ceases to control a subsidiary, assets, liabilities and non-controlling interests of the subsidiary are derecognized at their carrying amounts at the date when control is lost. Investment retained in the former subsidiary is recognized at its fair value and any gain or loss resulting from deconsolidation is recorded through profit or loss.

Significant accounting judgments and estimates

The preparation of these consolidated financial statements requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates.

The most significant judgments relate to the functional currency of the Company and significant influence over associates.

Functional currency

Judgment is involved in the assessment of the functional currency of the Company, its equity investment, and its subsidiaries.

Significant influence over associates

Management deems the Company to have significant influence over an associate when the Company is able to influence the financial and operating decisions of the associate. Until September 13, 2024, the Company had determined that Blackstairs Lithium Limited ("BLL") is an investment in associate.

On September 13, 2024, the Company entered into an amendment agreement for the Blackstairs Lithium Limited ("BLL") Joint Venture Agreement (Note 7). Pursuant to the amendment agreement, the Company's participating interest in the joint venture reduced to 0%. The assessment that the Company does not have significant influence over the investment in BLL as at September 13, 2024 results in the conclusion of the equity method for accounting for this investment. In making their judgement, management considered its percentage ownership, participation rights, the composition of the Board of Directors and Management Committee of BLL, the common directors and management between BLL and the Company and relationship with BLL and concluded that no significant influence exists.

2. BASIS OF PREPARATION (cont'd...)

Significant accounting judgments and estimates (cont'd...)

The most significant estimates relate to the recognition of deferred tax assets and liabilities, calculation of share-based payments, and recoverability of exploration and evaluation assets.

Deferred tax assets and liabilities

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.

Share-based payments

Share-based payments, as measured with respect to stock options granted and re-priced, have been 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 11.

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 indicators of impairment. This is a 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.

3. MATERIAL ACCOUNTING POLICIES

Foreign exchange

The functional currency of an entity is the currency of the primary economic environment in which the entity operates. The functional currency of the Company and its subsidiary International Lithium Canada Ltd. is the Canadian dollar. The functional currency of the Company's inactive subsidiary International Lithium UK Ltd. is the British Pounds. The functional currency of the Company's subsidiary International Lithium Africa (Private) Limited is the U.S. dollar. The functional currency of the Company's equity investment is the Euro. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, *The Effects of Changes in Foreign Exchange Rates*.

Transactions in currencies other than the entity's functional currency are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are translated at the period end exchange rate while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in profit or loss. The exchange gains and losses arising on translation of the Company's equity investment from its functional currency of Euro to Canadian dollar are included in other comprehensive income or loss as well as the exchange gains and losses arising on translation of the Company's subsidiary, International Lithium Africa (Private) Limited, from its functional currency of US dollar to Canadian dollar.

Equipment

Equipment acquired by the Company is recorded at cost on the date of acquisition. Equipment is stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is calculated on a declining balance method over their estimated useful lives. The Company's computer hardware is depreciated at 55%.

3. MATERIAL ACCOUNTING POLICIES (cont'd...)

Financial instruments

Financial assets

The classification of financial assets depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income.

The Company classifies its financial assets into one of the following categories as follows:

Amortized cost

The Company classifies its financial assets at amortized cost only if both of the following conditions are met:

- the financial asset is held within a business model with the objective of collecting the contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The financial assets are measured at fair value plus directly attributable transaction costs at initial recognition and are subsequently measured at amortized costs using effective interest method less any provisions for impairment.

Fair value through other comprehensive income ("FVOCI")

The Company classifies its equity investments at FVOCI for which are not held for trading and the Company has made an irrevocable election at initial recognition to recognize changes in fair value through other comprehensive income rather than profit or loss as these are strategic investments. Upon disposal of these equity investments, any balance within the other comprehensive income reserve for these equity investments is reclassified to retained earnings/deficit and is not reclassified to profit or loss. In addition, the other comprehensive income reserve for an impaired equity investment is not reclassified to profit or loss.

Fair value through profit or loss ("FVPL")

The Company classifies the following financial assets at FVPL:

- investments that are held for trading;
- investments for which the Company has not elected to recognize fair value gains and losses through other comprehensive income;
- debt investments that do not qualify for measurement at either amortized cost or at FVOCI; and
- derivative financial instruments.

The Company has classified its cash and marketable securities as FVPL, investment as FVOCI, and loan receivable and receivables other than GST as amortized cost.

Financial liabilities

The Company classifies its financial liabilities as subsequently measured at amortized cost or FVPL. Financial liabilities are subsequently measured at amortized cost, except for those at FVPL such as derivative financial instruments and contingent consideration payable. The FVPL option can be elected for financial liabilities if:

- it eliminates or significantly reduces an accounting mismatch;
- the financial liability is part of a portfolio that is managed and evaluated on a fair value basis, in accordance with a documented risk management or investment strategy; or
- there is an embedded derivative in the financial or non-financial host contract and the derivative is not closely related to the host contract.

