IMAGINE LITHIUM INC.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE AND NINE MONTHS ENDED OCTOBER 31, 2023 AND 2022

EXPRESSED IN CANADIAN DOLLARS

Registered Head Office
1240 – 789 West Pender Street
Vancouver, BC
V6C 1H2

Notice of No Auditor Review of Condensed Interim Consolidated Financial Statements

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the interim financial statements; they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor. The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by management and approved by the Audit Committee and Board of Directors of the Company. The Company's independent auditor has not performed a review of these financial statements in accordance with the standards established by Chartered Professional Accountants of Canada for a review of interim financial statements by an entity’s auditor.

IMAGINE LITHIUM INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(UNAUDITED, EXPRESSED IN CANADIAN DOLLARS)
AS AT,

	October 31, 2023	January 31, 2023
ASSETS		
Current		
Cash and cash equivalents	**$ 4,468,425**	$ 814,645
Marketable securities (Note 5)	**415,302**	693,305
Commodity tax recoverable	**330,033**	136,580
Prepaids and other current assets	**343,406**	46,235
	5,557,166	1,690,765
Exploration and evaluation assets (Note 6)	**14,136,005**	9,284,979
	$ 19,693,171	$ 10,975,744
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities (Notes 7 & 11)	**$ 618,480**	$ 275,634
Flow-through premium liability (Notes 8 & 10)	**1,319,248**	-
	1,937,728	275,634
Shareholders' Equity		
Share capital (Note 8)	**38,264,449**	31,613,752
Share-based payment reserve (Note 8)	**4,746,663**	4,746,663
Deficit	**(25,255,669)**	(25,660,305)
	17,755,443	10,700,110
	$ 19,693,171	$ 10,975,744

Nature of Operations and Going Concern (Note 1)
Commitments and Contingencies (Note 10)

Approved on behalf of the Board of Directors:

"Michael England", Director *"Jonathan Gagne"*, Director

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

IMAGINE LITHIUM INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(UNAUDITED, EXPRESSED IN CANADIAN DOLLARS)
FOR THE THREE AND NINE MONTHS ENDED OCTOBER 31,

	Three Months ended October 31,		Nine Months ended October 31,	
	2023	2022	**2023**	2022
OPERATING EXPENSES				
Consulting and management fees (Note 11)	**$ 93,996**	$ 91,585	**$ 287,489**	$ 274,578
Professional fees	**15,444**	9,858	**48,380**	55,094
Office and administration (Note 11)	**9,630**	15,859	**42,553**	38,345
Shareholder communication and promotion	**20,097**	25,000	**243,717**	47,787
Transfer agent and filing fees	**10,614**	11,262	**74,586**	37,261
Travel and accommodation	**3,073**	2,166	**11,378**	11,931
Share-based compensation	**-**	175,600	**-**	204,200
	(152,854)	(331,330)	**(708,103)**	(669,196)
Flow-through recovery (Notes 8 & 10)	**800,196**	-	**1,322,705**	162,505
Interest income	**29,587**	-	**29,587**	-
Loss on sale of exploration and evaluation asset (Note 6)	**-**	-	-	(1,901,659)
Realized loss on marketable securities (Note 5)	**(25,470)**	-	**(68,710)**	-
Unrealized gain (loss) on marketable securities (Note 5)	**79,242**	(34,000)	**(170,843)**	(166,000)
NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	**$ 730,701**	$ (365,330)	**$ 404,636**	$ (2,574,350)
BASIC AND DILUTED LOSS PER COMMON SHARE	**$ (0.00)**	$ (0.00)	**$ (0.00)**	$ (0.01)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING – BASIC AND DILUTED	**276,962,830**	215,898,347	**259,351,017**	214,525,640

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

IMAGINE LITHIUM INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(UNAUDITED, EXPRESSED IN CANADIAN DOLLARS)

	Number of shares		Share capital		Share-based payment reserve		Deficit		Total shareholders' equity
Balance, January 31, 2022	213,102,018	$	30,805,039	$	4,304,086	$	(22,356,046)	$	12,753,079
Shares issued for exploration and evaluation assets	1,193,012		164,564		(13,514)		-		151,050
Shares issued on exercise of warrants	1,958,000		195,640		-		-		195,640
Shares issued on exercise of options	-		-		204,200				204,200
Net loss for the period	-		-		-		(2,574,350)		(2,574,350)
Balance, October 31, 2022	216,253,030		31,165,243		4,494,772		(24,930,396)		10,729,619
Shares issued on exercise of options	4,300,000		448,509		(190,509)		-		258,000
Warrants issued for exploration and evaluation assets	-		-		183,600		-		183,600
Stock-based compensation	-		-		258,800		-		258,800
Net loss for the period	-		-		-		(729,909)		(729,909)
Balance, January 31, 2023	220,553,030		31,613,752		4,746,663		(25,660,305)		10,700,110
Private placement	55,000,000		9,132,150		-		-		9,132,150
Shares issued on exercise of warrants	1,575,000		160,500		-		-		160,500
Flow-through share premium	-		(2,641,953)		-		-		(2,641,953)
Net loss for the period	-		-		-		404,636		404,636
Balance, October 31, 2023	277,128,030	$	38,264,449	$	4,746,663	$	(25,255,669)	$	17,755,443

