Norris Lithium Inc.
(formerly Copper Ridge Exploration Inc.)

Financial Statements

Year Ended October 31, 2022 and
the Period from Incorporation on May 26, 2021 to October 31, 2021

(Expressed in Canadian Dollars)

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Year Ended October 31, 2022 and the Period from Incorporation on May 26, 2021 to October 31, 2021

(Expressed in Canadian Dollars)

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Baker Tilly WM LLP
900 – 400 Burrard Street
Vancouver, British Columbia
Canada V6C 3B7
T: +1 604.684.6212
F: +1 604.688.3497

vancouver@bakertilly.ca
www.bakertilly.ca

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Norris Lithium Inc. (formerly Copper Ridge Exploration Inc.):

Opinion

We have audited the financial statements of Norris Lithium Inc. (formerly Copper Ridge Exploration Inc.) (the "Company"), which comprise the statement of financial position as at October 31, 2022, and the statement of comprehensive loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the financial statements, which describes the events and conditions indicating 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.

Other Matter

The financial statements of the Company for the period from incorporation on May 26, 2021 to October 31, 2021, were audited by another auditor who expressed an unmodified opinion on those financial statements on March 15, 2022.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis filed with the relevant Canadian securities commissions.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

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

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

In preparing the 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

The engagement partner on the audit resulting in this independent auditor's report is Aycha Aziz.

Baker Tilly WM LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, B.C.
February 24, 2023

Norris Lithium Inc. (formerly Copper Ridge Exploration Inc.)
Statements of Financial Position
October 31,
(Expressed in Canadian Dollars)

		2022		2021
Assets				
Current				
Cash	$	592,164	$	115,610
Other receivables		8,445		8,944
Prepaid expenses (note 8)		3,938		-
		604,547		124,554
Deferred Finance Costs		-		30,000
Exploration and Evaluation Assets (note 7)		344,877		133,481
	$	949,424	$	288,035
Liabilities				
Current				
Accounts payable and accrued liabilities (note 8)	$	105,455	$	10,000
		105,455		10,000
Shareholders' Equity				
Share Capital (note 9)		682,424		320,000
Share Subscriptions (note 12)		508,500		-
Share-based Payments Reserve (note 9)		83,577		30,000
Deficit		(430,532)		(71,965)
		843,969		278,035
	$	949,424	$	288,035

Going Concern (note 2)
Subsequent Events (note 12)

Approved on behalf of the Board:

"Richard Dale Ginn" ………………………………. Director
Richard Dale Ginn

"Robert Jewson" ………………………………. Director
Robert Jewson

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

Norris Lithium Inc. (formerly Copper Ridge Exploration Inc.)
Statements of Comprehensive Loss
(Expressed in Canadian Dollars)

	Year Ended October 31, 2022	Period from Incorporation on May 26, 2021 to October 31, 2021
Expenses		
Advertising, promotion and travel	$ 18,369	$ -
Consulting fees	10,000	-
Management fees (note 8)	73,500	12,000
Occupancy fees (note 8)	20,203	6,494
Office and miscellaneous	16,373	4,504
Professional fees (note 8)	177,803	18,967
Share-based payments (notes 8 and 9)	22,762	30,000
Transfer agent and filing fees	19,557	-
Net Loss and Comprehensive Loss for the Year/Period	$ (358,567)	$ (71,965)
Basic and Diluted Loss Per Share	$ (0.03)	$ (0.01)
Weighted Average Number of Common Shares Outstanding – Basic and Diluted	13,381,825	8,035,000

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

Norris Lithium Inc. (formerly Copper Ridge Exploration Inc.)
Statements of Changes in Equity
(Expressed in Canadian Dollars)

	Share Capital					
	Number of Shares	**Share Capital**	**Share Subscriptions**	**Share-based Payments Reserve**	**Deficit**	**Total**
Balance, May 26, 2021	**-**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Share issuances for cash	11,200,000	320,000	-	30,000	-	350,000
Net loss and comprehensive loss for the period	-	-	-	-	(71,965)	(71,965)
Balance, October 31, 2021	**11,200,000**	**320,000**	**-**	**30,000**	**(71,965)**	**278,035**
Share issuances for cash	5,171,000	517,100	-	-	-	517,100
Share issuance costs	-	(184,676)	-	30,815	-	(153,861)
Shares issued for exploration and evaluation assets	300,000	30,000	-	-	-	30,000
Share subscriptions received	-	-	508,500	-	-	508,500
Share-based payments	-	-	-	22,762	-	22,762
Net loss and comprehensive loss for the year	-	-	-	-	(358,567)	(358,567)
Balance, October 31, 2022	**16,671,000**	**$ 682,424**	**$ 508,500**	**$ 83,577**	**$ (430,532)**	**$ 843,969**