This irrevocable election is made at initial recognition and these financial liabilities cannot be reclassified out of the category while they are held or issued.

The Company has classified its accounts payable and accrued liabilities as financial liabilities at amortized cost.

3. MATERIAL ACCOUNTING POLICIES (cont'd...)

Financial instruments (cont'd...)

Impairment of financial assets

The Company assesses on a forward-looking basis the expected credit losses associated with its financial assets which are classified and measured at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the financial assets.

The criteria used to determine risk of default and to estimate expected credit losses include:

- delinquencies in payments;
- significant financial difficulty of the debtor;
- it becomes probable that the debtor will enter bankruptcy; or
- significant changes in macroeconomic factors that indicate future defaults will vary and measurable changes in estimated future cash flows will result, provided that such information is observable and available without undue cost or effort.

Investment in associate

The Company accounts for its investment in associate using the equity method. Under the equity method, the Company's investment in an associate is initially recognized at cost and subsequently increased or decreased to recognize the Company's share of earnings and losses of the associate and for impairment losses after the initial recognition date. The Company's share of an associate's losses that are in excess of its investment in the associate are recognized only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate. The Company's share of earnings and losses of associates are recognized through profit or loss during the period. Distributions received from an associate are accounted for as a reduction in the carrying amount of the Company's investment in the associate. The exchange gains and losses arising on translation of the Company's equity investment are included in other comprehensive income or loss. Where the Company has a free-carried interest in expenditures, the Company records its proportionate share based on its ownership percentage with an offsetting amount recorded in reserves.

Intercompany transactions between the Company and its associates are recognized only to the extent of unrelated investors' interests in the associates.

At the end of each reporting period, the Company assesses whether there is any objective evidence that an investment in an associate is impaired. Objective evidence includes observable data indicating that there is a measurable decrease in the estimated future cash flows of the associate's operations. When there is objective evidence that an investment in an associate is impaired, the carrying amount of such investment is compared to its recoverable amount, being the higher of its fair value less cost to sell and value in use (i.e. present value of its future cash flows). If the recoverable amount of an investment in associate is less than its carrying amount then an impairment loss is recognized in that period. When an impairment loss reverses in a subsequent period, the carrying amount of the investment in an associate is increased to the revised estimate of recoverable amount to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had an impairment loss not been previously recognized. A reversal of an impairment loss is recognized through profit or loss in the period that the reversal occurs.

3. MATERIAL ACCOUNTING POLICIES (cont'd...)

Mineral properties – exploration and evaluation assets

The costs related to the acquisition of a mineral property, including application fees, option payments, and purchase considerations, are capitalized as when they are incurred. All other costs directly related to the exploration and evaluation of mineral properties are capitalized once the legal rights to explore the mineral properties are acquired or obtained. When the technical and commercial viability of a mineral resource have been demonstrated and a development decision has been made, the capitalized costs of the related property are first tested for impairment and then transferred to mining assets and depreciated using the units of production method on commencement of commercial production.

The carrying values of capitalized amounts are reviewed annually or when indicators of impairment are present. In the case of undeveloped properties there may be only inferred resources to allow management to form a basis for the impairment review. The review is based on the intentions for the development of such a property.

If it is determined that capitalized acquisition, exploration and evaluation costs are not recoverable, or the property is abandoned or management has determined an impairment in value, the property is written down to its recoverable amount.

Impairment of tangible and intangible assets

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Provision for environmental rehabilitation

The Company recognizes liabilities for legal or constructive obligations associated with the retirement of mineral properties and equipment. The net present value of future rehabilitation costs is capitalized to the related asset along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related assets with a corresponding entry to the rehabilitation provision. The Company does not have any significant rehabilitation obligations.

Share-based payments

The Company accounts for stock options granted to directors, officers and employees at the fair value of the options granted. Accordingly, the fair value of the options at the date of the grant is determined using the Black-Scholes option pricing model and share-based compensation is accrued and charged to operations, with an offsetting credit to share-based payment reserve, over the vesting periods. Stock options granted to non-employees are measured at the fair value of goods or services rendered or at the fair value of the instruments issued, if it is determined that the fair value of the goods or services received cannot be reliably measured. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

3. MATERIAL ACCOUNTING POLICIES (cont'd...)

Share-based payments (cont'd...)

If and when the stock options are exercised, the applicable amounts of equity reserves are transferred to share capital.

The expected price volatility is based on the historical volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

Earnings (loss) per share

Basic earnings (loss) per share is computed by dividing net earnings (loss) available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted earnings (loss) per share is computed similar to basic earnings (loss) per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants and convertible loan, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and the convertible loans were converted and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods. For the periods presented, the calculations proved to be anti-dilutive.