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

IMAGINE LITHIUM INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED, EXPRESSED IN CANADIAN DOLLARS)
FOR THE NINE MONTHS ENDED OCTOBER 31,

		2023		2022
CASH FLOWS FROM OPERATING ACTIVITIES				
Net loss for the period	$	404,636	$	(2,574,350)
Items not affecting cash:				
Reversal of flow-through premium		(1,322,705)		(162,505)
Unrealized loss on marketable securities		170,843		166,000
Realized loss on marketable securities		68,710		-
Loss (gain) on sale of exploration and evaluation asset		-		1,901,659
Share-based compensation		-		204,200
Change in non-cash working capital items:				
Commodity tax recoverable		(193,453)		(107,770)
Subscription receivable		-		16,000
Prepaid and other current assets		(297,171)		13,978
Accounts payable and accrued liabilities		342,846		173,845
Cash flows used in operating activities		(826,294)		(368,943)
CASH FLOWS FROM INVESTING ACTIVITIES				
Exploration and evaluation asset expenditures		(4,851,026)		(2,830,467)
Proceeds from sale of marketable securities		38,450		-
Proceeds from sale of exploration and evaluation asset		-		175,000
Cash flows used in investing activities		(4,812,576)		(2,655,467)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from share issuance, net of costs		9,132,150		-
Proceeds from warrants exercised		160,500		151,050
Cash flows provided by financing activities		9,292,650		151,050
CHANGE IN CASH AND CASH EQUIVALENTS DURING THE PERIOD		3,653,780		(2,873,360)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD		814,645		4,712,565
CASH AND CASH EQUIVALENTS, END OF PERIOD	$	4,468,425	$	1,839,205
SUPPLEMENTAL INFORMATION				
Flow-through share premium	$	2,641,953	$	-
Shares issued for interest in exploration and evaluation assets	$	-	$	176,140
Marketable securities received on the sale of exploration and evaluation assets	$	-	$	1,056,000

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Imagine Lithium Inc. (the "Company") is incorporated under the Business Corporations Act of British Columbia.

The Company is a mineral exploration company focused on acquiring and exploring exploration and evaluation assets in North America.

These condensed interim consolidated financial statements have been prepared with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation for the foreseeable future. The operations of the Company were primarily funded by the issue of share capital and loans. The continued operations of the Company are dependent on its ability to develop a sufficient financing plan, receive continued financial support from related parties, complete sufficient public equity financing, or generate profitable operations in the future. These condensed interim consolidated financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue in business.

As at October 31, 2023, the Company had working capital of $3,619,438, recorded a net income of $404,636 for the period ended, and had accumulated a total deficit of $25,255,669. The Company is in the business of exploring for minerals that by its nature involves a high degree of risk. There can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of the carrying value of the exploration and evaluation assets and the Company's continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, the ability of the Company to obtain financing or, alternatively, upon the Company's ability to dispose of its interest on an advantageous basis. The Company will need to raise additional funds to further its exploration and development programs. These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of compliance

These condensed interim consolidated financial statements of Imagine Lithium Inc. and its subsidiaries have been prepared in accordance with IAS 34, Interim Financial Reporting. These condensed interim consolidated financial statements do not include all notes of the type normally included within the annual financial report and should be read in conjunction with the audited consolidated financial statements of the Company for the year ended January 31, 2023 and 2022, which has been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

The policies applied in the condensed interim consolidated financial statements are presented below and are based on IFRS issued and outstanding as of December 11, 2023, the date the Board of Directors approved the condensed interim consolidated financial statements.

Basis of consolidation

These condensed interim consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, Alix resources de Mexico S.A. de C.V and Exploradora Cobre de Banconoras de R.L.C.V. companies incorporated under the laws of Mexico. At October 31, 2023, the principal activity of the Company's subsidiaries was that of holding companies. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity as to obtain benefits from its activities. All inter-company balances have been eliminated upon consolidation.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of estimates and judgments

The preparation of the condensed interim consolidated financial statements in conformity with IFRS requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

(i) Critical accounting estimates

Critical accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amount of assets and liabilities within the next financial year and are, but are not limited to, the following:

<u>The carrying value and the recoverability of exploration and evaluation assets</u> - Management has determined that exploration and evaluation costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including geologic and other technical information, scoping and feasibility studies, accessibility of facilities and existing permits.

<u>Share-based compensation</u> - The fair value of stock options issued are subject to the limitation of the Black-Scholes option pricing model which incorporates market data and which involves uncertainty and subjectivity in estimates used by management in the assumptions. Changes in the input assumptions can materially affect the fair value estimate of stock options.