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

Norris Lithium Inc. (formerly Copper Ridge Exploration Inc.)
Statements of Cash Flows
(Expressed in Canadian Dollars)

	Year Ended October 31, 2022	Period from incorporation on May 26, 2021 to October 31, 2021
Operating Activities		
Net loss for the year/period	$ (358,567)	$ (71,965)
Item not involving cash		
Share-based payments	22,762	30,000
Changes in non-cash working capital		
Other receivables	499	(8,944)
Prepaid expenses	(3,938)	-
Accounts payable and accrued liabilities	60,453	10,000
Cash Used in Operating Activities	(278,791)	(40,909)
Investing Activity		
Exploration and evaluation asset expenditures	(146,394)	(133,481)
Cash Used in Investing Activity	(146,394)	(133,481)
Financing Activities		
Shares issued for cash	517,100	320,000
Share subscriptions received	508,500	-
Share issuance costs	(123,861)	(30,000)
Cash Provided by Financing Activities	901,739	290,000
Change in Cash	476,554	115,610
Cash, Beginning of Year/Period	115,610	-
Cash, End of Year/Period	$ 592,164	$ 115,610
Supplemental Disclosure with Respect to Cash Flows		
Income tax paid	$ -	$ -
Interest paid	$ -	$ -
Fair value of agent warrants	$ 30,815	$ -
Shares issued for exploration and evaluation assets	$ 30,000	$ -
Exploration and evaluation asset expenditures in accounts payable and accrued liabilities	$ 35,002	$ -

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

1. NATURE OF OPERATIONS AND CONTINUANCE OF OPERATIONS

Norris Lithium Inc. (the "Company") is an exploration stage company incorporated on May 26, 2021 under the name Copper Ridge Exploration Inc., under the laws of the province of British Columbia, Canada. On January 16, 2023, the Company changed its name to Norris Lithium Inc. Its principal business activity is the acquisition, exploration and evaluation of mineral properties located in the provinces of Ontario and Quebec, Canada. The Company's common shares are traded on the Canadian Securities Exchange under the symbol "CHCK". The Company's head office and principal business address is 1680 – 200 Burrard Street, Vancouver, British Columbia, Canada, V6C 3L6. The Company's registered and records office is 3200 – 650 West Georgia Street, Vancouver, British Columbia, Canada, V6B 4P7.

2. GOING CONCERN

These financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

The Company has historically experienced negative operating cash flows and had a deficit of $430,532 at October 31, 2022, which has been funded by the issuance of equity. The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon its ability to fund its existing acquisition and exploration commitments on its exploration and evaluation projects when they come due, which would cease to exist if the Company decides to terminate its commitments, and to cover its operating costs. The Company may be able to generate working capital to fund its operations by the sale of its exploration and evaluation projects or raising additional capital through equity markets. However, there is no assurance it will be able to raise funds in the future.

In early March 2020, there was a global outbreak of coronavirus (COVID-19) that has resulted in changes in global supply and demand of certain mineral and energy products. These changes, including a potential economic downturn and any potential resulting direct and indirect negative impact to the Company cannot be determined, but they could have a prospective material impact to the Company's project exploration activities, cash flows and liquidity.

These events and conditions indicate that a material uncertainty exists that may cast doubt on the Company's ability to continue as a going concern. These financial statements do not give effect to any adjustments required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying financial statements.

If the going concern assumption were not appropriate for these financial statements, then adjustments may be necessary in the carrying values of assets and liabilities, the reported expenses and the statement of financial position classifications used. Such adjustments could be material.

3. BASIS OF PREPARATION

a) Statement of compliance

These financial statements of the Company have been prepared in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board.

These financial statements were approved and authorized for issue by the Board of Directors on February 24, 2023.

