IMAGINE LITHIUM INC.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED JANUARY 31, 2024 AND 2023

EXPRESSED IN CANADIAN DOLLARS

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

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Imagine Lithium Inc.

Opinion

We have audited the accompanying consolidated financial statements of Imagine Lithium Inc. (the "Company"), which comprise the consolidated statements of financial position as at January 31, 2024 and 2023, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity, and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

Basis for Opinion

We conducted our 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 Consolidated 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 consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the consolidated financial statements, which indicates that 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 As stated in Note 1, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our auditor's report.

Assessment of Impairment Indicators of Exploration and Evaluation Assets ("E&E Assets")

As described in Note 6 to the consolidated financial statements, the carrying amount of the Company's E&E Assets was $15,519,250 as of January 31, 2024. As more fully described in Note 2 to the consolidated financial statements, management assesses E&E Assets for indicators of impairment at each reporting period.

The principal considerations for our determination that the assessment of impairment indicators of the E&E Assets is a key audit matter are that there was judgment made by management when assessing whether there were indicators of impairment for the E&E Assets, specifically relating to the assets' carrying amount which is impacted by the Company's intent and ability to continue to explore and evaluate these assets. This in turn led to a high degree of auditor judgment, subjectivity, and effort in performing procedures to evaluate audit evidence relating to the judgments made by management in their assessment of indicators of impairment that could give rise to the requirement to prepare an estimate of the recoverable amount of the E&E Asset.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. Our audit procedures included, among others:

- Evaluating management's assessment of impairment indicators.
- Evaluating the intent for the E&E Assets through discussion and communication with management.
- Reviewing the Company's recent expenditure activity and expenditure budgets for future periods.
- Assessing the Company's rights to explore E&E Assets including sending confirmation requests to ensure good standing of agreements.
- Obtaining, on a test basis, confirmation of title to ensure mineral rights underlying the E&E Assets are in good standing.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the 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.

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

The engagement partner on the audit resulting in this independent auditor’s report is Stephen Hawkshaw.

Davidson & Company LLP

Vancouver, Canada

Chartered Professional Accountants

May 29, 2024

IMAGINE LITHIUM INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
EXPRESSED IN CANADIAN DOLLARS
AS AT JANUARY 31,

	2024	2023
ASSETS		
Current		
Cash and cash equivalents	**$ 2,890,747**	$ 814,645
Marketable securities (Note 5)	**219,033**	693,305
Commodity tax recoverable	**175,858**	136,580
Prepaids and other current assets (Note 12)	**121,009**	46,235
	3,406,647	1,690,765
Exploration and evaluation assets (Notes 6 & 12)	**15,519,250**	9,284,979
Mineral advances (Note 6)	**269,038**	-
	$ 19,194,935	$ 10,975,744
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities (Notes 7 & 12)	**$ 392,465**	$ 275,634
Flow-through premium liability (Notes 8, 10 & 11)	**979,494**	-
	1,371,959	275,634
Shareholders' Equity		
Share capital (Note 8)	**38,099,252**	31,613,752
Share-based payment reserve (Note 8)	**4,746,663**	4,746,663
Deficit	**(25,022,939)**	(25,660,305)
	17,822,976	10,700,110
	$ 19,194,935	$ 10,975,744

Nature of Operations and Going Concern (Note 1)
Commitments and Contingencies (Note 10)
Subsequent Event (Note 14)

Approved on behalf of the Board of Directors:

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

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

IMAGINE LITHIUM INC.
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
EXPRESSED IN CANADIAN DOLLARS
FOR THE YEARS ENDED JANUARY 31,

		2024		2023
OPERATING EXPENSES				
Consulting and management fees (Note 12)	**$**	**392,370**	$	366,074
Professional fees		**57,013**		63,868
Office and administration (Note 12)		**57,798**		52,278
Shareholder communication and promotion		**268,083**		91,735
Transfer agent and filing fees		**81,918**		40,329
Travel and accommodation		**7,449**		16,396
Share-based compensation (Note 8)		**-**		463,000
		(864,631)		(1,093,680)
Flow-through recovery (Notes 8, 10 & 11)		**1,827,656**		162,505
Interest income		**77,496**		-
Realized loss on sale of marketable securities (Note 5)		**(123,043)**		11,770
Unrealized gain (loss) on marketable securities (Note 5)		**(280,112)**		(441,695)
Loss on sale of exploration and evaluation asset (Note 6)		**-**		(1,943,159)
INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS) FOR THE YEAR	**$**	**637,366**	$	(3,304,259)
BASIC AND DILUTED INCOME (LOSS) PER COMMON SHARE	**$**	**0.00**	$	(0.02)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING – BASIC AND DILUTED		**263,790,159**		216,021,012

