American Lithium Corp.

Condensed Interim Consolidated Financial Statements

For the three and nine months ended November 30, 2024 and 2023

(Expressed in Canadian Dollars)

American Lithium Corp.
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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 condensed interim consolidated financial statements, they must be accompanied by a notice indicating that the condensed interim consolidated financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements have been prepared by and are the responsibility of management.

The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of condensed interim consolidated financial statements by an entity's auditor.

American Lithium Corp.

Condensed Interim Consolidated Statements of Financial Position

(Expressed in Canadian Dollars - unaudited)

	Notes	November 30, 2024	February 29, 2024
		$	$
Assets			
Current assets			
Cash and cash equivalents	4	**3,492,789**	11,889,416
Short-term investment	5	**2,139,980**	4,451,480
Amounts receivable		**42,272**	616,042
Prepaid expenses and deposits		**1,655,370**	2,482,159
		7,330,411	19,439,097
Non-current assets			
Investment in Surge Battery Metals Inc.	6	**1,113,902**	1,828,201
Reclamation deposits	7	**612,199**	593,009
Property and equipment	8	**1,120,847**	1,174,268
Right-of-use assets	9	**72,475**	100,835
Exploration and evaluation assets	10	**150,890,518**	150,459,421
		153,809,941	154,155,734
Total assets		**161,140,352**	173,594,831
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	12	**1,439,385**	2,174,324
Deferred revenue	6	**-**	60,000
Current portion of deferred gain on short-term investment	5	**842,286**	842,286
Current portion of lease liabilities	9	**42,792**	39,013
		2,324,463	3,115,623
Non-current liabilities			
Deferred gain on short-term investment	5	**421,143**	1,052,857
Lease liabilities	9	**45,308**	77,906
		466,451	1,130,763
Total liabilities		**2,790,914**	4,246,386
Equity			
Share capital	11	**274,167,625**	273,823,462
Equity reserves	11	**59,501,399**	54,145,037
Deficit		**(176,361,380)**	(159,171,337)
Accumulated other comprehensive income		**1,041,794**	551,283
		158,349,438	169,348,445
Total liabilities and equity		**161,140,352**	173,594,831

Nature of operations and going concern (Note 1)

Approved on behalf of the Board of Directors on January 13, 2025:

/s/ Claudia Tornquist
Claudia Tornquist, Director

/s/ G.A. (Ben) Binninger
G.A. (Ben) Binninger, Director

American Lithium Corp.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

(Expressed in Canadian Dollars - unaudited)

	Notes	Three months ended		Nine months ended	
		November 30, 2024	November 30, 2023	**November 30, 2024**	November 30, 2023
		$	$	**$**	$
Operating Expenses					
Conferences and tradeshows		**33,028**	128,925	**105,139**	288,778
Consulting and employment costs		**219,209**	175,833	**617,238**	586,240
Depreciation	8,9	**87,283**	32,719	**227,746**	91,914
Exploration and evaluation expenditures	10	**988,188**	2,986,485	**4,513,511**	13,115,716
Foreign exchange (gain) loss		**(37,345)**	(44,428)	**(35,389)**	183,569
General and administrative		**76,977**	96,703	**262,042**	281,906
Insurance		**359,068**	398,967	**1,054,751**	1,171,525
Interest - lease obligations	9	**2,841**	5,523	**9,389**	18,114
Management and directors fees	12	**337,750**	516,750	**1,316,000**	1,550,250
Marketing		**146,111**	362,593	**379,246**	1,827,167
Professional fees		**98,497**	342,109	**814,546**	982,823
Regulatory and transfer agent fees		**57,103**	53,476	**174,686**	186,864
Share-based compensation	11,12	**1,832,444**	3,640,813	**5,689,683**	12,423,108
Travel		**3,524**	53,501	**9,587**	152,189
		4,204,678	**8,749,969**	**15,138,175**	**32,860,163**
Other items					
Advisory fee income	6	**-**	60,000	**60,000**	120,000
Deferred gain recognition	5	**210,571**	210,572	**631,714**	421,143
Interest and miscellaneous income		**46,171**	231,200	**282,217**	965,344
Gain (loss) on short-term investment	5	**58,960**	(2,126,580)	**(2,311,500)**	(652,580)
Share of loss from equity investment in Surge Battery Metals Inc.	6	**(235,514)**	(457,667)	**(669,580)**	(518,545)
Dilution loss on investment in Surge Battery Metals Inc.	6	**(2,465)**	(351,908)	**(44,719)**	(366,179)
Net loss for the period		**(4,126,955)**	(11,184,352)	**(17,190,043)**	(32,890,980)
Other comprehensive loss					
Foreign currency translation adjustment		**484,656**	14,380	**490,511**	19,566
Comprehensive loss for the period		**(3,642,299)**	(11,169,972)	**(16,699,532)**	(32,871,414)
Basic and diluted loss per share		**(0.02)**	(0.05)	**(0.08)**	(0.15)
Weighted average number of common shares outstanding - basic and diluted		**217,827,358**	214,545,016	**217,654,585**	214,655,814