3. BASIS OF PREPARATION (Continued)

b) Basis of measurement

These financial statements have been prepared under the historical cost basis, except for certain financial instruments, which are measured at fair value, as explained in the significant accounting policies (note 4).

These financial statements have been prepared under the accrual basis of accounting, except for cash flow information.

4. SIGNIFICANT ACCOUNTING POLICIES

a) Exploration and evaluation assets

i) Pre-exploration costs

Pre-exploration costs are expensed in the year in which they are incurred.

ii) Exploration and evaluation expenditures

Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation expenditures are recognized and capitalized, in addition to the acquisition costs. These direct expenditures include such costs as materials used, surveying costs, drilling costs, payments made to contractors, and amortization on plant and equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the year in which they occur.

Mineral property acquisition costs and exploration and evaluation expenditures are recorded at cost. When shares are issued as part of mineral property acquisition costs, they are valued at the closing share price on the date of issuance. Payments related to a property acquired under an option or joint venture agreement, where payments are made at the sole discretion of the Company, are recorded upon payment.

Management annually assesses carrying values of non-producing properties and properties for which events and circumstances may indicate possible impairment. Impairment of a property is generally considered to have occurred if the property has been abandoned, there are unfavourable changes in the property economics, there are restrictions on development, or when there has been an undue delay in development, which exceeds three years. In the event that estimated discounted cash flows expected from its use or eventual disposition is determined by management to be insufficient to recover the carrying value of the property, the carrying value is written down to the estimated recoverable amount.

The Company may occasionally enter into farm-out arrangements, whereby the Company will transfer part of a mineral interest, as consideration, for an agreement by the transferee to meet certain exploration and evaluation expenditures that would have otherwise been undertaken by the Company. The Company does not record any expenditures made by the farmee on its behalf.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

a) Exploration and evaluation assets (continued)

ii) Exploration and evaluation expenditures (continued)

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as "mines under construction". Exploration and evaluation assets are tested for impairment before the assets are transferred to development properties.

Exploration and evaluation assets are classified as an intangible asset.

iii) Decommissioning liabilities

An obligation to incur decommissioning and site rehabilitation costs occurs when environmental disturbance is caused by exploration, evaluation, development or ongoing production.

Decommissioning and site rehabilitation costs arising from the installation of plant and other site preparation work, discounted to their net present value, are provided when the obligation to incur such costs arises and are capitalized into the cost of the related asset. These costs are charged against operations through amortization of the asset and unwinding of the discount on the provision.

Amortization is included in operating costs while the unwinding of the discount is included as a financing cost. Changes in the measurement of a liability relating to the decommissioning or site rehabilitation of plant and other site preparation work are added to, or deducted from, the cost of the related asset and charged against operating profit or loss. The discount rate used to measure the net present value of the obligations is the pre-tax rate that reflects the current market assessment of the time value of money and the risks specific to the obligation.

The costs for the restoration of site damage, which arises during production, are provided at their net present values and charged against profit or loss as extraction progresses.

The Company has no material restoration, rehabilitation and environmental obligations as the disturbance to date is immaterial.

iv) Tax credits

Mining exploration tax credits for certain exploration expenditures incurred in Québec are treated as a reduction of the exploration and development costs of the respective resource property. The amounts are recorded in the year they are received.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Impairment of non-financial assets

Impairment tests on intangible assets with indefinite useful economic lives are undertaken annually at every reporting period. Other non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable and at least annually. Where the carrying value of an asset exceeds its recoverable amount, which is the higher of value in use and fair value less costs of disposal, the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash-generating unit, which is the lowest group of assets in which the asset belongs for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets. The Company has two cash-generating units for which impairment testing is performed, being the Company's two exploration and evaluation asset properties.

An impairment loss is charged to profit or loss.

c) Financial instruments

<u>Recognition</u>

The Company recognizes a financial asset or financial liability on the statement of financial position when it becomes party to the contractual provisions of the financial instrument. Financial assets are initially measured at fair value, and are derecognized either when the Company has transferred substantially all the risks and rewards of ownership of the financial asset, or when cash flows expire. Financial liabilities are initially measured at fair value and are derecognized when the obligation specified in the contract is discharged, cancelled or expired.

<u>Classification and Measurement</u>

The Company determines the classification of its financial instruments at initial recognition. Financial assets and financial liabilities are classified according to the following measurement categories:

i. those to be measured subsequently at fair value, either through profit or loss ("FVTPL") or through other comprehensive income ("FVTOCI"); and,
ii. those to be measured subsequently at amortized cost.