Government grants

The Company recognizes government grants given on eligible expenditures when it is reasonably assured that they will be realized. The Company uses the cost reduction method to account for government grants, under which the credits are applied against the expense or asset to which the government grant relates.

Income taxes

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

Deferred tax is recorded for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred taxes are not provided for temporary differences relating to non-tax deductible goodwill or the initial recognition of assets or liabilities that affect neither accounting or taxable loss and do not give rise to equal taxable and deductible temporary differences. Differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future are also not recognized. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered the deferred tax asset is not set up.

Accounting standards issued but not yet effective

In April 2024, IASB issued IFRS 18, *Presentation and Disclosure in Financial Statements*, to replace IAS 1, *Presentation of Financial Statements*. The aim of IFRS 18 is to set out requirements for presentation and disclosure of financial statements to ensure the entity provides relevant and accurate information about its assets, liabilities, equity, income and expenses. IFRS 18 is effective for the fiscal years beginning on or after January 1, 2027. The Company is currently assessing the impact of such new standard to the Company's consolidated financial statements.

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4. RECEIVABLES

Receivables include input tax credit of \$88,257 (2023 – \$106,654) and \$2,200,000 from GFL International Co. Ltd. (2023 - \$nil) (Note 7).

5. LOAN RECEIVABLE

On November 2, 2022, the Company entered into a loan agreement with a director and officer of the Company. The Company advanced USD\$200,000 (\$270,340) for a term of six months, since extended. The loan is unsecured, due on demand, and bears interest at the rate of 10% per annum.

During the year ended December 31, 2024, the Company recorded \$27,640 interest income on the loan (2023 – \$26,758) and received \$27,788 of accumulated interest (2023 - \$nil) (Note 12). As at December 31, 2024, the carrying value of the loan receivable is USD\$223,388 (\$321,433) (2023 - USD\$223,233 (\$295,248)). (Note 10 & 17)

6. MARKETABLE SECURITIES

During the year ended December 31, 2024 marketable securities consisted of shares of a publicly traded company, Critical Resources Limited (“Critical Resources”). The Critical Resources shares were received as part of the Asset Purchase Agreement for the Mavis Lake Lithium Project (Note 8). Marketable securities are classified as FVPL and are measured at fair value by reference to quoted stock prices on established exchanges.

The following transactions occurred during the year:

	Year ended December 31, 2024		Year ended December 31, 2023	
	Shares		Shares	
Critical Resources shares				
Opening balance	9,460,498	\$ 177,909	9,460,498	\$ 374,094
Sale of marketable securities	(9,460,498)	(93,133)	-	-
Realized loss	-	(334,505)	-	-
Unrealized gain (loss)	-	249,729	-	(196,185)
Ending balance	-	\$ -	9,460,498	\$ 177,909

7. EQUITY INVESTMENT

Avalonia Lithium Joint Venture

The Avalonia Lithium Project is comprised of certain licenses in the Carlow and Wicklow counties, Ireland. The exploration rights for the project are held by Blackstairs Lithium Limited, a company jointly incorporated by the Company and GFL International Co. Ltd. (“GFL”) with the Company holding a 45% interest and GFL holding 55% interest in BLL.

Pursuant to the Blackstairs Joint Venture Agreement dated March 18, 2014, and amended agreement dated October 14, 2021, GFL may earn an additional 24% interest in the Avalonia Lithium Project by incurring \$10,000,000 in exploration expenditures or produce a bankable feasibility study within 10 years of the effective date of the agreement (extended to December 31, 2025). The Company will have a carried interest through to the completion of these exploration expenditures. Once GFL has earned an additional 24% interest, the Company’s participation interest will be reduced to 21% without incurring additional costs. A participating interest that is subsequently diluted to less than 10% will be converted to a 1% net smelter royalty (“NSR”).

7. EQUITY INVESTMENT (cont'd...)

Avalonia Lithium Joint Venture (cont'd...)

The voting in the management committee of the joint venture is proportionate to each party's participating interest which is, as at December 31, 2023, 55% to GFL and 45% to the Company.

On September 13, 2024, the Company entered into an amendment agreement for the Blackstairs Joint Venture Agreement. Pursuant to the amendment agreement, the date by which GFL shall incur \$10,000,000 in exploration expenditures or produce a bankable feasibility study was extended from September 14, 2024, to December 31, 2025, and the Company's participating interest in the joint venture reduced to 0%. As per the terms of the amendment agreement, ILC and GFL shall enter into an agreement granting ILC a 2% royalty of net smelter returns from the Avalonia Project. In addition, GFL shall make the following payments to ILC:

- (i) \$100,000 within 10 business days of the amendment agreement (received in February 2025);
- (ii) \$1,100,000 on or before March 31, 2025 (received in April 2025); and
- (iii) \$1,000,000 on or before October 31, 2025.

