



**IMAGINE LITHIUM INC.**

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE THREE MONTHS ENDED APRIL 30, 2024 AND 2023**

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,**

	<b>April 30, 2023</b>	January 31, 2023
<b>ASSETS</b>		
<b>Current</b>		
Cash and cash equivalents	\$ 1,205,330	\$ 2,890,747
Marketable securities (Note 5)	161,476	219,033
Commodity tax recoverable	182,950	175,858
Prepays and other current assets	58,153	121,009
	<b>1,607,909</b>	3,406,647
<b>Exploration and evaluation assets</b> (Note 6)	<b>16,900,252</b>	15,519,250
<b>Mineral advances</b> (Note 6)	<b>264,000</b>	269,038
	<b>\$ 18,772,161</b>	\$ 19,194,935
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current</b>		
Accounts payable and accrued liabilities (Notes 7 & 12)	\$ 211,301	\$ 392,465
Flow-through premium liability (Notes 8 & 11)	519,153	979,494
	<b>730,454</b>	1,371,959
<b>Shareholders' Equity</b>		
Share capital (Note 8)	38,099,252	38,099,252
Share-based payment reserve (Note 8)	4,746,663	4,746,663
Deficit	(24,804,208)	(25,022,939)
	<b>18,041,707</b>	17,822,976
	<b>\$ 18,772,161</b>	\$ 19,194,935

**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 MONTHS ENDED APRIL 30,**

	<b>2024</b>	2023
<b>OPERATING EXPENSES</b>		
Consulting and management fees (Note 12)	\$ 98,996	\$ 91,496
Professional fees	22,050	8,302
Office and administration	13,120	13,566
Shareholder communication and promotion	58,584	104,248
Transfer agent and filing fees	29,282	53,686
Travel and accommodation	8,228	5,850
	<b>(230,260)</b>	<b>(277,148)</b>
Flow-through recovery (Notes 8 & 11)	460,341	-
Interest income	33,796	-
Realized loss on sale of marketable securities (Note 5)	(20,590)	-
Unrealized loss on marketable securities (Note 5)	(24,556)	(98,000)
<b>INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD</b>	<b>\$ 218,731</b>	<b>\$ (375,148)</b>
<b>BASIC AND DILUTED LOSS PER COMMON SHARE</b>	<b>\$ (0.00)</b>	<b>\$ (0.00)</b>
<b>WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING</b>		
<b>– BASIC AND DILUTED</b>	<b>276,962,830</b>	<b>222,940,077</b>

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**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
<b>Balance, January 31, 2023</b>	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)
Loss for the period	-	-	-	(375,148)	(375,148)
Balance, April 30, 2023	277,128,030	38,099,252	4,746,663	(26,035,453)	16,810,462
Income for the period	-	-	-	1,012,514	1,012,514
Balance, January 31, 2024	277,128,030	38,099,252	4,746,663	(25,022,939)	17,822,976
Income for the period	-	-	-	218,731	218,731
Balance, April 30, 2024	277,128,030	38,099,252	4,746,663	(24,804,208)	18,041,707

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 THREE MONTHS ENDED APRIL 30,**

	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income (loss) for the period	\$ 218,731	\$ (375,148)
Items not affecting cash:		
Reversal of flow-through premium	(460,341)	-
Unrealized loss on marketable securities	24,556	98,000
Realized loss on sale of marketable securities	20,590	-
Share-based compensation	-	-
Change in non-cash working capital items:		
Commodity tax recoverable	(7,092)	59,831
Prepaid and other current assets	62,856	(103,478)
Accounts payable and accrued liabilities	(316,335)	(826)
<b>Cash flows used in operating activities</b>	<b>(457,035)</b>	<b>(321,621)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Exploration and evaluation asset expenditures	(1,245,831)	(477,548)
Proceeds from sale of marketable securities	12,411	-
	5,038	-
<b>Cash flows used in investing activities</b>	<b>(1,228,382)</b>	<b>(477,548)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Private placements, net of costs	-	9,132,150
Proceeds from warrants exercised	-	160,500
<b>Cash flows provided by financing activities</b>	<b>-</b>	<b>9,292,650</b>
<b>CHANGE IN CASH AND CASH EQUIVALENTS DURING THE PERIOD</b>	<b>(1,685,417)</b>	<b>8,493,481</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD</b>	<b>2,890,747</b>	<b>814,645</b>
<b>CASH AND CASH EQUIVALENTS, END OF PERIOD</b>	<b>\$ 1,205,330</b>	<b>\$ 9,308,126</b>
<b>SUPPLEMENTAL INFORMATION</b>		
Flow-through share premium	\$ -	\$ 2,807,150