The classification and measurement of financial assets after initial recognition at fair value depends on the business model for managing the financial asset and the contractual terms of the cash flows. Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding, are generally measured at amortized cost at each subsequent reporting period. All other financial assets are measured at their fair values at each subsequent reporting period, with any changes recorded through profit or loss or through other comprehensive income (which designation is made as an irrevocable election at the time of recognition).

After initial recognition at fair value, financial liabilities are classified and measured at either:

i. amortized cost;
ii. FVTPL, if the Company has made an irrevocable election at the time of recognition, or when required (for items such as instruments held for trading or derivatives); or,
iii. FVTOCI, when the change in fair value is attributable to changes in the Company's credit risk.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Financial instruments (continued)

Classification and Measurement (continued)

The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

Transaction costs that are directly attributable to the acquisition or issuance of a financial asset or financial liability classified as subsequently measured at amortized cost or at fair value through other comprehensive income are included in the fair value of the instrument on initial recognition. Transaction costs for financial assets and financial liabilities classified at fair value through profit or loss are expensed in profit or loss.

The Company's financial asset consists of cash, which is classified and measured at FVTPL, with realized and unrealized gains or losses related to changes in fair value reported in profit or loss. The Company's financial liabilities consist of accounts payable and accrued liabilities which are classified and measured at amortized cost using the effective interest method. Interest expense is reported in profit or loss.

Impairment

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

Derecognition of financial assets and liabilities

Financial assets are derecognized either when the Company has transferred substantially all the risks and rewards of ownership of the financial asset, or when cash flows expire.

A write-off of a financial asset (or a portion thereof) constitutes a derecognition event. Write-off occurs when the Company has no reasonable expectations of recovering the contractual cash flows on a financial asset.

A financial liability is derecognized when the contractual obligation under the liability is discharged, cancelled or expires or its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

d) Income taxes

Income tax expense consisting of current and deferred tax expense is recognized in profit or loss. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year-end, adjusted for amendments to tax payable with regard to previous years.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Income taxes (continued)

Deferred tax assets and liabilities and the related deferred tax expense or recovery are recognized for deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in profit or loss in the period that substantive enactment occurs.

A deferred tax asset is recognized to the extent that it is probable that future taxable income 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 reduced. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

e) Share capital

Equity instruments are contracts that give a residual interest in the net assets of the Company. Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, stock options, share purchase warrants and flow-through shares are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares or options are recorded as deferred financing costs until the financing transactions are completed, at which time they are recognized in share capital as a deduction from gross proceeds. Deferred financing costs related to financing transactions that are not completed are recognized in profit or loss.

The Company has adopted the residual method with respect to the measurement of shares and warrants issued as private placement units. Under this method, the proceeds are allocated first to the common share component based on quoted trading prices and any residual value is allocated to the warrant component and credited to warrant reserve.

f) Earnings (loss) per share

The Company presents basic earnings (loss) per share data for its common shares, calculated by dividing the income (loss) attributable to common shareholders of the Company by the weighted average number of shares outstanding during the period. The Company uses the treasury stock method for calculating diluted earnings (loss) per share. Under this method the dilutive effect on earnings per share is calculated on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds of such exercise would be used to purchase common shares at the average market price during the period. However, the calculation of diluted loss per share excludes the effects of various conversions and exercise of options and warrants that would be anti-dilutive.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) Share-based payments

The Company may grant share options to acquire common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

The fair value of share options granted to employees and others providing similar services is measured at grant date, using the Black-Scholes option pricing model, and is recognized over the vesting period for employees using the graded method. The fair value of share options granted to non-employees is recognized and measured at the date the goods or services are received based on the fair value of the goods or services received. If it is determined that the fair value of goods and services received cannot be reliably measured, the fair value of the share options granted is measured at the fair value of the equity instruments issued using the Black-Scholes option pricing model.

For both employees and non-employees, the fair value of share-based payments is recognized as either an expense or as exploration and evaluation assets with a corresponding increase in share-based payments reserve. The amount recognized is adjusted to reflect the number of share options expected to vest. Consideration received on the exercise of stock options is recorded in share capital and the related carrying amount of the share options is transferred from share-based payment reserve to share capital.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also recognized as an expense or as exploration and evaluation assets over the remaining vesting period.