On September 13, 2024, when the Company reassessed its investment in BLL and the impact from the new amendment signed, the Company considered its percentage ownership, participation rights, the composition of the Board of Directors and Management Committee of BLL, the common directors and management between BLL and the Company, and the relationship with BLL and concluded that no significant influence exists.

As BLL was no longer considered an investment in associate effective September 13, 2024, the fair value of the investment in BLL of \$300,000, representing the share ownership, was transferred to FVOCI investment with any gain (loss) on remeasurement recorded in profit or loss on the date of transfer, and any subsequent remeasurements recorded to other comprehensive income. The Company transferred accumulated equity gain on carried interest of \$3,660,064 as well as accumulated foreign currency translation gain of \$12,924 from equity to profit or loss. As a result, the Company recorded a gain on reclassification of investment of \$3,057,708. In addition, the Company recognized a receivable from GFL of \$2,200,000.

The functional currency of BLL is the Euro. Supplementary financial information regarding the Company's investment in BLL is presented below, after adjustments to align accounting policies to those of the Company and to translate to Canadian dollars in accordance with the Company's accounting policies.

Blackstairs Lithium Limited

	September 13, 2024	December 31, 2023
Current assets	\$ 206,428	\$ 1,052,410
Non-current assets	7,350,278	6,063,120
Current liabilities	(174,110)	(146,230)
Net assets	7,382,596	6,969,300
The Company's share of the net assets – 45% (2023 - 45%)	\$ 3,322,168	\$ 3,136,186

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7. EQUITY INVESTMENT (cont'd...)

Avalonia Lithium Joint Venture (cont'd...)

	Period ended September 13, 2024	Year ended December 31, 2023
Loss for the period	\$ (174,596)	\$ (174,849)
Other comprehensive income (loss) – foreign currency translation	218,264	61,207
Total comprehensive income (loss)	43,668	(113,642)
The Company's share of comprehensive income (loss) – 45% (2023 - 45%)	\$ 19,651	\$ (51,139)
Investment in associate – BLL	Year ended December 31, 2024	Year ended December 31, 2023
Balance, beginning of year	\$ 3,136,186	\$ 2,218,445
Equity gain on carried interest	166,331	838,081
Loss on equity investment	(78,568)	(78,682)
Equity – other comprehensive income	12,924	23,825
Gain on investment	3,057,708	-
Reclassified to FVOCI investment	(300,000)	-
Receivable from GFL	(2,200,000)	-
Transfer from equity to profit or loss	(3,660,064)	-
Deferred tax recovery resulted from equity investment gain	(134,517)	134,517
Ending balance, investment in associate – BLL	\$ -	\$ 3,136,186

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8. EXPLORATION AND EVALUATION ASSETS

	Raleigh Lake Project, Ontario	Wolf Ridge Project, Ontario	Firesteel Project, Ontario	EPOs, Zimbabwe	Other Zimbabwe projects	Total
Exploration and Evaluation Assets						
Balance, December 31, 2022	\$ 4,643,531	\$ 113,018	\$ -	\$ -	\$ -	\$ 4,756,549
Acquisition costs	-	-	-	291,953	15,780	307,733
Exploration expenditures	1,600,787	35,863	-	-	-	1,636,650
Option payments made	-	27,500	-	-	73,238	100,738
Government grant received	<u>(140,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(140,000)</u>
Balance, December 31, 2023	6,104,318	176,381	-	291,953	89,018	6,661,670
Acquisition costs	-	-	165,000	-	28,492	193,492
Exploration expenditures	355,587	22,310	572,307	-	-	950,204
Option payments made	-	43,750	-	-	-	43,750
Impairment	(37,300)	-	-	(300,330)	-	(337,630)
Government grant received	-	-	(200,000)	-	-	(200,000)
Foreign exchange	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,377</u>	<u>8,609</u>	<u>16,986</u>
Balance, December 31, 2024	\$ 6,422,605	\$ 242,441	\$ 537,307	\$ -	\$ 126,119	\$ 7,328,472

During the year ended December 31, 2024, the Company received \$200,000 grants for the Firesteel Project from the Ontario Junior Exploration Program (2023 – 140,000 for the Raleigh Lake Project). The Company deducts the grant amount from the carrying value of the respective project.

INTERNATIONAL LITHIUM CORP.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

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8. EXPLORATION AND EVALUATION ASSETS (cont'd...)