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

IMAGINE LITHIUM INC.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
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
Share issued on exercise of warrants	1,193,012		164,564		(13,514)		-		151,050
Share issued on exercise of options	4,300,000		448,509		(190,509)		-		258,000
Shares issued for exploration and evaluation assets	1,958,000		195,640		-				195,640
Warrants issued for exploration and evaluation assets	-		-		183,600		-		183,600
Stock-based compensation	-		-		463,000		-		463,000
Loss for the year	-		-		-		(3,304,259)		(3,304,259)
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
Share issued on exercise of warrants	1,575,000		160,500		-		-		160,500
Flow-through share premium	-		(2,807,150)		-				(2,807,150)
Income for the year	-		-		-		637,366		637,366
Balance, January 31, 2024	277,128,030	$	38,099,252	$	4,746,663	$	(25,022,939)	$	17,822,976

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

IMAGINE LITHIUM INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
EXPRESSED IN CANADIAN DOLLARS
FOR THE YEARS ENDED JANUARY 31,

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Income (loss) for the year	**$ 637,366**	$ (3,304,259)
Items not affecting cash:		
Reversal of flow-through premium	**(1,827,656)**	(162,505)
Unrealized loss on marketable securities	**280,112**	441,695
Realized loss (gain) on sale of marketable securities	**123,043**	(11,770)
Loss on sale of exploration and evaluation assets	**-**	1,943,159
Share-based compensation	**-**	463,000
Change in non-cash working capital items:		
Commodity tax recoverable	**(39,278)**	(120,208)
Subscription receivable	**-**	16,000
Prepaid and other current assets	**(74,774)**	(27,301)
Accounts payable and accrued liabilities	**(244,854)**	184,350
Cash flows used in operating activities	**(1,146,041)**	(577,839)
CASH FLOWS FROM INVESTING ACTIVITIES		
Exploration and evaluation asset expenditures	**(5,872,586)**	(3,924,901)
Mineral advances	**(269,038)**	-
Proceeds from sale of marketable securities	**71,117**	20,770
Proceeds from sale of exploration and evaluation assets	**-**	175,000
Cash flows used in investing activities	**(6,070,507)**	(3,729,131)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from private placements, net of costs	**9,132,150**	-
Proceeds from warrants exercised	**160,500**	151,050
Proceeds from options exercised	**-**	258,000
Cash flows provided by financing activities	**9,292,650**	409,050
CHANGE IN CASH AND CASH EQUIVALENTS DURING THE YEAR	**2,076,102**	(3,897,920)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	**814,645**	4,712,565
CASH AND CASH EQUIVALENTS, END OF YEAR	**$ 2,890,747**	$ 814,645

SUPPLEMENTAL INFORMATION		
Cash	**$ 890,747**	$ 814,645
Cash equivalents	**$ 2,000,000**	$ -
Flow-through share premium	**$ 2,807,150**	$ -
Interest paid	**$ -**	$ -
Taxes paid	**$ -**	$ -
Shares issued for interest in exploration and evaluation assets	**$ -**	$ 195,640
Warrants issued for exploration and evaluation assets	**$ -**	$ 183,600
Shares received upon sale of exploration and evaluation assets	**$ -**	$ 1,034,000
Exploration and evaluation assets included in accounts payable and accrued liabilities	**$ 361,685**	$ -

The accompanying notes are an integral part of these 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 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 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 January 31, 2024, the Company had working capital of $2,034,688, recorded income of $637,366 for the year then ended, and had accumulated a total deficit of $25,022,939. 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.