Where a grant of options is cancelled and settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest, except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense. The amounts recorded for vested and unexercised share options remain in share-based payments reserve upon their expiry or cancellation.

h) Flow-through shares

The Company will, from time to time, issue flow-through common shares to finance its exploration programs. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. Upon issuance, the Company bifurcates the flow-through share into: (i) a flow-through share premium equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability; and (ii) share capital. Upon expenses being renounced, the Company derecognizes the liability and recognizes other income.

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures within a two-year period. The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Look-back Rule in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued until paid.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Future accounting pronouncement

New accounting standards and amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

The effect of a change in an accounting estimate is recognized prospectively by including it in profit or loss in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

Critical judgments in applying accounting policies

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

a) Impairment of exploration and evaluation assets

The application of the Company's accounting policy for exploration and evaluation expenditures and impairment of the capitalized expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. If, after expenditure is capitalized, an impairment loss is recognized, whether as a result of new information or otherwise, the amount capitalized is written off in profit or loss in the year the impairment occurs.

b) Title to mineral property interests

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

Key sources of estimation uncertainty

The following are key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in material adjustments to the financial statements.

Fair value of stock options granted

The Company uses the Black-Scholes option pricing model to value the stock options granted during the period. The Black-Scholes option pricing model was developed for use in estimating the fair value of traded options that have no vesting restrictions and are fully transferable. The model requires management to make estimates that are subjective and may not be representative of actual results. Changes in assumptions can materially affect estimates of fair values.

(Expressed in Canadian Dollars)

6. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT

Financial Instruments

The Company's financial instruments consist of cash and accounts payable and accrued liabilities. The carrying value of accounts payable and accrued liabilities approximate its fair value due to the short term to maturity.

Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The levels of the fair value hierarchy are defined as follows:

Level 1:	Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2:	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3:	Inputs for assets or liabilities that are not based on observable market data.

The following table sets forth the Company's financial asset measured at fair value by level within the fair value hierarchy:

October 31, 2022	**Level 1**	**Level 2**	**Level 3**	**Total**
Cash	$ 592,164	$ -	$ -	$ 592,164

October 31, 2021	**Level 1**	**Level 2**	**Level 3**	**Total**
Cash	$ 115,610	$ -	$ -	$ 115,610

There were no changes to the Company's risk exposures during the year ended October 31, 2022. The Company has exposure to the following risks from its use of financial instruments:

a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company manages credit risk, in respect of cash, by placing it with major Canadian financial institutions. The Company has minimal credit risk. The maximum exposure to credit risk at October 31, 2022 is the carrying value of cash of $592,164 (2021 - $115,610).

b) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquid funds to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The financial liabilities of the Company as of October 31, 2022 total $105,455 (2021 - $10,000). Accounts payable are due within 30 days of the reporting date.

6. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT (Continued)

c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on capital.

i) Currency risk – Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company has no funds held in foreign currencies, and as a result, is not exposed to significant currency risk on its financial instruments at year-end.

ii) Interest rate risk – Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest earned on cash is at nominal interest rates, and therefore, the Company does not consider interest rate risk to be significant. The Company has no interest-bearing financial liabilities.

iii) Other price risk – Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or currency risk, whether those changes are caused by factors specific to the individual financial instrument or its issuer or by factors affecting all similar financial instruments traded in the market. The Company is not exposed to significant other price risk.

Capital management

The Company's objectives when managing capital are to identify, pursue and complete the exploration and development of mineral properties, to maintain financial strength, to protect its ability to meet its ongoing liabilities, to continue as a going concern, to maintain credit-worthiness and to maximize returns for shareholders over the long term. The Company considers its capital to be comprised of shareholders' equity in the amount of $843,969 (2021 - $278,035).

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. Although the Company has been successful at raising funds in the past through the issuance of share capital, it is uncertain whether it will continue this method of financing due to the current difficult market conditions.

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

Management reviews the capital structure on a regular basis to ensure that the above objectives are met. There have been no changes to the Company's approach to capital management during the year ended October 31, 2022. The Company is not subject to externally imposed capital requirements.