<u>Recovery of deferred tax assets</u> - Judgment is required in determining whether deferred tax assets are recognized in the statement of financial position. Deferred tax assets, including those arising from unutilized tax losses, require management to assess the likelihood that the Company will generate taxable earnings in future periods, in order to utilize recognized deferred tax assets. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the date of the consolidated statement of financial position could be impacted.

Additionally, future changes in tax laws in the jurisdictions in which the Company operates could limit the ability of the Company to obtain tax deductions in future periods.

The Company has not recorded any deferred tax assets.

<u>Decommissioning restoration provision</u> - The provision for decommissioning and restoration provision represents management's best estimate of the present value of the future cash outflows required to settle the liability. The provision reflects estimates of future costs, inflation, and assumptions of risks associated with the future cash outflows, and the applicable risk-adjusted discount rate for the discounting future cash outflows. Changes in the above factors can result in a change to the provision recognized by the Company. Changes to the restoration and decommissioning costs are recorded with a corresponding change to the carrying amount of the related mining property. Adjustments to the carrying amounts of the related mineral property can result in a change to future depletion expenses.

As of October 31, 2023, the Company has no decommissioning and restoration provision.

3. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, and exploration of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. Management considers the Company's capital structure to primarily consist of the components of shareholders' equity.

The properties in which the Company currently has an interest are in the exploration stage; as such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed.

The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the period ended October 31, 2023. Neither the Company nor its subsidiaries are subject to externally imposed capital requirements.

4. FINANCIAL RISK FACTORS

The carrying value of cash and cash equivalents, marketable securities, and accounts payable and accrued liabilities approximated their fair value because of the short-term nature of these instruments.

Financial instruments measured at fair value on the condensed interim consolidated statements of financial position are summarized in levels of fair value hierarchy as follows:

	Level 1	Level 2	Level 3	Total
Assets				
Cash and cash equivalents	$ 4,468,425	$ -	$ -	$ 4,468,425
Marketable securities	$ 415,302	$ -	$ -	$ 415,302

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

The Company's credit risk is primarily attributable to cash and cash equivalents, and commodity tax recoverable. Cash and cash equivalents are held in large financial institutions. Commodity tax recoverable is due from a government agency.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company is exposed to liquidity risk.

Market risk

(a) Interest rate risk
The Company is currently in a positive working capital position and some of its accounts payable and accrued liabilities are subject to interest on unpaid balances.

(b) Foreign currency risk
The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. The Company funds certain operations, exploration and administrative expenses in the United States on a cash call basis using US dollar currency converted from its Canadian dollar bank accounts held in Canada. The Company has limited foreign currency exposure.

(c) Price risk
The Company is exposed to price risk with respect to commodity prices. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company.

5. MARKETABLE SECURITIES

MainStreetChamber Holdings Inc.

As at October 31, 2023, the Company holds 61,000 (January 31, 2023 – 61,000) shares of MainStreetChamber Holdings Inc. (formerly Walker Lane Exploration Inc.). The market value of the shares at October 31, 2023 was $305 (January 31, 2023 – $305).

The valuation of the shares at October 31, 2023 resulted in an unrealized loss of $nil (October 31, 2022 – $nil) for the period ended October 31, 2023.

Consolidated Lithium Metals Inc.

As at October 31, 2023 the Company holds 1,800,000 (January 31, 2023 – 1,800,000) shares of Consolidated Lithium Metals Inc. (formerly Jourdan Resources Ltd.). The market value of the shares at October 31, 2023 was $90,000 (January 31, 2023 - $117,000).

The valuation of the shares at October 31, 2023 resulted in an unrealized gain of $27,000 (October 31, 2022 – unrealized gain of $40,000) for the period ended October 31, 2023.

Pegasus Resources Inc.

During the year ended January 31, 2023, the Company received 500,000 common shares of Pegasus Resources Inc. (“Pegasus”) valued at $250,000 in settlement of the sale of Eastern Vision Properties (Note 6).

During the period ended October 31, 2023, the Company sold 90,000 common shares of Pegasus for gross proceeds of $19,530 (October 31, 2022 - $nil). The Company recorded a realized loss of $25,470 during the period ended October 31, 2023 (October 31, 2022 - $nil).

As at October 31, 2023 the Company holds 410,000 (January 31, 2023 – 500,000) shares of Pegasus. The market value of the shares at October 31, 2023 was $82,000 (January 31, 2023 – $100,000) and the Company recorded an unrealized gain of $nil (October 31, 2022 –$40,000) for the period ended October 31, 2023.

Renegade Gold Inc.

During the year ended January 31, 2023, the Company received 280,000 common shares of Renegade Gold Inc. (formerly Trillium Gold Mines Inc.) (“Renegade”) valued at $784,000 in settlement of the sale of Eastern Vision Properties (Note 6).

During the period ended October 31, 2023, the Company sold 22,200 common shares of Renegade for gross proceeds of $18,920 (October 31, 2022 - $nil). The Company recorded a realized loss of $43,240 during the period ended October 31, 2023 (October 31, 2022 - $nil).