American Lithium Corp.

Condensed Interim Condensed Interim Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars - unaudited)

		Three months ended		Nine months ended	
	Notes	November 30, 2024	November 30, 2023	November 30, 2024	November 30, 2023
		$	$	$	$
OPERATING ACTIVITIES					
Net loss for the period		**(4,126,955)**	(11,184,352)	**(17,190,043)**	(32,890,980)
Items not affecting cash and cash equivalents:					
Depreciation	8,9	**87,283**	32,719	**227,746**	91,914
Interest - lease obligations	9	**2,841**	5,523	**9,389**	18,114
Share-based compensation	11,12	**1,832,444**	3,640,813	**5,689,683**	12,423,108
Deferred gain on short-term investment	5	**(210,571)**	(210,572)	**(631,714)**	(421,143)
(Gain) loss on short-term investment	5	**(58,960)**	2,126,580	**2,311,500**	652,580
Share of loss from equity investment in Surge Battery Metals Inc.	6	**235,514**	457,667	**669,580**	518,545
Dilution loss on investment in Surge Battery Metals Inc.	6	**2,465**	351,908	**44,719**	366,179
Accrued interest receivable		**-**	14,016	**-**	195,706
Changes in non-cash working capital items:					
Amounts receivable		**(8,032)**	(29,663)	**573,770**	(84,610)
Prepaid expenses and deposits		**831,014**	527,301	**826,789**	326,932
Accounts payable and accrued liabilities		**(750,183)**	(432,602)	**(792,047)**	328,481
Deferred revenue		**-**	(60,000)	**(60,000)**	120,000
Cash used in operating activities		**(2,163,140)**	(4,760,662)	**(8,320,628)**	(18,355,174)
INVESTING ACTIVITIES					
Exploration and evaluation assets expenditures		**-**	-	**-**	(201,645)
Redemption of guaranteed investment certificates		**-**	2,030,904	**-**	35,594,712
Purchase of guaranteed investment certificates		**-**	(4,000,000)	**-**	(11,257,649)
Investment in Surge Battery Metals Inc.		**-**	-	**-**	(5,360,000)
Purchase of equipment	8	**(61,463)**	-	**(61,463)**	(228,617)
Cash (used in) provided by investing activities		**(61,463)**	(1,969,096)	**(61,463)**	18,546,801
FINANCING ACTIVITIES					
Stock options exercised		**-**	-	**-**	801,908
Warrants exercised	11	**-**	-	**10,842**	45,801
Repayment of lease liabilities	9	**(12,736)**	(24,574)	**(38,208)**	(69,145)
Cash (used in) provided by financing activities		**(12,736)**	(24,574)	**(27,366)**	778,564
Effect of foreign exchange on cash and cash equivalents		**3,523**	18,816	**12,830**	108,742
Change in cash and cash equivalents during the period		**(2,233,816)**	(6,735,516)	**(8,396,627)**	1,078,933
Cash and cash equivalents, beginning of period		**5,726,605**	19,800,215	**11,889,416**	11,985,766
Cash and cash equivalents, end of period		**3,492,789**	13,064,699	**3,492,789**	13,064,699

Supplementary cash flow disclosures (Note 16)

American Lithium Corp.