7. EXPLORATION AND EVALUATION ASSETS

Solitude Property Option

On June 2, 2021, the Company entered into a purchase option agreement with parties that included a non-arm's length party (note 8). Pursuant to the agreement, the Company has an option to acquire a 100% interest in seven mineral claims known as the Solitude Property located in Ontario, Canada. The claims are subject to a net smelter return royalty ("NSR") of 1.5%, of which 0.5% can be purchased by the Company at any time for $500,000.

Under the terms of the agreement, the Company must make cash payments and issue common shares as follows:

- A cash payment of $15,000 (paid) upon execution and delivery of the agreement;
- A cash payment of $18,000 (paid) and the issuance of 300,000 common shares (issued and valued at $30,000) (note 9) on the earlier of June 2, 2022 and the date upon which the common shares are listed on a stock exchange in Canada;
- A cash payment of $20,000 (paid) on or before June 2, 2022; and
- A cash payment of $30,000 on or before June 2, 2023.

On September 14, 2021, with the consent of the Company, the optionors have sold and transferred the interest in the Solitude Property to Solstice Gold Corp. ("Solstice"). Subsequent to the sale and transfer, all terms and conditions pertained to the agreement remain the same. The Company has the obligations as noted above to Solstice.

Highway Lithium Project and Bus Lithium Project

On September 12, 2022, the Company entered into a purchase option agreement to acquire a 100% interest in the Highway Lithium Project, located in Québec, Canada, and the Bus Lithium Project, also located in Québec, Canada. The claims are subject to a NSR of 3%, of which 1% can be purchased by the Company within four years of the date of the option agreement for $1,000,000, or $2,500,000 thereafter.

Under the agreement, the Company must make cash payments and issue common shares as follows:

- A cash payment of $10,000 (paid) upon signing of the agreement;
- A cash payment of $100,000 (paid) and the issuance of 2,000,000 common shares (issued subsequent to October 31, 2022) (note 12) upon regulatory acceptance;
- A cash payment of $100,000 and the issuance of 2,000,000 common shares within six months of regulatory acceptance; and
- The issuance of 2,000,000 common shares within twelve months of regulatory acceptance.

The optionors may also earn an additional 3,500,000 common shares based on achieving certain milestones during exploration.

The Company must incur $200,000 in exploration expenditures on the properties before September 12, 2024.

(Expressed in Canadian Dollars)

7. EXPLORATION AND EVALUATION ASSETS (Continued)

A summary of exploration and evaluation expenditures for the year ended October 31, 2022 and for the period from incorporation on May 26, 2021 to October 31, 2021 is as follows:

	Solitude	Highway and Bus	Total
Balance, May 26, 2021	**$ -**	**$ -**	**$ -**
Acquisition Costs			
Acquisition - Cash	15,000	-	15,000
Total Acquisition Costs	**15,000**	**-**	**15,000**
Property Exploration Costs			
Geological	61,160	-	61,160
Geophysical	57,321	-	57,321
Total Property Exploration Costs	**118,481**	**-**	**118,481**
Balance, October 31, 2021	**133,481**	**-**	**133,481**
Acquisition Costs			
Acquisition - Cash	38,000	110,000	148,000
Acquisition – Common shares	30,000	-	30,000
Total Acquisition Costs	**68,000**	**110,000**	**178,000**
Property Exploration Costs			
Geological	-	33,396	33,396
Total Property Exploration Costs	**-**	**33,396**	**33,396**
Balance, October 31, 2022	**$ 201,481**	**$ 143,396**	**$ 344,877**

8. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties include key management and may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between the Company and a related party regardless of whether a price is charged. Key management includes directors and officers of the Company, including the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO").

These amounts of key management compensation are included in the amounts shown on the statements of comprehensive loss:

	Year Ended October 31, 2022	Period from May 26, 2021 to October 31, 2021
Short-term compensation (management fees and professional fees)	$ 48,950	$ 12,000
Share-based payments	18,210	30,000
	$ 67,160	$ 42,000

8. RELATED PARTY TRANSACTIONS (Continued)

During the year ended October 31, 2022, short-term compensation to key management personnel consisted of:

- Management fees of $37,500 (period from May 26, 2021 to October 31, 2021 - $nil) to a company controlled by the president, CEO and director; and
- Professional fees of $11,450 (period from May 26, 2021 to October 31, 2021 - $nil) to company controlled by the former CFO and director.