These consolidated financial statements have been prepared on a going-concern basis, which assumes the realization of assets and settlement of liabilities in the normal course of business. As at January 31, 2024, the Company had not yet achieved profitable operations and expects to incur further losses in the development of its business plan. The Company plans on raising sufficient funds in order to finance ongoing exploration and administrative expenses through additional equity financing however, there can be no assurance that such financing will be available or be available on favourable terms. All of these factors may cast significant doubt about the Company's ability to continue as a going concern. These consolidated financial statements do not include any adjustments for the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going-concern.

2. MATERIAL ACCOUNTING POLICY INFORMATION

Basis of presentation

These consolidated financial statements, including comparatives have been prepared using accounting policies consistent with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments that have been measured at fair value. The consolidated financial statements are presented in Canadian dollars which is the functional currency of the Company and its subsidiaries. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The policies applied in the consolidated financial statements are presented below and are based on IFRS issued and outstanding as of May 29, 2024, the date the Board of Directors approved the consolidated financial statements.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Basis of consolidation

These 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 January 31, 2024, 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.

Use of estimates and judgments

The preparation of the 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.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Use of estimates and judgments (continued)

Decommissioning restoration provision - 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 January 31, 2024, the Company has no decommissioning and restoration provision.

Cash and cash equivalents

Cash and cash equivalents in the consolidated statements of financial position comprise cash held at banks and other short-term, highly liquid Guaranteed Investment Certificates ("GIC"s) that are readily convertible to known amount of cash and subject to an insignificant risk of change in value.

Foreign exchange

The functional currency is the currency of the primary economic environment in which the entity operates and has been determined for each entity within the Company. The functional currency for all entities within the Company is the Canadian dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in the International Accounting Standard ("IAS") 21, *The Effects of Changes in Foreign Exchange Rates*.

Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, the monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the consolidated statement of financial position date while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are reflected in profit or loss for the period.

As at January 31, 2024, the Company's subsidiaries were dormant.

Earnings (loss) per share ("EPS")

The Company presents basic EPS for its common shares, calculated by dividing the income (loss) attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted EPS does not adjust the income (loss) attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Exploration and evaluation assets

Upon acquiring the legal right to explore a property, costs related to the acquisition, exploration and development of exploration and evaluation assets are capitalized by property until the commencement of commercial production. If commercially profitable ore reserves are developed, capitalized costs of the related exploration and evaluation assets are reclassified as mining assets and amortized using the unit of production method. If, after management review, it is determined that capitalized acquisition, exploration and development costs are not recoverable over the estimated economic life of the exploration and evaluation assets, or the exploration and evaluation assets are abandoned, or management deems there to be an impairment in value, the exploration and evaluation asset is written down to its net realizable value.

Any option payments received by the Company from third parties or tax credits refunded to the Company are credited to the capitalized cost of the exploration and evaluation assets. If payments received exceed the capitalized cost of the exploration and evaluation assets, the excess is recognized as a gain on option agreement in the year received. The amounts shown for exploration and evaluation assets do not necessarily represent present or future values. Their recoverability is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development, and future profitable production or proceeds from the disposition thereof.

Impairment

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

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Provision for environmental rehabilitation

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of exploration and evaluation assets and equipment, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future rehabilitation cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to mining assets along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The rehabilitation asset is depreciated on the same basis as mining assets.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Provision for environmental rehabilitation (continued)

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to mining assets with a corresponding entry to the rehabilitation provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates. Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit or loss for the year.

Share-based compensation

The Company grants stock 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 purchase options is measured on the date of grant, using the Black-Scholes option pricing model, and is recognized over the vesting period. Consideration paid for the shares on the exercise of stock options is credited to share capital.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at the fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

Valuation of equity units issued in private placements

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the most easily measured component based on fair value and then the residual value, if any, to the less easily measurable component.

The fair value of the common shares issued in a private placement was determined to be the more easily measurable component and were valued at their fair value. The balance, if any, is allocated to the attached warrants. Any fair value attributed to the warrants is recorded as share-based payment reserve.