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars - unaudited)

	Notes	Number of Shares #	Share Capital $	Equity Reserves $	Deficit $	Accumulated Other Comprehensive Income $	Total $
Balance as at February 28, 2023 (restated) [1]		**214,088,980**	**261,911,478**	**49,215,413**	**(119,267,247)**	**530,423**	**192,390,067**
Share-based compensation	11	-	-	12,423,108	-	-	12,423,108
Stock options exercised	11	540,600	1,363,257	(561,349)	-	-	801,908
Stock options expired	11	-	-	-	-	-	-
Warrants exercised	11	26,234	79,357	(33,556)	-	-	45,801
Loss for the period		-	-	-	(32,890,980)	-	(32,890,980)
Foreign currency translation adjustment		-	-	-	-	19,566	19,566
Balance as at August 31, 2023 (restated) [1]		**214,655,814**	**263,354,092**	**61,043,616**	**(152,158,227)**	**549,989**	**172,789,470**
Share-based compensation	11	-	-	3,570,571	-	-	3,570,571
Restricted share units vested	11	2,900,000	10,469,000	(10,469,000)			-
Warrants exercised	11	73	370	(150)	-	-	220
Loss for the period		-	-	-	(7,013,110)	-	(7,013,110)
Foreign currency translation adjustment		-	-	-	-	1,294	1,294
Balance as at February 28, 2024		**217,555,887**	**273,823,462**	**54,145,037**	**(159,171,337)**	**551,283**	**169,348,445**
Share-based compensation	11	-	-	5,689,683	-	-	5,689,683
Restricted share units vested	11	375,000	328,500	(328,500)	-	-	-
Warrants exercised	11	3,614	15,663	(4,821)	-	-	10,842
Loss for the period		-	-	-	(17,190,043)	-	(17,190,043)
Foreign currency translation adjustment		-	-	-	-	490,511	490,511
Balance as at November 30, 2024		**217,934,501**	**274,167,625**	**59,501,399**	**(176,361,380)**	**1,041,794**	**158,349,438**

[1] The opening balances of "Equity Reserves" and "Deficit" were changed to reflect the accounting policy change indicated in Note 3 of the Consolidated Financial Statements as at February 29,2024.

1. NATURE OF OPERATIONS AND GOING CONCERN

American Lithium Corp. (the "Company") was incorporated in the Province of British Columbia. The Company is engaged in the business of identification, acquisition, and exploration of mineral interests in the United States of America and Peru. The Company's head office is located at 710 – 1030 West Georgia Street, Vancouver, British Columbia, V6E 2Y3, Canada, and its registered and records office is located at Suite 2200, 885 West Georgia Street, Vancouver, BC, V6C 3E8, Canada. The Company's common shares are listed for trading on Tier 2 of the TSX Venture Exchange (the "Exchange") under the symbol "LI", the OTCQX Best Market under the symbol "AMLIF", and on the Frankfurt Stock Exchange under the symbol "5LA".

The Company is in the process of exploring its principal mineral properties and has not yet determined whether the properties contain ore reserves that are economically recoverable. The recoverability of amounts shown as exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, the confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain necessary financing to complete the development and upon future profitable production or proceeds from the disposition thereof.

These condensed interim consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. The Company is in the exploration stage and has not generated revenue from operations. As at November 30, 2024, the Company had a working capital position of $5,005,948 (February 29, 2024 - $16,323,474), and for the nine months ended November 30, 2024, incurred a net loss of $17,190,043 (nine months ended November 30, 2023 – $32,890,980). Furthermore, as at November 30, 2024, the Company had an accumulated deficit of $176,361,380 (February 29, 2024 – $159,171,337), which has been funded primarily by the issuance of equity. As the Company is in the exploration stage, the recoverability of the costs incurred to date on exploration properties is dependent upon the successful results from its exploration activities and the ability of the Company to obtain the necessary financing to continue the exploration, evaluation and development of its assets. Though the Company has raised financing in the past, there is no guarantee that it will be able to in the future. If the Company is not able to raise additional capital, the Company would have to reduce its cash requirements by eliminating or deferring spending on exploration and corporate activities. These factors indicate the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern.

As at November 30, 2024, management believes that the Company has sufficient working capital to meet the Company's obligations over the ensuing twelve-month period from the date of the statement of financial position. Management will continue to pursue various financial alternatives to fund its exploration programs, including equity raise, project dispositions and cost reductions. There is no assurance that these initiatives will be successful.