During the year ended October 31, 2022, the Company paid management fees of $36,000 (period from May 26, 2021 to October 31, 2021 - $nil) and occupancy expenses of $1,500 (period from May 26, 2021 to October 31, 2021 - $nil) to a company controlled by a relative of the former CFO and director of the Company. During the year ended October 31, 2022, the Company incurred share-based payments of $4,552 (period from May 26, 2021 to October 31, 2021 - $nil) related to options granted to a relative of the former CFO and director of the Company.

As at October 31, 2022, accounts payable and accrued liabilities of $1,444 (2021 - $nil) are due to a company controlled by the CFO and director.

As at October 31, 2022, the Company had prepaid management fees and occupancy expenses of $3,938 (2021 - $nil) to a company controlled by a relative of the CFO and director of the Company.

On June 2, 2021, the Company entered into a purchase option agreement with certain parties which included a private company whose president is a director of the Company.

9. SHARE CAPITAL

a) Authorized

Unlimited number of common voting shares without par value.

b) Issued and outstanding

During the year ended October 31, 2022

On June 7, 2022, the Company completed its initial public offering of 5,171,000 common shares of the Company at $0.10 per share for gross proceeds of $517,100. The Company paid the agents a commission of $51,710 and issued 517,100 finders' warrants to the agents with a fair value of $30,815. Each warrant entitles the holder to acquire one common share at a price of $0.10 for a period of two years from the date of issuance. The Company incurred a corporate finance fee of $25,000 and other share issuance costs of $77,151.

On June 15, 2022, the Company issued 300,000 common shares at their fair value of $30,000 for the Solitude Property Option (note 7).

During the period from May 26, 2021 to October 31, 2021

On May 26, 2021, the Company issued 2,000,000 common shares at a price of $0.005 per share for gross proceeds of $10,000 to the founders. The founder shares had a fair value of $40,000, and as a result, the Company recorded share-based payments of $30,000 and a corresponding increase to share-based payments reserve.

(Expressed in Canadian Dollars)

9. SHARE CAPITAL (Continued)

b) Issued and outstanding (continued)

In June and July 2021, the Company issued 4,200,000 common shares at a price of $0.05 per share for gross proceeds of $210,000.

In June and July 2021, the Company issued 5,000,000 flow-through common shares at a price of $0.02 per share for gross proceeds of $100,000. There was no flow-through premium recorded on the common shares.

c) Warrants

Warrant transactions and the number of warrants outstanding are summarized as follows:

	Year Ended October 31, 2022		**Period from incorporation on May 26, 2021 to October 31, 2021**	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Outstanding, beginning of year/period	-	-	-	-
Issued	517,100	$ 0.10	-	-
Outstanding, end of year/period	517,100	$ 0.10	-	-

The following warrants were outstanding and exercisable:

Expiry Date	Weighted Average Remaining Contractual Life in Years	Exercise Price	Number of Warrants Outstanding
June 7, 2024	1.60	$ 0.10	517,100

The Company measures fair value using the Black-Scholes option pricing model in accounting for the agent warrants issued. Accordingly, there were share issuance costs of $30,815 (period from incorporation on May 26, 2021 to October 31, 2021 - $nil) recognized during the year ended October 31, 2022.

The grant date fair value of each warrant issued was $0.06, calculated using the following assumptions:

	Year Ended October 31, 2022
Expected life (years)	2.00
Risk-free interest rate	3.04%
Annualized volatility	115%
Dividend yield	0%
Stock price at grant date	$ 0.10
Exercise price	$ 0.10

(Expressed in Canadian Dollars)

9. SHARE CAPITAL (Continued)

c) Warrants (continued)

The Black-Scholes option pricing model requires the input of highly subjective assumptions regarding volatility. The Company has used the historical volatility of comparable public companies to estimate the volatility of the Company's share price.

d) Stock options

The Company has a stock option plan to grant incentive stock options to directors, officers, employees and consultants. Under the plan, the aggregate number of common shares that may be subject to option at any one time may not exceed 10% of the issued common shares of the Company as of that date, including options granted prior to the adoption of the plan. Options granted may not exceed a term of 10 years, and the term will be reduced to one year following the date of death of the optionee. All options vest when granted unless they are otherwise specified by the Board of Directors or if they are granted for investor relations activities. Options granted for investor relations activities vest over a twelve-month period with no more than 25% of the options vesting in any three-month period.