Deferred exploration costs were as follows:

	Raleigh Lake Project	Wolf Ridge Project	Firesteel Project	Other Zimbabwe projects	Total
Year ended December 31, 2023					
Assays and laboratory	\$ 67,099	\$ 7,702	\$ -	\$ -	\$ 74,801
Drilling	770,131	-	-	-	770,131
Exploration expense	105,683	-	-	-	105,683
Geology and geophysics	657,874	25,286	-	-	683,160
Travel and related	-	2,875	-	-	2,875
Total	\$ 1,600,787	\$ 35,863	\$ -	\$ -	\$ 1,636,650
Year ended December 31, 2024					
Assays and laboratory	\$ 22,846	\$ 7,075	\$ 55,004	\$ -	\$ 84,925
Drilling	-	-	243,936	-	243,936
Exploration expense	48,430	7,135	87,427	-	142,992
Geology and geophysics	281,811	8,100	180,000	-	469,911
Equipment and tools	-	-	5,940	-	5,940
Travel and related	2,500	-	-	-	2,500
Total	\$ 355,587	\$ 22,310	\$ 572,307	\$ -	\$ 950,204

8. EXPLORATION AND EVALUATION ASSETS (cont'd...)

Title to mineral property interests

Title to mineral property interests involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral claims. The Company has investigated title to all of its mineral properties and, to the best of its knowledge, title to all of its interests are in good standing. However, this should not be construed as a guarantee of title. The concessions may be subject to prior claims, agreements or transfers and rights of ownership may be affected by undetected defects.

Raleigh Lake Lithium and Rubidium Project, Ontario

The Raleigh Lake Project is wholly owned by the Company and consists of a total of 32,900 hectares of mineral claims in the Kenora Mining District of Ontario, Canada. It is the Company's most strategic project in Canada. A Maiden Resource Estimate was declared in March 2023 and Preliminary Economic Assessment was published in January 2024.

During the year ended December 31, 2024, the Company relinquished certain claims of the Raleigh Lake project due to unsatisfactory exploration results and recorded a write-down of \$37,300 (2023 - \$nil).

Mavis Lake Lithium Project, Ontario

In January 2022, the Company completed the sale of its 49% interest in the Mavis Lake Lithium Project (or "Mavis Lake - Fairservice"). Pursuant to the Asset Purchase Agreement (the "APA") with Critical Resources Limited ("Critical Resources"), Critical Resources will make the milestone payments as follows:

- AUD\$750,000 (received) on definition of a mineral resource estimate exceeding 5 million tonnes of which at least 50,000 tonnes of lithium oxide (Li₂O) (the "First Project Milestone Payment"); and
- A further AUD\$750,000 on definition of a resource exceeding 10 million tonnes of which at least 100,000 tonnes of lithium oxide (Li₂O) (the "Second Project Milestone Payment"), or, in case both milestones are defined at the same time, AUD\$1,500,000 in total.

During the year ended December 31, 2023, the Company received the First Project Milestone Payment of AUD\$750,000 (\$656,715).

Wolf Ridge Project, Ontario

On April 20, 2022, the Company entered into an option agreement to acquire 100% interest in the Wolf Ridge Property located in Ontario. In accordance with the terms of the agreement, the Company may earn a 100% interest in the property by spending \$350,000 on exploration expenditures and paying a consideration comprised of \$210,000 cash (\$70,000 paid) and 775,000 shares of the Company (375,000 issued) over the period of four years. The property is subject to NSR as follows:

- i) 1.0% NSR for all minerals that are not Nickel, Copper, Lead, Zinc, Molybdenum, Cobalt, Platinum, Palladium, Gold and Silver (the "Original Royalty"). The Company has a right to purchase at any time the entirety of the 1.0% of the Original Royalty by paying a consideration comprised of \$1,000,000 cash and 225,000 shares of the Company.
- ii) 2.0% NSR for all minerals that are Nickel, Copper, Lead, Zinc, Molybdenum, Cobalt, Platinum, Palladium, Gold and Silver (the "Nickel Royalty"). The Company may purchase at any time 1.0% of the Nickel Royalty (half of the Nickel Royalty) by paying a consideration comprised of \$1,000,000 cash and 225,000 shares of the Company.

8. EXPLORATION AND EVALUATION ASSETS (cont'd...)

Firesteel Project, Ontario

On February 16, 2024, the Company entered into a Purchase and Sale Agreement to acquire a 90% interest in the Firesteel Project in Northwestern Ontario. On May 21, 2024, the Company entered into an Amended Purchase and Sale Agreement (the "Amended Agreement"), whereby, the Company acquired a 90% interest in the project by paying \$55,000 cash upon signing in February 2024 (paid) and paying \$110,000 cash upon signing of the Amended Agreement in May 2024 (paid). The Company granted the vendor to receive the following milestone payments:

- if a Resource Calculation equal to or exceeding 10,000,000 metric tonnes at 1% Copper is established (the "First Resource Bonus Threshold"), the Company shall pay \$1,000,000; and
- if a Resource Calculation equal to or exceeding 15,000,000 metric tonnes at 1% Copper is established (the "Second Resource Bonus Threshold"), the Company shall pay further \$1,000,000.