Flow-through shares

Canadian Income Tax legislation permits an enterprise to issue securities referred to as flow-through shares, whereby the investor can claim the tax deductions arising from the renunciation of the related resource expenditures. The Company accounts for flow-through shares whereby any premium paid for the flow-through shares in excess of the market value of the shares without flow-through features at the time of issue is credited to flow-through premium liability and included in the statement of loss and comprehensive loss at the same time the qualifying expenditures are made.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Income taxes

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

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

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend. 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.

Financial instruments

(i) Financial assets

All financial assets are measured at fair value on initial recognition. Measurement in subsequent periods depends on the financial assets' classification, as described below:

Fair value through profit or loss ("FVTPL"): Financial instruments designated at FVTPL are initially recognized and subsequently measured at fair value with changes in those fair values charged immediately to net earnings. Financial instruments under this classification include marketable securities.

Amortized cost: Financial instruments designated at amortized cost are initially recognized at fair value, net of directly attributable transaction costs, and are subsequently measured at amortized cost using the effective interest method. Financial instruments under this classification include cash and cash equivalents and receivables.

Fair value through other comprehensive income ("FVOCI"): Financial instruments designated at FVOCI are initially recognized at fair value, net of directly attributable transaction costs, and are subsequently measured at fair value with changes in fair value recognized in other comprehensive income, net of tax.

(ii) Financial liabilities

All financial liabilities are initially recorded at fair value and designated upon inception as FVTPL or amortized cost. Financial liabilities classified as amortized cost are initially recognized at fair value less directly attributable transaction costs. The Company's accounts payable and accrued liabilities are classified as amortized cost. The Company does not currently have any FVTPL financial liabilities.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial instruments (continued)

(iii) *Impairment of financial assets*

An entity is required to recognize expected credit losses when financial instruments are initially recognized and to update the amount of expected credit losses recognized at each reporting date to reflect changes in the credit risk of the financial instruments.

Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods, if the amount of the loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognized.

Financial instruments that are measured at fair value using inputs, which are classified within a hierarchy that prioritizes their significance. The three levels of the fair value hierarchy are:

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

Marketable securities are carried at fair value using a level 1 fair value measurement.

Future accounting pronouncements

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company does not expect any material impact from future accounting pronouncements.

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 year ended January 31, 2024. 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, receivables, 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 consolidated statements of financial position are summarized in levels of fair value hierarchy as follows:

	Level 1	Level 2	Level 3	Total
Assets				
Marketable securities	$ 219,033	$ -	$ -	$ 219,033

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
Interest rate risk is the potential impact on any Company earnings due to changes in bank lending rates and short-term deposit rates. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. Management considers interest rate risk to be minimal. As at January 31, 2024, $2,000,000 was held in short-term GICs (2023 - $nil).

(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 January 31, 2024, the Company holds 61,000 (2023 – 61,000) shares of MainStreetChamber Holdings Inc. (formerly Walker Lane Exploration Inc.). The market value of the shares at January 31, 2024 was $36,775 (2023 – $305).

The valuation of the shares at January 31, 2024 resulted in an unrealized gain of $36,470 (2023 – $305) for the year ended January 31, 2024.

Consolidated Lithium Metals Inc.

As at January 31, 2024 the Company holds 1,800,000 (2023 – 1,800,000) shares of Consolidated Lithium Metals Inc. (formerly Jourdan Resources Ltd.). The market value of the shares at January 31, 2024 was $27,000 (January 31, 2023 - $117,000). During the year ended January 31, 2023, the Company sold 200,000 shares for gross proceeds of $20,770, and recorded a realized gain of $11,770.

The valuation of the shares resulted in an unrealized loss of $90,000 (2023 – unrealized gain of $16,000) for the year ended January 31, 2024.

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 year ended January 31, 2024, the Company sold 264,000 common shares of Pegasus for gross proceeds of $52,197 (2023 - $nil). The Company recorded a realized loss of $79,803 during the year ended January 31, 2024 (2023 - $nil).

As at January 31, 2024 the Company holds 236,000 (2023 – 500,000) shares of Pegasus. The market value of the shares at January 31, 2024 was $49,560 (2023 – $100,000) and the Company recorded an unrealized gain of $2,360 (2023 – unrealized loss of $15,000) for the year ended January 31, 2024.