Stock option transactions and the number of stock options outstanding are summarized as follows:

	Year Ended October 31, 2022		**Period from incorporation on May 26, 2021 to October 31, 2021**	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding, beginning of year/period	-	-	-	-
Granted	500,000	$ 0.10	-	-
Outstanding, end of year/period	500,000	$ 0.10	-	-

The following stock options were outstanding and exercisable:

Expiry Date	Weighted Average Remaining Contractual Life in Years	Exercise Price	Number of options outstanding and exercisable
November 17, 2023	1.05	$ 0.10	100,000
November 16, 2031	9.05	$ 0.10	400,000
	7.45		500,000

The Company measures fair value using the Black-Scholes option pricing model in accounting for its stock options granted. Accordingly, there were share-based payments of $22,762 (period from incorporation on May 26, 2021 to October 31, 2021 - $nil) recognized during the year ended October 31, 2022.

(Expressed in Canadian Dollars)

9. SHARE CAPITAL (Continued)

d) Stock options (continued)

The weighted-average grant date fair value of stock options granted during the year ended October 31, 2022 was $0.05. The fair value of each stock option granted was calculated using the following weighted average assumptions:

	Year Ended October 31, 2022
Expected life (years)	10.00
Risk-free interest rate	3.19%
Annualized volatility	115%
Dividend yield	0%
Stock price at grant date	$ 0.05
Exercise price	$ 0.10

The Black-Scholes option pricing model requires the input of highly subjective assumptions regarding volatility. The Company has used the historical volatility of comparable public companies to estimate the volatility of the Company's share price.

e) Escrow shares

At October 31, 2022, there were 1,620,000 common shares owned by directors and officers held in escrow; 270,000 common shares will be released from escrow on each of the following dates: December 7, 2022 (subsequently released), June 7, 2023, December 7, 2023, June 7, 2024, December 7, 2024 and June 7, 2025.

10. INCOME TAXES

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

	Year Ended October 31, 2022	Period from incorporation on May 26, 2021 to October 31, 2021
Net loss before income taxes	$ (358,567)	$ (71,965)
Statutory income tax rate	27.00%	27.00%
Expected income tax recovery	(97,000)	(19,000)
Non-deductible items	6,000	8,000
Share issuance costs	(50,000)	-
Change in estimates and other	27,000	-
Change in deferred tax assets not recognized	114,000	11,000
Income tax recovery	$ -	$ -

(Expressed in Canadian Dollars)

10. INCOME TAXES (Continued)

The significant components of the Company's unrecognized deferred tax assets and liabilities at October 31, 2022 and 2021 are presented below:

		2021		**2021**
Non-capital losses carried forward	**$**	121,000	$	11,000
Exploration and evaluation assets		(36,000)		-
Share issuance costs		40,000		-
		125,000		11,000
Unrecognized deferred tax assets		(125,000)		(11,000)
Net deferred tax asset	**$**	-	$	-

The Company has non-capital losses of $447,000 available for carry-forward to reduce future years' income for income tax purposes. These losses expire as follows:

2041	$	75,000
2042		372,000
	$	447,000

11. SEGMENTED DISCLOSURE

The Company has one operating segment, being mineral exploration and development. All of the Company's assets are located in Canada.

12. SUBSEQUENT EVENTS

a) On November 2, 2022, the Company closed a private placement for gross proceeds of $766,000. The Company issued 7,660,000 units at a price of $0.10 per unit. Each unit consists of one common share and one share purchase warrant. Each warrant entitles the holder to acquire one common share at a price of $0.20 for a period of two years from the date of issuance. The Company received $508,500 in subscriptions as of October 31, 2022.

b) On November 2, 2022, the Company issued 2,000,000 common shares for the Highway Lithium Project and Bus Lithium Project (note 7).

c) On November 16, 2022, the Company granted 2,100,000 stock options with an exercise price of $0.50 with a term of three years from the grant date.

d) On December 23, 2022, the Company closed a private placement for gross proceeds of $3,315,000. The Company issued 4,420,000 flow-through common shares at a price of $0.75 per share.

e) On January 31, 2023, the Company issued 5,600 common shares upon the exercise of warrants for gross proceeds of $560.