EPOs, Zimbabwe

The Company has applied for various Exclusive Prospecting Orders ("EPOs") in Zimbabwe. The aggregate cost of preparing and filing the EPO applications is USD\$219,250 which was paid by a subsidiary of the Company.

During the year ended December 31, 2024, the Company recorded a write-down of the carrying value of \$300,330 (2023 - \$nil) related to the EPOs due to the timing uncertainty of the grant of EPOs.

Other claims in Zimbabwe

The Company has entered into an option agreement to acquire a 100% interest in certain mineral claims located in Manicaland Zimbabwe. The total purchase consideration to acquire 100% interest in the claims is USD\$200,000 of which the Company has paid USD\$55,000 which was contracted and paid by a subsidiary of the Company. The option is valid until 7 days from the day the Company receives the first EPO.

The Company also has a 65% interest in two projects comprised of 440 hectares in Manicaland Zimbabwe. The Company initially acquired a 25% interest in 2022 by paying purchase consideration of USD\$11,850 through a subsidiary of the Company. During 2024, the Company acquired an additional 40% interest by paying USD 20,800 through a subsidiary of the Company.

Advances

As of December 31, 2024, USD\$142,750 (\$205,403) (2023, USD\$75,000 (\$99,870)) were advanced to a consultant for the application and acquisition of mineral claims in Africa.

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9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities are as follows:

	December 31, 2024	December 31, 2023
Accounts payable (<i>Note 10</i>)	\$ 844,545	\$ 119,340
Accrued liabilities	<u>68,000</u>	<u>70,000</u>
Total	<u>\$ 912,545</u>	<u>\$ 189,340</u>

All payables and accrued liabilities of the Company fall due within the next 12 months.

10. RELATED PARTY TRANSACTIONS

The Company entered into the following transactions with related parties during the year ended:

Transaction	Relationship	December 31, 2024	December 31, 2023
Consulting fees	Directors and officers and related companies	\$ 656,138	\$ 614,871
Directors' fees	Directors	638,406	835,186
Share-based payments	Directors and officers	<u>-</u>	<u>197,149</u>
		<u>\$ 1,294,544</u>	<u>\$ 1,647,206</u>

During the year ended December 31, 2024, the Company awarded a bonus of \$217,638 to five directors of the Company (2023 - \$499,459 to four directors) recorded as directors' fees.

At December 31, 2024, due to related parties consisted of \$226,235 payable to various directors and officers (2023 - \$82,592) for expenses and services detailed above and is included in accounts payable and accrued liabilities.

At December 31, 2024, loan receivable with accrued interest of USD\$223,389 (\$321,434) was receivable from a director and officer of the Company (2023 - USD\$223,233 (\$295,248)) (*Note 5*).

Commitments - Consulting agreements

The Company entered into consulting agreements with two officers, who are also directors, of the Company for the provision of consulting services at a cost of CHF314,400 and \$145,200 per annum respectively. If either of the agreements are terminated without cause, the Company is required to pay a lump sum equal to twelve months' worth of fees. Should the Company be subject to a change in control and the consultant terminated without cause, the Company must pay an amount equal to the prior twelve months gross pay.

The Company entered into a consulting agreement with an officer and director of the Company for the provision of consulting services at a cost of \$240,000 per annum. If the agreement is terminated without cause, the Company is required to pay the greater of a lump sum equal to twelve months' base compensation and one month's base compensation for each year engaged with the Company. Should the Company be subject to a change in control and the consultant terminated without cause, the Company must pay an amount equal to the prior twelve months gross pay.

11. SHARE CAPITAL AND EQUITY RESERVES

Authorized share capital

As at December 31, 2024, the authorized share capital of the Company is an unlimited number of common shares without par value. All issued shares, consisting only of common shares, are fully paid.

Issued share capital

At December 31, 2024, there were 248,736,588 issued and fully paid common shares (2023 – 248,586,588).

On May 21, 2024, the Company issued 150,000 shares with fair value of \$3,750 pursuant to the Wolf Ridge Property option agreement. *(Note 8)*

On May 18, 2023, the Company issued 125,000 shares with fair value of \$7,500 pursuant to the Wolf Ridge Property option agreement. *(Note 8)*

Warrants

Warrant transactions are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance outstanding and exercisable, December 31, 2022	90,521,127	\$ 0.07
Warrants expired	<u>(57,812,875)</u>	<u>0.067</u>
Balance outstanding and exercisable, December 31, 2023 and 2024	<u>32,708,252</u>	<u>\$ 0.08</u>

At December 31, 2024, warrants were outstanding enabling holders to acquire common shares as follows:

Number of Warrants	Exercise Price	Expiry Date
12,571,073	\$ 0.08	February 3, 2026 *
12,550,510	\$ 0.08	February 19, 2026 **
<u>7,586,669</u>	<u>\$ 0.08</u>	<u>August 11, 2026 ***</u>
<u>32,708,252</u>		

* Expiry date amended from February 29, 2024 to February 3, 2026

** Expiry date amended from February 29, 2024 to February 19, 2026

*** Expiry date amended from June 30, 2024 to August 11, 2026

The weighted average outstanding life of warrants outstanding on December 31, 2024, is 1.23 years.