As at October 31, 2023, the Company holds 257,800 (January 31, 2023 – 280,000) shares of Renegade. The market value of the shares at October 31, 2023 was $105,698 (January 31, 2023 – $476,000) and the Company recorded an unrealized loss of $143,843 (October 31, 2022 – $56,000) for the period ended October 31, 2023.

(UNAUDITED, EXPRESSED IN CANADIAN DOLLARS)

6. EXPLORATION AND EVALUATION ASSETS

Period Ended October 31, 2023	Jackpot Property	Total
Acquisition Costs:		
Balance, beginning of period	$ 1,697,865	$ 1,697,865
Balance, end of period	1,697,865	1,697,865
Deferred Exploration Costs:		
Balance, beginning of period	7,587,114	7,587,114
Assays	110,998	110,998
Drilling	2,486,287	2,486,287
Field work	586,283	586,283
Geological consulting	1,272,605	1,272,605
Travel	394,853	394,853
Balance, end of period	12,438,140	12,438,140
Total	**$ 14,136,005**	**$ 14,136,005**

(UNAUDITED, EXPRESSED IN CANADIAN DOLLARS)

6. EXPLORATION AND EVALUATION ASSETS (continued)

Year Ended January 31, 2023	Fredart Property	Jackpot Property	Eastern Vision Property	North Buffy Lake Property	Dixie 3 & Ben Lake Properties	Dixie Ten-Mile Properties	Northern Vision Property	Garnet Lake Property	Total
Acquisition Costs:									
Balance, beginning of year	$ 272,500	$1,393,625	$ 79,500	$ 100,000	$ 310,000	$ 165,000	$ 31,150	$ 345,000	$ 2,696,775
Cash	10,000	120,000	-	-	-	-	-	150,000	280,000
Shares	100,000	640	20,000	-	-	50,000	25,000	-	195,640
Warrants	-	183,600	-	-	-	-	-	-	183,600
Sale of exploration and evaluation assets	(382,500)	-	(99,500)	(100,000)	(310,000)	(215,000)	(56,150)	(495,000)	(1,658,150)
Balance, end of year	-	1,697,865	-	-	-	-	-	-	1,697,865
Deferred Exploration Costs:									
Balance, beginning of year	498,354	3,954,315	57,870	-	113,848	740,979	-	70,856	5,436,222
Assays	-	68,160	-	-	-	-	-	-	68,160
Drilling	-	2,231,383	-	-	-	-	-	-	2,231,383
Field work	201	406,202	-	-	-	-	-	-	406,403
Geological consulting	3,000	674,803	5,900	-	-	-	-	3,000	686,703
Travel	-	252,251	-	-	-	-	-	-	252,251
Sale of exploration and evaluation assets	(501,555)	-	(63,770)	-	(113,848)	(740,979)	-	(73,856)	(1,494,008)
Balance, end of year	-	7,587,114	-	-	-	-	-	-	7,587,114
Total, end of year	**$ -**	**$9,284,979**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 9,284,979**

6. EXPLORATION AND EVALUATION ASSETS (continued)

Fredart Property, Ontario, Canada

During the year ended January 31, 2021, the Company entered into an option agreement with an arms-length vendor to acquire an 80% interest in the Fredart property located in the Red Lake District, Ontario for the following consideration:

Cash payments

i) cash payment of $30,000 on or before the date that is 5 business days after TSX-V Exchange approval date (paid);
ii) cash payment of $50,000 on or before the date that is 6 months after the TSX-V Exchange approval date (paid); and
iii) cash payment of $70,000 on or before the date that is 12 months after the TSX-V Exchange approval date (paid).

Share issuance

i) issuance of 750,000 shares on or before the date that is 5 business days after the TSX-V Exchange approval date (issued and valued at $60,000);
ii) issuance of 750,000 shares on or before the date that is 12 months after the TSX-V Exchange approval date (issued and valued at $52,500); and
iii) issuance of 1,000,000 shares on or before the date that is 24 months after the TSX-V Exchange approval date (issued and valued at $100,000).

Exploration expenditures

i) incur exploration expenditures of $300,000 on or before the date that is 12 months after TSX-V Exchange approval date (incurred);
ii) incur exploration expenditures of $300,000 on or before the date that is 24 months after the TSX-V Exchange approval date (incurred); and
iii) incur exploration expenditures of $400,000 on or before the date that is 36 months after the TSX-V Exchange approval date (incurred).

The vendor retains a 1.0% to 1.5% Net Smelter Return ("NSR") royalty.

Jackpot Property, Ontario, Canada

During the year ended January 31, 2017, the Company entered into an option agreement, subsequently amended, to acquire a 100% interest in the Jackpot Property in Thunder Bay, Ontario for the following consideration:

i) issuance of 300,000 shares (issued at a value of $156,000); and
ii) issuance of 375,000 shares by March 28, 2017 (issued at a value of $75,000).

In addition, a 1.5% NSR royalty will be granted to the vendors. The Company has the option to purchase back 1% of the NSR royalty for $1,000,000.