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

**IMAGINE LITHIUM INC.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**(UNAUDITED, EXPRESSED IN CANADIAN DOLLARS)**  
**FOR THE PERIOD ENDED APRIL 30, 2024 AND 2023**

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**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 April 30, 2024, the Company had working capital of \$877,455 recorded an income of \$218,731 for the period ended, and had accumulated a total deficit of \$24,804,208. 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.

These condensed interim 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 April 30, 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 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, 2024 and 2023, 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 June 17, 2024, the date the Board of Directors approved the condensed interim consolidated financial statements.

**IMAGINE LITHIUM INC.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
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**FOR THE PERIOD ENDED APRIL 30, 2024 AND 2023**

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**2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

**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 April 30, 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 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:

The carrying value and the recoverability of exploration and evaluation assets - 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.

Share-based compensation - 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.

Recovery of deferred tax assets - 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.



**IMAGINE LITHIUM INC.**  
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**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 April 30, 2024, 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 April 30, 2024. Neither the Company nor its subsidiaries are subject to externally imposed capital requirements.

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**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
<i>Assets</i>				
Marketable securities	\$ 161,476	\$ -	\$ -	\$ 161,476

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 April 30, 2024, \$1,000,000 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.

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**5. MARKETABLE SECURITIES**

*MainStreetChamber Holdings Inc*

As at April 30, 2023, the Company holds 61,000 (January 31, 2024 – 61,000) shares of MainStreetChamber Holdings Inc.. The market value of the shares at April 30, 2024 was \$9,391 (January 31, 2024 – \$36,775).

The valuation of the shares at April 30, 2024 resulted in an unrealized loss of \$27,384 (April 30, 2023 – \$nil) for the period ended April 30, 2024.

*Consolidated Lithium Metals Inc..*

As at April 30, 2024 the Company holds 1,800,000 (January 31, 2024 – 1,800,000) shares of Consolidated Lithium Metals Inc. The market value of the shares at April 30, 2024 was \$36,000 (January 31, 2024 - \$27,000).

The valuation of the shares at April 30, 2024 resulted in an unrealized gain of \$9,000 (April 30, 2023 – \$45,000) for the period ended April 30, 2024.

*Pegasus Resources Inc.*

During the period ended April 30, 2024, the Company sold 66,000 common shares of Pegasus Resources Inc. for gross proceeds of \$12,411 (2023 - \$nil). The Company recorded a realized loss of \$20,590 during the period ended April 30, 2024 (2023 - \$nil).

As at April 30, 2024 the Company holds 170,000 (January 31, 2024 – 236,000) shares of Pegasus Resources Inc. The market value of the shares at April 30, 2024 was \$32,300 (January 31, 2024 – \$49,560) and the Company recorded an unrealized loss of \$3,400 (April 30, 2023 – \$45,000) for the period ended April 30, 2024.

*Renegade Gold Inc.*

As at April 30, 2024, the Company holds 257,800 (January 31, 2024 – 257,800) shares of Renegade Gold Inc. The market value of the shares at April 30, 2024 was \$83,875 (2023 – \$378,000) and the Company recorded an unrealized loss of \$21,913 (2023 – \$98,000) for the period ended April 30, 2024.

IMAGINE LITHIUM INC.  
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
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6. EXPLORATION AND EVALUATION ASSETS

Period Ended April 30, 2024	Jackpot Property
<b>Acquisition Costs:</b>	
Balance, beginning of period	\$ 1,697,865
Balance, end of period	1,697,865
<b>Deferred Exploration Costs:</b>	
Balance, beginning of period	13,821,385
Assays	46,763
Drilling	934,943
Field work	119,556
Geological consulting	269,817
Travel	105,071
Grant	(95,148)
Balance, end of period	15,202,387
<b>Total</b>	<b>\$ 16,900,252</b>

Year Ended January 31, 2024	Jackpot Property
<b>Acquisition Costs:</b>	
Balance, beginning of year	\$ 1,697,865
Balance, end of year	1,697,865
<b>Deferred Exploration Costs:</b>	
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
<b>Total</b>	<b>\$ 15,519,250</b>

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**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<sub>2</sub>O, 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 April 30, 2024, the Company made advance payments of \$264,000 to suppliers relating to the Jackpot Property project (January 31, 2024 - \$269,038).