Stock options

The Company has an incentive stock option plan in place under which it is authorized to grant options to directors, employees and consultants to acquire up to 10% of the Company's issued and outstanding common shares. Under the plan, the exercise price of each option may not be less than the market price of the Company's stock as calculated on the date of grant less the applicable discount. The options can be granted for a maximum term of 10 years and vesting periods are determined by the Board of Directors.

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11. SHARE CAPITAL AND EQUITY RESERVES (cont'd...)

Stock options (cont'd...)

The changes in options were as follows:

	Number of options	Weighted Average Exercise Price
Balance outstanding, December 31, 2022	12,530,000	\$ 0.10
Options granted	5,091,000	0.075
Options expired/cancelled	<u>(1,930,000)</u>	<u>0.09</u>
Balance outstanding, December 31, 2023	15,691,000	0.09
Options expired/cancelled	<u>(3,945,000)</u>	<u>0.065</u>
Balance outstanding, December 31, 2024	11,746,000	\$ 0.10
Vested and exercisable	11,746,000	\$ 0.10

At December 31, 2024, options were outstanding enabling holders to acquire common shares as follows:

Number of Options	Exercise Price	Expiry Date
6,655,000	\$ 0.12	November 4, 2026
<u>5,091,000</u>	<u>\$ 0.075</u>	<u>February 9, 2028</u>
11,746,000		

The weighted average outstanding life of stock options outstanding on December 31, 2024 is 2.39 years.

During the year ended December 31, 2024, the Company recognized a total of \$nil (2023 - \$255,002) in share-based compensation for the options vested during the year.

The following weighted average assumptions were used for the Black-Scholes option-pricing model valuation of stock options granted during the year:

	2023
Risk-free interest rate	3.07%
Expected life of options in years	5
Expected annualized volatility	93.31%
Dividend yield	Nil

12. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

The significant non-cash financing and investing activities during the year ended December 31, 2024 consisted of:

- Exploration and evaluation expenditures of \$424,052 in accounts payable.
- Shares issued pursuant to Wolf Ridge property option agreements of \$3,750.
- Accounts payable settled through interest receivable of \$27,788.

The significant non-cash financing and investing activities during the year ended December 31, 2023 consisted of:

- Exploration and evaluation expenditures of \$9,040 in accounts payable.
- Shares issued pursuant to Wolf Ridge property option agreements of \$7,500.
- Applied advances of \$380,971 toward acquisition of exploration and evaluation assets.

13. SEGMENT INFORMATION

The Company operates in one business segment which is the exploration of mineral properties. The geographic distribution of exploration and evaluation assets is disclosed in Notes 8.

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments

Financial assets and liabilities measured at fair value are classified in the fair value hierarchy according to the lowest level of input that is significant to the fair value measurement. Assessment of the significance of a particular input to the fair value measurement requires judgement and may affect placement within the fair value hierarchy levels. The hierarchy is as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's cash and marketable securities are classified as level 1. The Company's investment is measured using level 3 inputs. The fair value of receivables, loan receivable and accounts payable and accrued liabilities approximates their carrying value due to the short-term nature of the financial instruments.

Risk management

In the mining industry there is always a risk over contractual interpretation of royalty rights and obligations, and it is possible that the Company's interpretation of its rights and obligations could be different from other parties' interpretation of them. The Company is exposed to varying degrees of financial instrument related risks:

Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash and loan receivables. The Company limits its exposure to credit risk on liquid financial assets through maintaining its cash with high-credit quality financial institutions. The loan advanced to a director is approved by the remuneration and audit committees of the board. The Company considers that credit risk with respect to the loans receivable (*Note 5*) is minimal.

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

Liquidity risk

Liquidity risk, in particular funding risk, has historically been seen by the Board as a key risk issue. Liquidity risk is the risk that the Company will not have sufficient liquidity to be able to meet its obligations associated with its financial liabilities. The Company currently has appreciable cash resources and no borrowings outstanding, so does not consider this a major risk at present. The Company will in the medium term endeavor to raise funds from equity or debt financings, sales of mineral assets and other methods as contemplated by management to satisfy its capital requirements and will continue to depend heavily upon these financing and asset disposal activities.