During the year ended January 31, 2019, the Company paid $41,625 cash and issued 600,000 shares valued at $150,000 as consideration for acquisition of additional claims surrounding its 100% owned Jackpot Property.

During the year ended January 31, 2021, the Company paid $10,000 cash and issued 300,000 shares valued at $25,500 to acquire nine additional claims on the Jackpot Property. The vendor retains a royalty of 1.0% on revenue generated from non-smelter elements from the additional claims and a 1.0% NSR. The Company has the option to purchase back 1% of the NSR royalty for $500,000.

6. EXPLORATION AND EVALUATION ASSETS (continued)

Jackpot Property, Ontario, Canada (continued)

During the year ended January 31, 2022, the Company paid $10,000 cash and issued 300,000 shares (valued at $25,500) to acquire four additional claims on the Jackpot Property. The vendor retains a royalty of 1.0% on revenue generated from non-smelter elements from the additional claims and a 1.0% NSR. The Company has the option to purchase back 1% of the NSR royalty for $500,000.

Additionally, the Company acquired a 100% interest in 87 claims for a consideration of $225,000 in cash (paid) and issued 5,000,000 shares (valued at $675,000). The vendor retains a royalty of 2.5% NSR. The Company has the option to purchase back 1% of the NSR royalty for $1,000,000. In the event that the claims are demonstrated to contain NI 43-101 compliant inferred resources in excess of 5,000,000 tons of Li2O, the Company shall make a bonus payment of 5,000,000 common shares.

On March 20, 2022, the Company acquired an additional claim within the Jackpot Property by issuing 8,000 common shares.

During fiscal 2023, the Company signed an exploration agreement (the "Agreement") with Bingwi Neyaashi Anishinaabek, Biinjitiwaabik Zaaging Anishinaabek and Red Rock Indian Band (the "First Nations") setting out a framework for Imagine Lithium's consultation and accommodation activities with the First Nations Groups in connection with exploration activities at the Jackpot Lithium Project near Thunder Bay, Ontario. Under the terms of the Agreement, Imagine Lithium has agreed to, among other things, make a one-time payment of $120,000 (paid) and grant an aggregate of 3,000,000 common share purchase warrants ("Warrants") (granted and valued at $183,600) to the First Nations, with each First Nations receiving 1,000,000 Warrants. Each Warrant will entitle the holder thereof to purchase one common share in the capital of the Company at an exercise price of $0.11 per Warrant Share for a period of five years following the date of issuance of such Warrant.

In addition, under the terms of the agreement, the Company will make the following payments to the First Nations:

(a) Costs related to the operation of a limited partnership, corporation, or other entity to be jointly and equally owned by each First Nation, provided that the costs of establishing such entity shall not exceed ten thousand dollars ($10,000).

(b) An annual payment equal to:

(i) three percent (3%) of all Eligible Exploration Costs related to Early Exploration Activities and incurred during the calendar year, up to a maximum of $4,000,000 of Eligible Exploration Costs incurred during the Term or during any Renewal Term; and

(ii) two percent (2%) of all Eligible Exploration Costs related to Early Exploration Activities and incurred during the calendar year where such Eligible Exploration Costs are, during the Term or during any Renewal Term, in excess of $4,000,000 in the aggregate.

Eastern Vision Property, Ontario, Canada

During the year ended January 31, 2020, the Company entered into an option agreement with an arms-length vendor to acquire a 100% interest in the claims comprising the Eastern Vision Property located in the Red Lake District, Ontario for the following consideration:

Cash payments

i) cash payment of $8,000 on or before December 10, 2019 (paid);
ii) cash payment of $12,000 on or before December 10, 2020 (paid);
iii) cash payment of $16,000 on or before December 10, 2021; and
iv) cash payment of $36,000 on or before December 10, 2022.
v)

6. EXPLORATION AND EVALUATION ASSETS (continued)

Eastern Vision Property, Ontario, Canada (continued)

Share issuance

i) issuance of 400,000 shares on or before December 9, 2019 (issued and valued at $30,000);
ii) issuance of 200,000 shares on or before December 9, 2020 (issued and valued at $11,000); and
iii) issuance of 200,000 shares on or before December 9, 2021 (issued and valued at $20,000).

The vendor retains a 1.5% NSR royalty, 50% of which is purchasable by the Company for $1,000,000 at any time.

During the year ended January 31, 2021, the Company acquired a 100% interest of an additional seven mineral claims (Gerry Claims) in the Eastern Vision Property for the following considerations:

Cash payments

i) cash payment of $7,500 on or before the date that is 5 business days after the TSX-V Exchange approval date (paid).

Share issuance

i) issuance of 100,000 shares (issued and valued at $11,000) on or before the date that is 5 business days after TSX-V Exchange approval date.