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 year ended January 31, 2024, the Company sold 22,200 common shares of Renegade for gross proceeds of $18,920 (2023 - $nil). The Company recorded a realized loss of $43,240 during the year ended January 31, 2024 (2023 - $nil).

As at January 31, 2024, the Company holds 257,800 (2023 – 280,000) shares of Renegade. The market value of the shares at January 31, 2024 was $105,698 (2023 – $476,000) and the Company recorded an unrealized loss of $228,942 (2023 – $308,000) for the year ended January 31, 2024.

EXPRESSED IN CANADIAN DOLLARS

6. EXPLORATION AND EVALUATION ASSETS

Year Ended January 31, 2024	**Jackpot Property**
Acquisition Costs:	
Balance, beginning of year	$ 1,697,865
Balance, end of year	1,697,865
Deferred Exploration Costs:	
Balance, beginning of year	7,587,114
Assays	158,382
Drilling	3,259,665
Field work	837,514
Geological consulting	1,518,676
Travel	520,034
Grant	(60,000)
Balance, end of year	13,821,385
Total	**$ 15,519,250**

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)

Jackpot Property, Ontario, Canada

The Company has 100% interest in the Jackpot Property located in the Georgia Lake Area northeast of Thunder Bay, Ontario. On March 20, 2022, the Company acquired an additional claim within the Jackpot Property by issuing 8,000 common shares.

Vendors of the claims retain NSR royalty between 1.0% and 2.5%. The Company has the option to purchase back 1.0% of NSR royalty by paying cash in the amount of between $500,000 and $1,000,000 to the vendors. Additionally, in the event that some claims are demonstrated to contain NI 43-101 compliant inferred resources in excess of 5,000,000 tons of Li_2O, the Company shall make a bonus payment of 5,000,000 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.

Mineral advance

As at January 31, 2024, the Company made advance payments of $269,038 to suppliers relating to the Jackpot Property project (2023 - $nil).

Eastern Vision Project, Ontario, Canada

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 will retain its share issuance obligations. On June 20, 2022, the transaction closed – the Company received $175,000 cash and 280,000 common shares of Trillium valued at $784,000.

In addition, Imagine 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 500,000 (valued at $250,000) common shares of Pegasus in exchange for delivery of certain payment obligations under the Option Agreements.

EXPRESSED IN CANADIAN DOLLARS

6. EXPLORATION AND EVALUATION ASSETS (continued)

Eastern Vision Project, Ontario, Canada (continued)

During the year ended January 31, 2023, 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 consists of the 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.

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

		January 31, 2024		January 31, 2023
Trade accounts payable	**$**	**241,773**	$	151,115
Accrued liabilities		**150,692**		124,519
	$	**392,465**	$	275,634

8. SHARE CAPITAL AND SHARE-BASED PAYMENT RESERVE

Authorized: unlimited common shares without par value

a) Share capital

As of January 31, 2024, the Company had 277,128,030 common shares outstanding.

During the year ended January 31, 2024, 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 $2,807,150. As at January 31, 2024, the Company recorded a recovery of $1,827,656 of flow-through premium.

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

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

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

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

EXPRESSED IN CANADIAN DOLLARS

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

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 ten years. Vesting provisions, exercise price, and term are set at the discretion of the Company’s Board of Directors except where dictated by legislation.

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 January 31, 2024 and 2023	6,975,000	$ 0.08

As at January 31, 2024, 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	February 1, 2024	0.00
3,200,000	$0.08	$ 205,100	August 19, 2027	3.55
3,475,000	$0.08	$ 226,528	November 11, 2027	3.78
6,975,000		$ 463,028		3.51

The following weighted average assumptions were used for the Black-Scholes valuation of stock options outstanding as at January 31, 2024:

	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

EXPRESSED IN CANADIAN DOLLARS

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

b) Stock options and warrants (continued)

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	59,000,000	0.10
Expired	(54,425,000)	0.10
Exercised	(1,575,000)	0.10
Balance, January 31, 2024	3,000,000	$ 0.11

As at January 31, 2024, the following warrants were issued and outstanding:

Number of Warrants	Exercise Price	Fair Value at Grant Date	Expiry Date	Weighted Average Contractual Life (Years
3,000,000	$0.11	$ 183,600	May 13, 2027	3.28

The following weighted average assumptions were used for the Black-Scholes valuation of warrants outstanding during the year ended January 31, 2023 for exploration and evaluation assets:

	May 13, 2022
Risk-free interest rate	2.73%
Expected life of options	5.0 years
Expected annualized volatility	110.94%
Expected dividend rate	-
Fair value per warrant issued	$0.06

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.