Market risk

a) Interest rate risk

The Company's exposure to interest rate risk arises from the interest rate impact on cash. The Company's policy is to invest cash at floating rates of interest, in order to maintain liquidity, while achieving a satisfactory return for shareholders. There is minimal risk that the Company would recognize any loss as a result of a decrease in the fair value. The Company has no interest-bearing liabilities with variable interest rate.

b) Price risk

The Company is exposed to price risk with respect to commodity prices, particularly lithium. The lithium price has seen considerable volatility over the past two years. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company, especially as an input into economic decisions on whether to invest further in projects. As time goes on and if the Company's lithium resources become reserves and are closer to production, the company may wish to introduce hedging programmes to mitigate its price risk. Quite sophisticated hedging programmes are possible for much more heavily traded commodities such as copper, iron or gold, but there is less liquidity at present in lithium markets, and there may be practical issues for some time with executing such hedging programmes.

c) Foreign currency risk

The Company's operations are in Canada and Ireland. The international nature of the Company's operations results in foreign exchange risk as transactions are denominated in foreign currency.

The Company's operating expenses are incurred primarily in Canadian dollars. Exploration programs are in Canadian dollars. Activity in associates occurs in Ireland and is denominated in the Euro. The Company compensates certain consultants and directors in US dollars, Swiss francs, and British pounds. A portion of the Company's cash is reserved in US dollars and marketable securities are denominated in Australian dollars. Consequently, the Company's investments and expenditures are subject to currency transaction risk and currency translation risk. The fluctuation of the Canadian dollar will, consequently, have an impact upon the reported profitability of the Company and may also affect the value of the Company's assets and liabilities. The Company has not entered into any agreements or purchased any instruments to hedge possible currency risks at this time. A 10% change in foreign exchange rates would increase/decrease loss for the year by approximately \$14,000.

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15. INCOME TAXES

A reconciliation of income taxes (recovery) at statutory rates with the reported taxes for the years ended December 31, 2024 and 2023 is as follows:

	December 31 2024	December 31 2023
Income (loss) before income taxes	\$ 211,293	\$ (2,620,298)
Expected income tax (recovery)	\$ 57,792	\$ (707,000)
Change in statutory, foreign tax, foreign exchange rates and other	2,346	-
Non-deductible (non-taxable) items and others	93,789	104,575
Impact of BLL disposition	(838,081)	-
Adjustment to prior year provision for statutory tax returns	553	271,098
Change in unrecognized deductible temporary differences	818,118	196,810
Income tax expense (recovery)	\$ 134,517	\$ (134,517)

The significant components of the Company's deferred tax assets that have been included on the consolidated statement of financial position are as follows:

	2024	2023
Deferred Tax Assets (Liabilities)		
Exploration and evaluation assets	\$ -	\$ (91,433)
Investment	-	(378,539)
Non-capital losses available for future periods	\$ -	\$ 469,972
Net Deferred Tax Assets (Liabilities)	-	-

The significant components of the Company's deductible temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statement of financial position are as follows:

	2024	Expiry Date Range	2023	Expiry Date Range
Temporary Differences				
Exploration and evaluation assets	\$ 5,209,196	No expiry date	\$ 4,861,865	No expiry date
Investment tax credit	8,987	2031 to 2033	8,987	2031 to 2033
Share issue costs	4,486	2025	8,972	2022 to 2025
Marketable securities	-	No expiry date	249,729	No expiry date
Investment	32,195	No expiry date	-	No expiry date
Non-capital losses available for future periods	\$ 5,761,367	2038 to 2044	\$ 2,939,736	2038 to 2043

15. INCOME TAXES (cont'd...)

No deferred tax asset has been recognized in respect of the above because the amount of future taxable profit that will be available to realize such assets is not probable.

16. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration and development of its mineral properties, acquire additional mineral property interests and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company includes the components of shareholders' equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash.

In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The annual and updated budgets are approved by the Board of Directors.

The Company currently is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management.

17. SUBSEQUENT EVENTS

- Subsequent to the year ended December 31, 2024, the United States and Canadian governments announced new tariffs on imported goods. This has caused significant economic uncertainty and market volatility. Management is actively assessing the situation and the effects on the Company, if any, are currently uncertain.
- On March 31, 2025, the Company closed the first tranche of a non-brokered private placement of common shares. The Company issued 23,666,666 common shares at \$0.015 per share for gross proceeds of \$355,000. The Company's directors and officers participated in the private placement.
- Loan receivable from a director of USD\$200,000 principal and USD\$24,210 accumulated interest was fully settled (Note 5).
- The Company received \$1,200,000 from GFL pursuant to the amendment agreement for the Blackstairs Joint Venture Agreement (Note 7).