The vendor retains a 1.5% NSR royalty, of which 100% is purchasable by the Company for $1,500,000 at any time. On December 15, 2021, the Company entered into a definitive agreement with Trillium Gold Mines Inc. (“Trillium”) to acquire certain properties held by the Company in relation to the Eastern Vision project, in consideration of $175,000 in cash and 2,800,000 common shares of Trillium. In addition, Trillium will assume all the remaining cash payment commitments under its existing option agreements, and the Company would retain its share issuance obligations. On June 20, 2022, the transaction closed – the Company received $175,000 cash and 2,800,000 common shares of Trillium valued at $784,000.

In addition, Imagine has closed an Amending, Settlement and Termination Agreement with Pegasus (the “Pegasus Agreement”) with respect to the February 3, 2020 agreements relating to the Garnet Lake Property and portions of Fredart Property (the Option Agreements”). Under the Pegasus Agreement, Pegasus has issued to the Company 5,000,000 (valued at $250,000) common shares of Pegasus in exchange for delivery of certain payment obligations under the Option Agreements.

The Company recorded a loss of $1,943,159 on the sale of the properties in relation to the Eastern Vision project. The Eastern Vision Project consist of Fredart Property, Garnet Lake Property, North Buffy Lake Property, Eastern Vision Property, Dixie 3 and Ben Lake Properties, Dixie 10 Miles Properties, and Northern Vision Property.

North Buffy Lake Property, Ontario, Canada

During the year ended January 31, 2020, the Company entered into an option agreement with an arms-length vendor to acquire a 100% interest in the claims comprising the North Buffy Lake Property located in the Red Lake District, Ontario for the following consideration:

Cash payments

i) cash payment of $22,000 on or before December 10, 2019 (paid);
ii) cash payment of $22,000 on or before December 10, 2020 (paid);
iii) cash payment of $33,000 on or before December 10, 2021; and
iv) cash payment of $44,000 on or before December 10, 2022.

Share issuance

i) issuance of 500,000 shares on or before December 10, 2019 (issued and valued at $39,500); and
ii) issuance of 300,000 shares on or before December 10, 2020 (issued and valued at $16,500).

The vendor retains a 1.5% NSR royalty, 50% of which is purchasable by the Company for $1,000,000 at any time.

6. EXPLORATION AND EVALUATION ASSETS (continued)

Dixie 3 and Ben Lake Properties, Ontario, Canada

During the year ended January 31, 2020, the Company entered into an option agreement with an arms-length vendor to acquire a 100% interest in the claims comprising the Dixie 3 and Ben Lake properties located in the Red Lake District, Ontario for the following consideration:

Cash payments

i) cash payment of $10,000 on or before January 2, 2020 (paid);
ii) cash payment of $40,000 on or before the earlier of the next private placement of at least $250,000 or March 31, 2020 (paid); and
iii) cash payment of $50,000 on or before July 2, 2020 (paid).

Share issuance

i) issuance of 2,000,000 shares on or before January 2, 2020 (issued and valued at $200,000).

The vendor retains a 0.5% NSR royalty on Dixie 3, of which is purchasable by the Company for $400,000 at any time.

The vendor retains a 1.5% NSR royalty on Ben Lake, of which 50% is purchasable by the Company for $400,000 at any time.

Dixie Ten-Mile Properties, Ontario, Canada

During the year ended January 31, 2020, the Company entered into an option agreement with an arms-length vendor to acquire a 90% interest in the Dixie Ten-Mile properties located in the Red Lake District, Ontario.

To acquire the first 75% interest, the Company is required to make the following consideration:

Cash payments

i) cash payment of $15,000 on or before January 29, 2020 (paid);
ii) cash payment of $15,000 on or before July 29, 2020 (paid); and
iii) cash payment of $30,000 on or before January 29, 2021 (paid).

Share issuance

i) issuance of 500,000 shares on or before January 29, 2020 (issued and valued at $42,500); and
ii) issuance of 500,000 shares on or before January 29, 2021 (issued and valued $62,500).

Exploration expenditures

i) incur exploration expenditures of $250,000 on or before January 29, 2021 (incurred); and
ii) incur exploration expenditures of $300,000 on or before January 29, 2022 (incurred).

The Company has the option to acquire the remaining 15% interest by making the following additional consideration:

i) cash payment of $30,000; and
ii) issuance of 500,000 shares on or before January 29, 2022 (issued and valued at $50,000).

The vendor retains a 1.0% NSR royalty, of which 50% is purchasable by the Company for $400,000 at any time.

6. EXPLORATION AND EVALUATION ASSETS (continued)

Northern Vision Property, Ontario

During the year ended January 31, 2021, the Company entered into an option agreement with an arms-length vendor to acquire a 100% interest in the Northern Vision property located in the Red Lake District, Ontario for the following consideration:

Cash payments

i) cash payment of $8,650 on or before the date that is 5 business days after the TSX-V Exchange approval date (paid);
ii) cash payment of $12,000 on or before December 31, 2021;
iii) cash payment of $15,000 on or before December 31, 2022; and
iv) cash payment of $30,000 on or before December 31, 2023.

Share issuance

i) issuance of 250,000 shares on or before the date that is 5 business days after TSX-V Exchange approval date (issued and valued at $25,000); and
ii) issuance of 250,000 shares on or before the date that is December 31, 2021 (issued and valued at $25,000) .