2. BASIS OF PRESENTATION

Statement of compliance

These condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with International Accounting Standards ("IAS") 34, "Interim Financial Reporting" using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

Certain accounts have been reclassified to be consistent with the current period classification.

2. BASIS OF PRESENTATION (continued)

These condensed interim consolidated financial statements were approved and authorized for issue by the Board of Directors on January 13, 2025.

Basis of measurement

These condensed interim consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments that are measured at fair value. In addition, the consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow disclosure.

The condensed interim consolidated financial statements are presented in Canadian dollars unless otherwise noted. The Canadian dollar is also the functional currency of the Company and its subsidiaries, except for Macusani Yellowcake S.A.C. and Macusani Uranium S.A.C. where the functional currency is the United States dollar.

Principles of consolidation

The condensed interim consolidated financial statements include the accounts of the Company and the following subsidiaries:

Name	Jurisdiction
American Lithium Holdings Corp.	British Columbia, Canada
Big Smoky Holdings, Inc.	Nevada, USA
Tonopah Lithium Corp.	Nevada, USA
Maran Ventures Ltd. ("Maran")	Nevada, USA
Plateau Energy Metals Inc. (“Plateau”)	Ontario, Canada
Macusani Yellowcake S.A.C.	Peru
Macusani Uranium S.A.C.	Peru

All intercompany transactions, balances, revenue and expenses are eliminated on consolidation. During the year ended February 28, 2023, the Company amalgamated 1032701 Nevada Ltd., 1065604 Nevada Ltd., 1067323 Nevada Ltd., 1134989 Nevada Ltd., 1301420 Nevada Ltd., and 4286128 Nevada Corp. as one company under Tonopah Lithium Corp. In addition, the Company amalgamated Big Smoky Holdings Corp. as one company under American Lithium Holdings Corp.

Subsidiaries are entities over which the Company has exposure to variable returns from its involvement and has the ability to use power over the investee to affect its returns. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company until the date on which control ceases.

3. MATERIAL ACCOUNTING POLICY INFORMATION

These condensed interim consolidated financial statements do not include all the information required of the audited annual consolidated financial statements and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in the financial position and performance of the Company since the end of the last annual reporting period. The accounting policies followed in these condensed consolidated interim financial statements are the same as those applied in the Company's most recent audited consolidated annual financial statements for the year ended February 29, 2024. Therefore, it is recommended that these condensed interim consolidated financial statements be read in conjunction with the audited annual consolidated financial statements of the Company for the years ended February 29, 2024 and February 28, 2023.

Judgements and estimates

The preparation of annual consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and contingent liabilities as at the date of the condensed consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates. The results of estimates form the basis for making judgments about carrying values of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

The key areas of judgement and estimation impacting these consolidated financial statements are as follows:

Carrying value of exploration and evaluation assets

- The Company's exploration and evaluation assets represent its most significant asset on the statement of financial position. The Company's management applies its judgement, using facts and circumstances available at the time, to determine whether the exploration and evaluation asset value may be realized. For each of its projects, the Company reviews its right to the claims/concessions, future plans and exploration or development progress to determine if it should test the respective projects for impairment. There is significant judgement involved in determining if a project shows impairment indicators that may impact the carrying value of exploration and evaluation assets.

Valuation of share-based compensation awards

- Stock options are valued using the Black-Scholes option pricing model with inputs that can significantly impact the calculated value. Typical inputs into the Black-Scholes option pricing model include: exercise price, historical volatility, time to expiration and risk-free discount rates. Historical volatility and risk-free discount rates in particular require judgement around the reference period or benchmark rate used as inputs into the Black-Scholes option pricing model.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Valuation of common shares and common share purchase warrants received from investment in Surge Battery Metals Inc. (note 6)

- The Company's investment in Surge Battery Metals Inc. ("Surge") required the use of the Black-Scholes option pricing model to determine the discount for lack of marketability applied to the initial value of the Surge common shares and to value the Surge common share purchase warrants. Typical inputs into the Black-Scholes option pricing model include: exercise price, historical volatility, time to expiration and risk-free discount rates. Historical volatility and risk-free discount rates in particular require judgement around the reference period or benchmark rate used as inputs into the Black-Scholes option pricing model.