EXPRESSED IN CANADIAN DOLLARS

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 January 31, 2024, the amount remaining to be expended is $2,595,640).

11. FLOW-THROUGH PREMIUM LIABILITY

	January 31, 2024	January 31, 2023
Balance - beginning of year	**$ -**	$ 162,505
Flow-through premium liability	**2,807,150**	-
Flow-through recovery	**(1,827,656)**	(162,505)
	$ 979,494	$ -

Flow-through common shares require the Company to spend an amount equivalent to the proceeds of the issued flow-through common shares on Canadian qualifying exploration expenditures. The Company may be required to indemnify the holders of such shares for any tax and other costs payable by them in the event the Company has not made the required exploration expenditures.

In April 2023, the Company received an aggregate $8,421,450 from the issuance of flow-through shares at a premium to the market price and recognized a deferred premium of flow-through shares of $2,807,150. During the year ended January 31, 2024, the Company recognized from flow-through premium liabilities a gain of $1,827,656 (2023 - $162,505) related to exploration and evaluation expenses during the year.

12. 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 year ended January 31, 2024, the Company:

a) paid or accrued management fees of $142,500 (2023 - $120,000) to a company owned by a director of the Company for management services provided;

b) paid or accrued office rent of $12,000 (2023 – $12,000) to a company owned by a director of the Company;

c) paid or accrued management fees of $60,000 (2023 - $60,000) to a company owned by an officer of the Company;

d) paid or accrued exploration and evaluation costs of $158,175 (2023 – $227,500) to a director of the Company;

e) paid or accrued management fees of $60,000 (2023 - $60,000) to a company owned by a director of the Company;

f) and recorded share-based compensation of $nil (2023 - $286,688) related to stock options granted to directors of the Company.

As at January 31, 2024, $nil (2023 - $21,872) were due to related parties.

EXPRESSED IN CANADIAN DOLLARS

13. INCOME TAXES

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

	2024	2023
Income (loss) for the year	$ 637,366	$ (3,304,259)
Expected income tax (recovery)	$ 172,000	$ (892,000)
Permanent differences	(438,000)	140,000
Impact of flow-through share	1,572,000	151,000
Adjustment to prior years provision versus statutory tax returns and expiry of non-capital loss	-	488,000
Change in unrecognized deductible temporary differences	(1,306,000)	113,000
Total income tax expense (recovery)	$ -	$ -

The significant components of the Company's deferred tax assets that have not been included on the consolidated statement of financial position are as follows:

	2024	2023
Deferred Tax Assets (liabilities)		
Exploration and evaluation assets	$ 405,000	$ 1,974,000
Equipment	1,000	-
Share issue costs	11,000	23,000
Marketable securities	99,000	61,000
Allowable capital losses	250,000	234,000
Non-capital losses available for future periods	3,353,000	3,133,000
	4,119,000	5,425,000
Unrecognized deferred tax assets	(4,119,000)	(5,425,000)
Net deferred tax assets	$ -	$ -

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

	2024	**Expiry Date Range**	**2023**	**Expiry Date Range**
Temporary Differences				
Exploration and evaluation assets	$1,416,000	No expiry date	$ 7,228,000	No expiry date
Investment tax credits	31,000	2032 to 2033	31,000	2032 to 2033
Property and equipment	5,000	No expiry date	1,000	No expiry date
Share issue costs	41,000	2043 to 2046	84,000	2043 to 2046
Marketable securities	733,000	No expiry date	453,000	No expiry date
Allowable capital losses	924,000	No expiry date	867,000	No expiry date
Non-capital losses available for future periods	12,419,000	2026 to 2044	11,604,000	2026 to 2043

Tax attributes are subject to review and potential adjustments by tax authorities.

14. SUBSEQUENT EVENT

Subsequent to January 31, 2024:

a) 300,000 stock options expired, unexercised.