The vendor retains a 1.5% NSR royalty, of which 50% is purchasable by the Company for $500,000 at any time.

Garnet Lake Property, Ontario

During the year ended January 31, 2021, the Company entered into an option agreement with an arms-length vendor to acquire an 80% interest in the Garnet Lake property located in the Red Lake District, Ontario for the following consideration:

Cash payments

i) cash payment of $75,000 on or before the date that is 5 business days after TSX-V Exchange approval date (paid);
ii) cash payment of $75,000 on or before June 30, 2022 (paid); and
iii) cash payment of $150,000 on or before December 31, 2022.

Share issuance

i) issuance of 1,000,000 shares (issued and valued at $65,000) on or before the date that is 5 business days after the TSX-V Exchange approval date;
ii) issuance of 1,000,000 shares on or before December 31, 2022 (issued and valued at $130,000); and
iii) issuance of 2,000,000 shares on or before December 31, 2023.

Exploration expenditures

i) incur exploration expenditures of $400,000 on or before December 31, 2022;
ii) incur exploration expenditures of $400,000 on or before December 31, 2023; and
iii) incur exploration expenditures of $700,000 on or before December 31, 2024.

The vendor retains a 2.0% NSR royalty.

(UNAUDITED, EXPRESSED IN CANADIAN DOLLARS)

6. EXPLORATION AND EVALUATION ASSETS (continued)

Preissac-Lacorne complex of Abitibi Greenstone Belt, Quebec, Canada

In June 2016, the Company entered into an option agreement to acquire a portfolio of lithium properties in the Preissac-Lacorne complex of Abitibi Greenstone Belt, Quebec for the following consideration:

i) cash payment of $10,000 (paid); and
ii) issuance of 1,250,000 shares (issued).

An aggregate of 109,615 shares were issued as finders' fees with a total fair value of $41,683. In addition, a 1.0% NSR was granted to the vendors. The Company has the option to purchase back 0.5% of the NSR royalty for $500,000.

During the year ended January 31, 2018, the Company entered into an option agreement with Jourdan Resources Inc. ("Jourdan") whereby Jourdan has the right to acquire up to a 75% interest in the LaCorne Property for the following consideration:

i) cash payment of $50,000 on or before May 15, 2017 (received);
ii) issuance of 600,000 Jourdan shares on or before May 15, 2017 (received at a value of $96,000);
iii) cash payment of $75,000 on or before May 16, 2019; and
iv) issuance of 600,000 Jourdan shares on or before May 16, 2019.

During the year ended January 31, 2020, Jourdan has lapsed on the payments and the agreement is considered to be in default.

During the year ended January 31, 2021, the Company amended the option agreement whereby Jourdan has the right to acquire a 100% interest in the LaCorne Property in consideration of 8,100,000 common shares of Jourdan. As of January 31, 2021, the Company valued the consideration shares to be $81,000, which resulted in an impairment loss on the property of $288,194.

During the year ended January 31, 2022, the Company entered into a settlement agreement whereby Jourdan settled all remaining terms in consideration of 4,500,000 common shares of Jourdan valued at $202,500. The Company recognized a gain of $121,500 on this transaction.

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

		October 31, 2023		January 31, 2023
Trade accounts payable	**$**	**482,462**	$	151,115
Accrued liabilities		**136,018**		124,519
	$	**618,480**	$	275,634

8. SHARE CAPITAL AND SHARE-BASED PAYMENT RESERVE

Authorized: unlimited common shares without par value.

a) Share capital

As of October 31, 2023, the Company had 277,128,030 common shares outstanding.

During the period ended October 31, 2023, the Company:

i) issued 1,575,000 common shares pursuant to the exercise of warrants for gross proceeds of $160,500.

ii) closed a non-brokered private placement of 48,820,000 flow-through shares at a price of $0.1725 per share for gross proceeds of $8,421,450. In addition, the Company completed a private placement of 6,180,000 non-flow-through common shares (the "Common Shares") at a price of $0.115 per common share for gross proceeds of $710,700. Total gross proceeds from the private placements are $9,132,150. The Company recorded a flow-through premium liability of $2,641,953. As at October 31, 2023, the Company recorded a recovery of $1,322,705 of flow-through premium.

During the year ended January 31, 2023, the Company:

iii) the Company issued 1,193,012 common shares pursuant to the exercise of warrants for gross proceeds of $151,050.

iv) the Company issued 1,958,000 common shares pursuant to property purchase agreements, valued at $195,640.

v) the Company issued 4,300,000 common shares pursuant to the exercise of options for gross proceeds of $258,000.

b) Stock options and warrants

Stock options

The Company has a stock option plan (the "Plan") under which it is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. Under the Plan, the exercise price of each option equals the market price of the Company's stock, less applicable discount, as calculated on the date of grant. The options can be granted for a maximum term of five years. Vesting provisions are set at the discretion of the Company's Board of Directors except where dictated by legislation.