Determination of significant influence

- The accounting for investments in other companies can vary depending on the degree of control and influence over those other companies. Management is required to assess at each reporting date the Company's control and influence over these other companies. Management has used its judgment to determine which companies are controlled and require consolidation and those which are significantly influenced and require equity accounting. As at November 30, 2024, the Company determined it has significance influence in Surge (note 6).

Accounting pronouncements not yet adopted

IFRS 18 *Presentation and Disclosure in Financial Statements*, which will replace IAS 1, Presentation of Financial Statements aims to improve how companies communicate in their financial statements, with a focus on information about financial performance in the statement of profit or loss, in particular additional defined subtotals, disclosures about management-defined performance measures and new principles for aggregation and disaggregation of information. IFRS 18 is accompanied by limited amendments to the requirements in IAS 7 Statement of Cash Flows. IFRS 18 is effective from 1 January 2027. Companies are permitted to apply IFRS 18 before that date.

The Company has performed an assessment of new standards issued by the IASB that are not yet effective and has determined that any standards that have been issued would have no or very minimal impact on the Company's condensed interim consolidated financial statements.

4. CASH AND CASH EQUIVALENTS

	November 30, 2024	February 29, 2024
	$	$
Cash held in banks	**1,402,380**	2,082,134
Redeemable guaranteed investment certificates	**2,090,409**	9,807,282
	3,492,789	11,889,416

The Company's cash and cash equivalents include an aggregate of $2,090,409 in redeemable guaranteed investment certificates ("GICs") including accumulated interest from Canadian financial institutions, which earn interest at rates ranging from 3.40% - 4.56% per annum and mature between January 10, 2025 and October 28, 2025.

The Company's GICs that are included in cash and cash equivalents are fully redeemable without a loss of accumulated interest.

5. SHORT-TERM INVESTMENT

As part of the Company's strategic investment in Surge's private placement (note 6), the Company was issued 13,400,000 common share purchase warrants ("Warrants"). The Warrants are exercisable at $0.55 per Warrant for a period of three years from June 9, 2023. The Warrants are financial assets carried at FVTPL and are revalued at each reporting period end.

The following table provides a reconciliation of changes in the carrying value of the Warrants.

	$
Balance, February 28, 2023	-
Allocated transaction value of Surge's Warrants (note 6)	2,297,143
Deferred gain on Warrants (note 6)	2,526,857
Fair value of Warrants at date of acquisition	4,824,000
Loss on short-term investment for year ended February 29, 2024	(372,520)
Balance, February 29, 2024	4,451,480
Loss on short-term investment for the period ended November 30, 2024	(2,311,500)
Balance, November 30, 2024	**2,139,980**

The Company determined the fair value of the Surge Warrants at November 30, 2024 was $2,139,980 (February 29, 2024 - $4,451,480) and therefore recognized an unrealized loss of $2,311,500 for the nine months ended November 30, 2024 (nine months ended November 30, 2023 - $652,580).

The fair value of Surge Warrants at November 30, 2024 was determined using the following inputs:

	November 30, 2024
Expected volatility	116%
Risk-free interest rate	3.02%
Spot Price	$0.365
Exercise Price	$0.55
Time to expiration	1.52 years
Dividend yield	Nil

For the nine months ended November 30, 2024, the Company recognized $631,714 (nine months ended November 30, 2023 - $421,143) of the deferred gain on the Surge Warrants recognized on the date of acquisition. The balance of remaining deferred gain at November 30, 2024 was $1,263,429, of which $842,286 is current (February 29, 2024 - $842,286) and $421,143 non-current (February 29, 2024 - $1,052,857). The deferred gain will be recognized over the term of the Warrants.

6. INVESTMENT IN SURGE BATTERY METALS INC.

On June 9, 2023, the Company completed a strategic investment in Surge, a company incorporated in Canada, whose principal business activity is the acquisition, exploration and development of mineral properties in Nevada.

Surge closed the first tranche of a non-brokered private placement financing by issuing 13,400,000 units ("Units") at a price of $0.40 per Unit to the Company for a total transaction value of $5,360,000. Each Unit consists of one common share and one Warrant exercisable at $0.55 per Warrant for a period of three years from the date of issuance and is subject to a 4-month hold.