**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.

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**7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	<b>April 30, 2024</b>	January 31, 2024
Trade accounts payable	\$ 172,604	\$ 241,773
Accrued liabilities	<b>38,697</b>	150,692
	<b>\$ 211,301</b>	\$ 392,465

**8. SHARE CAPITAL AND SHARE-BASED PAYMENT RESERVE**

**Authorized:** unlimited common shares without par value

**a) Share capital**

As of April 30, 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.

**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 period ended April 30, 2024:

- i) an aggregate of 300,000 options expired, unexercised.

A summary of changes in stock options is as follows:

	Number of Options	Weighted Average Exercise Price
<b>Outstanding as at January 31, 2024 and 2023</b>	6,975,000	\$ 0.08
Expired	<u>(300,000)</u>	0.16
<b>Outstanding as at April 30, 2024</b>	<b>6,675,000</b>	<b>\$ 0.08</b>

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

**b) Stock options and warrants (continued)**

Stock options (continued)

As at April 30, 2024, the following options were outstanding and exercisable:

<b>Number of Options</b>	<b>Exercise Price</b>	<b>Fair Value at Grant Date</b>	<b>Expiry Date</b>	<b>Weighted Average Contractual Life (Years)</b>
3,200,000	\$0.08	\$ 205,100	August 19, 2027	3.30
3,475,000	\$0.08	\$ 226,528	November 11, 2027	3.53
6,975,000		\$ 463,028		3.42

The following weighted average assumptions were used for the Black-Scholes valuation of stock options granted:

	<b>August 19, 2022</b>	<b>November 11, 2022</b>
Risk-free interest rate	3.06%	3.31%
Expected life of options	5.0 years	5.0 years
Expected annualized volatility	111.00%	112.59%
Expected dividend rate	-	-
Fair value per stock option granted	\$0.06	\$0.07

Warrants

A summary of changes in warrants is as follows:

	<b>Number of Warrants</b>	<b>Weighted Average Exercise Price</b>
<b>Balance, January 31, 2023</b>	59,000,000	0.10
Expired	(54,425,000)	0.10
Exercised	(1,575,000)	0.10
<b>Balance, April 30, 2024 and January 31, 2024</b>	3,000,000	\$ 0.11

As at April 30, 2024, the following warrants were issued and outstanding:

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

**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.

**IMAGINE LITHIUM INC.**  
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**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 April 30, 2024, the amount remaining to be expended is \$1,214,618 (January 31, 2024 - \$2,595,640).

**11. FLOW-THROUGH PREMIUM LIABILITY**

	<b>January 31, 2024</b>	January 31, 2024
Balance - beginning of period/year	\$ 979,494	\$ -
Flow-through premium liability	-	2,807,150
Flow-through recovery	<b>(460,341)</b>	<b>(1,827,656)</b>
	<b>\$ 519,153</b>	<b>\$ 979,494</b>

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 (January 31, 2023 - \$162,505) related to exploration and evaluation expenses during the year. During the period ended April 30, 2024, the Company recognized a gain of \$460,341 (2023 - \$nil) from flow-through premium liabilities.

**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 period ended April 30, 2024, the Company:

- a) paid or accrued management fees of \$37,500 (2023 - \$30,000) to a company owned by a director of the Company for management services provided;
- b) paid or accrued management fees of \$9,000 (2023 - \$9,000) to a company owned by a director of the Company;
- c) paid or accrued exploration and evaluation costs of \$nil (2023 - \$39,500) to a director of the Company;
- d) paid or accrued management fees of \$15,000 (2023 - \$15,000) to a company owned by an officer of the Company.

As at April 30, 2024, \$2,897 (2023 - \$2,100) were due to related parties.