During the year ended January 31, 2023, the Company:

i) granted 300,000 options to an officer of the Company with an exercise price of $0.155 and expiring on February 1, 2024. The estimated fair value of these options was $31,400.

ii) granted 3,200,000 options to officers, directors and consultants of the Company with an exercise price of $0.08 and expiring on August 19, 2027. The estimated fair value of these options was $205,100.

iii) granted 3,475,000 options to officers, directors and consultants of the Company with an exercise price of $0.075 and expiring on November 11, 2027. The estimated fair value of these options was $226,500.

iv) during the year ended January 31, 2023, an aggregate of 4,300,000 options were exercised for gross proceeds of $258,000.

(UNAUDITED, EXPRESSED IN CANADIAN DOLLARS)

8. SHARE CAPITAL AND SHARE-BASED PAYMENT RESERVE (continued)

b) Stock options and warrants (continued)

Stock options (continued)

A summary of changes in stock options is as follows:

	Number of Options	Weighted Average Exercise Price
Outstanding as at January 31, 2022	5,530,000	$ 0.06
Granted – February 1, 2022	300,000	0.16
Granted – August 19, 2022	3,200,000	0.08
Granted –November 11, 2022	3,475,000	0.08
Exercised	(4,300,000)	0.06
Expired	(1,230,000)	0.08
Outstanding as at October 31, 2023 and January 31, 2023	6,975,000	$ 0.08

As at October 31, 2023, the following options were outstanding and exercisable:

Number of Options	Exercise Price	Fair Value at Grant Date	Expiry Date	Weighted Average Contractual Life (Years)
300,000	$0.16	$ 31,400	01-Feb-24	0.25
3,200,000	$0.08	$ 205,100	19-Aug-27	3.80
3,475,000	$0.08	$ 226,528	11-Nov-27	4.03
6,975,000		$ 463,028		3.76

The following weighted average assumptions were used for the Black-Scholes valuation of stock options granted during the year ended January 31, 2023:

	February 1, 2022	August 19, 2022	November 11, 2022
Risk-free interest rate	1.28%	3.06%	3.31%
Expected life of options	2.0 years	5.0 years	5.0 years
Expected annualized volatility	130.75%	111.00%	112.59%
Expected dividend rate	-	-	-
Fair value per stock option granted	$0.10	$0.06	$0.07

Warrants

A summary of changes in warrants is as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, at January 31, 2022	122,006,283	0.12
Issued	3,000,000	0.11
Exercised	(1,193,012)	0.13
Expired	(64,813,271)	0.13
Balance, January 31, 2023	59,000000	0.10
Exercised	(1,575,000)	0.10
Balance, October 31, 2023	57,425,000	0.10

(UNAUDITED, EXPRESSED IN CANADIAN DOLLARS)

8. SHARE CAPITAL AND SHARE-BASED PAYMENT RESERVE (continued)

b) Stock options and warrants (continued)

Warrants (continued)

As at October 31, 2023, the following warrants were issued and outstanding:

Number of Warrants	Exercise Price	Fair Value at Grant Date	Expiry Date	Weighted Average Contractual Life (Years
48,012,200	$0.10	$ -	22-Dec-23	0.10
6,412,800	$0.11	$ -	22-Dec-23	0.10
3,000,000	$0.11	$ 183,600	13-May-27	3.53
57,425,000		$ 183,600		0.28

9. SEGMENTED INFORMATION

The Company primarily operates in one reportable segment, being the acquisition and exploration of exploration and evaluation assets in North America. Refer to Note 6 for geographic information.

10. COMMITMENTS AND CONTINGENCIES

a) The Company's exploration activities are subject to government laws and regulations, including tax laws and laws and regulations governing the protection of the environment. The Company believes that its operations comply in all material respects with all applicable past and present laws and regulations. The Company records provisions for any identified obligations, based on management's estimate at the time. Such estimates are, however, subject to changes in laws and regulations.

b) Pursuant to the issuance of 48,820,000 flow-through shares on April 28, 2023, the Company is required to expend these flow-through funds of $8,421,450 by December 31, 2024. As of October 31, 2023, the amount remaining to be expended is $4,205,215 (January 31, 2023 - $nil).

11. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel includes the Company's executive officers and Board of Director members.

During the period ended October 31, 2023, the Company:

a) paid or accrued management fees of $105,000 (2022 - $90,000) to a company owned by a director of the Company for management services provided;

b) paid or accrued management fees of $18,000 (2022 – $18,000) to a company owned by a director of the Company;

c) paid or accrued exploration and evaluation costs of $153,675 (2022 – $179,750) to a director of the Company;

d) paid or accrued management fees and office and administration expenditures, including rent, of $27,000 (2022 - $27,000) to a company owned by a director of the Company;

e) paid or accrued management fees of $45,000 (2022 - $45,000) to a company owned by an officer of the Company;

11. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION (continued)

f) and recorded share-based compensation of $nil (2022 - $138,950) related to options granted to an officer of the Company.

As at October 31, 2023, $22,191 (2022 - $30,669) were due to related parties.