6. INVESTMENT IN SURGE BATTERY METALS INC. (continued)

The allocation of the transaction value to the Surge common shares and Warrants at June 9, 2023 was determined based on the relative fair values of each asset, $3,062,857 and $2,297,143, respectively. The common shares were valued based on the market price of Surge's common shares on the date of the transaction multiplied by a discount for lack of marketability ("DLOM") of 22.6%, determined by utilizing the Black-Scholes option pricing model. The Warrants were valued using Black-Scholes option pricing model with the spot price of the Warrants based on the DLOM price of Surge's common shares to reflect the 4-month hold period.

The following Black-Scholes assumptions were utilized to value the discount for lack of marketability on the common shares and the Warrants at June 9, 2023:

	Common Shares 4-month hold	Warrants
Expected volatility	102%	132%
Risk-free interest rate	4.08%	4.08%
Spot Price	0.62	0.48
Exercise Price	0.62	0.55
Time to expiration	4 months	3 years
Dividend yield	Nil	Nil

The Company determined that the fair value of Surge's Warrants acquired was $4,824,000 at June 9, 2023. Since the fair value of this financial instrument exceeded the Unit offering's allocated transaction value of $2,297,143, and the fair value is not based solely on observable inputs, $2,526,857 was recorded as a deferred gain, which is recognized over the three-year life of the Warrants (note 5).

After initial recognition, the Surge common shares and Warrants are separate financial assets, and therefore are valued separately. The Company determined that, through a combination of its shareholdings and its board representation, has significant influence over Surge on the date of acquisition, and therefore accounts for the investment using the equity method. The Warrants are fair valued at each reporting date (note 5).

As at November 30, 2024, the Company owns 13,400,000 shares of Surge, representing approximately 8.14% ownership of the investee, and has one of the five board of director seats of Surge. The Company also entered into a technical advisory agreement with Surge whereby the Company will have influence on the exploration activities of Surge.

Since Surge's financial statements are typically not publicly available at the time the Company files its financial statements, the share of Surge's results is recognized using a reporting period which is two months prior to that of the Company.

6. INVESTMENT IN SURGE BATTERY METALS INC. (continued)

	$
Balance, February 28, 2023	-
Allocated transaction value of Surge's common shares	3,062,857
Share of loss for the seven-month period ended December 31, 2023 [(1)]	(814,238)
Dilution loss on investment in Surge[(2)]	(420,418)
Balance, February 29, 2024	1,828,201
Share of loss for the nine-month period ended September 30, 2024	(669,580)
Dilution loss on investment in Surge[(3)]	(44,719)
Balance, November 30, 2024	**1,113,902**

[(1)] Since the investment in Surge was purchased on June 9, 2023, the share of Surge's loss is only calculated from the date of acquisition to December 31, 2023.
[(2)] The Company's initial investment in Surge represented 9.73% of the outstanding share capital of Surge, decreasing to 8.37% by the end of the fiscal year which resulted in a dilution loss of $420,418.
[(3)] For the nine months period ended November 30, 2024, the investment in the share capital of Surge decreased to 8.14% which resulted in a dilution loss of $44,719 (nine months ended November 30, 2023 - $366,179).

The trading price of Surge's common shares on November 30, 2024, was $0.365. The quoted market value of the investment in Surge was $4,891,000.

Surge's unaudited loss and comprehensive loss for the period is as follows:

	Nine months ended September 30, 2024	Four months ended Septmber 30, 2023
Comprehensive loss for the period (per Surge Financial Statements)	(5,882,624)	(3,854,418)
Exploration & evaluation expenditures	(2,280,330)	(2,102,197)
Comprehensive loss for the period (in accordance with ALC's accounting policies)	(8,162,954)	(5,956,615)

Select information from Surge's statements of financial position is as follows:

	September 30, 2024	December 31, 2023
Current assets	3,181,838	6,800,432
Non-current assets (per Surge Financial Statements)	11,994,627	9,700,672
Exploration & evaluation expenditures	(7,194,391)	(4,914,061)
Non-current assets (in accordance with ALC's accounting policies)	4,800,236	4,786,611
Current liabilities	345,917	201,800

Surge's statements of financial position and statements of loss and comprehensive loss for the period have been adjusted to align Surge's accounting policies with those of the Company, specifically relating to the accounting of exploration and evaluation expenditures.

6. INVESTMENT IN SURGE BATTERY METALS INC. (continued)

The Company was appointed as an advisor by Surge to assist in the exploration and development of Surge's Nevada North Lithium Project. The Company has received an upfront fee of $240,000 from Surge in relation to the advisory engagement which covered a period of 12 months starting on June 9, 2023. For the nine months period ended November 30, 2024, the Company recognized the remaining $60,000 of revenue related to the advisory engagement (nine months ended November 30, 2023 - $120,000).

As at November 30, 2024, the deferred revenue balance was $nil (February 29, 2024 - $60,000).

7. RECLAMATION DEPOSITS

As at November 30, 2024, reclamation deposits of $612,199 (February 29, 2024 – $593,009) consisted of a bond recorded at cost and held as security for the State of Nevada, with regard to certain exploration properties described in note 10.

8. PROPERTY AND EQUIPMENT

	Computer Equipment	Furniture and Office Equipment	Machinery and Equipment	Vehicles	Buildings	Leasehold Improvement	Land	Total
	$	$	$	$	$	$		$
Cost:								
Balance, February 28, 2023	20,844	25,734	-	-	-	30,959	-	**77,537**
Additions	45,857	81,005	695,413	120,635	337,215	-	76,309	**1,356,434**
Balance, February 29, 2024	66,701	106,739	695,413	120,635	337,215	30,959	76,309	**1,433,971**
Additions	-	-	9,873	107,530	28,779	-	-	**146,182**
Disposals	-	-	-	(38,527)	-	-	-	**(38,527)**
Foreign currency translation	3,293	4,372	50,154	9,317	10,658	-	2,474	**80,268**
Balance, November 30, 2024	69,994	111,111	755,440	198,955	376,652	30,959	78,783	**1,621,894**
Accumulated depreciation:								
Balance, February 28, 2023	10,081	7,315	-	-	-	8,256	-	**25,652**
Depreciation for the year	17,892	21,528	122,993	36,594	28,853	6,191	-	**234,051**
Balance, February 29, 2024	27,973	28,843	122,993	36,594	28,853	14,447	-	**259,703**
Depreciation for the period	14,035	16,124	106,148	30,786	27,648	4,645	-	**199,386**
Disposals	-	-	-	(10,916)	-	-	-	**(10,916)**
Foreign currency translation	2,483	2,463	39,412	7,235	1,281	-	-	**52,874**
Balance, November 30, 2024	44,491	47,430	268,553	63,699	57,782	19,092	-	**501,047**
Net book value:								
As at February 29, 2024	38,728	77,896	572,420	84,041	308,362	16,512	76,309	**1,174,268**
As at November 30, 2024	**25,503**	**63,681**	**486,887**	**135,256**	**318,870**	**11,867**	**78,783**	**1,120,847**

9. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

As at November 30, 2024, the right of use assets and lease liabilities are as follows:

Right-of-use assets

	Office Leases
	$
Cost:	
Balance, February 28, 2023	312,715
ROU asset adjustment	(123,649)
As at February 29, 2024 and November 30, 2024	**189,066**
Accumulated Depreciation:	
Balance, February 28, 2023	103,887
Depreciation for the year	63,119
Foreign exchange adjustment	(78,775)
As at February 29, 2024	88,231
Depreciation for the year	28,360
As at November 30, 2024	**116,591**
Net book value:	
As at February 29, 2024	100,835
As at November 30, 2024	**72,475**

Depreciation of right-of-use assets is calculated using the straight-line method over the remaining lease term.

Total lease liabilities

	$
As at February 28, 2023	226,289
Lease payments	(89,778)
Interest	11,783
Lease liability adjustment	(48,712)
Foreign exchange adjustment	17,337
As at February 29, 2024	116,919
Lease payments	(38,208)
Interest	9,389
	88,100
Less: current portion of lease liability	(42,792)
As at November 30, 2024	**45,308**

The lease liabilities were discounted at a discount rate of 12%.

9. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

The remaining minimum future lease payments, excluding estimated operating costs, for the term of the lease including assumed renewal periods are as follows:

Year	$
Fiscal 2025	12,736
Fiscal 2026	51,443
Fiscal 2027	34,961

10. EXPLORATION AND EVALUATION ASSETS

	TLC Project	Nevada Option	Falchani Project	Macusani Project	Total
	$	$	$	$	$
Balance, February 29, 2023	34,833,511	-	98,889,911	16,534,354	150,257,776
Additions:					
Acquisition costs	-	201,645	-	-	201,645
Balance, February 29, 2024	**34,833,511**	**201,645**	**98,889,911**	**16,534,354**	**150,459,421**
Foreign currency translation	-	-	431,097	-	431,097
Balance, November 30, 2024	**34,833,511**	**201,645**	**99,321,008**	**16,534,354**	**150,890,518**

TLC Lithium Project ("TLC Project") – Nevada, USA

In August 2018, the Company purchased a series of unpatented lode mining claims located in Nye County, Nevada, USA, from Nevada Alaska Mining Co., Inc. ("TLC Royalty Holder").

The Company made the following payments for the TLC Project during the year ended February 28, 2023:

- June 2022 – the Company paid cash of $4,083,681 to acquire certain privately held agricultural lands along with certain water rights, in the Big Smoky Valley, close to the Company's TLC Project.
- January 2023 – the Company issued 950,000 common shares of the Company at a fair value of $4,503,000 to buy back the remaining one percent (1%) gross overriding royalty on the Company's wholly owned TLC Project.
- January 2023 – the Company issued 200,000 common shares of the Company at a fair value of $946,000 to acquire eight lode mining claims located in Nye County, Nevada, contiguous to the TLC Project through the acquisition of Maran Ventures Ltd.

Option – Nevada, USA

In August 2023, the Company entered into an option and right-of-first refusal to purchase a property with certain water rights for $201,645, expiring in 3 years.

Falchani Lithium Project ("Falchani Project"), Macusani Uranium Project ("Macusani Project") – Puno, Peru

Following the acquisition in May 2021 of Plateau and its Peruvian subsidiary, Macusani SAC, the Company holds title, or has court injunctions preserving title, on mineral concessions in the Province of Carabaya, Department of Puno in southeastern Peru.

10. EXPLORATION AND EVALUATION ASSETS (continued)

In June 2022, the Company entered into a mining rights transfer agreement to acquire additional concessions in Southern Peru, close to the Company's Falchani Project. The Company paid $517,130 and issued 2,250,000 common shares of the Company with a fair value of $4,635,000 to the vendor.

32 of the 174 Falchani Project and Macusani Project concessions now held by the Company's subsidiaries Macusani Yellowcake and Macusani Uranium, have been subject to Administrative and Judicial processes (together, the "Processes") in Peru to overturn resolutions issued by the Geological, Mining, and Metallurgical Institute of Peru ("INGEMMET") and the Mining Council of the Ministry of Energy and Mines of Peru ("MINEM") in February 2019 and July 2019, respectively, which declared Macusani Yellowcake's title to the 32 concessions invalid due to late receipt of the annual validity payment. On November 15, 2023, the Superior Court of Peru unanimously upheld the prior ruling of the lower court in favour of the Company in relation to those 32 concessions which clearly established that Macusani Yellowcake is the rightful owner of these concessions. On December 29, 2023, the Company announced that INGEMMET and MINEM have petitioned the Supreme Court in a final attempt to reverse the ruling. If the petition is successful, Macusani Yellowcake's title to the 32 concessions could be revoked. However, the Company believes that there are no grounds for the Supreme Court to assume jurisdiction and will continue to take all necessary actions, and pursue all available legal options, to defend its interests.

11. SHARE CAPITAL

Authorized

Unlimited number of common shares, without par value.

Issued

During the nine months ended November 30, 2024:

In August 2024, the Company issued 225,000 common shares in connection with the vesting and conversion of restricted share units ("RSUs") at $0.76 per each common share for a total value of $171,000.

In November 2024, the Company issued 150,000 common shares in connection with the vesting and conversion of RSUs at $1.05 per each common share for a total value of $157,500.

The Company issued 3,614 common shares in connection with the exercise of 3,614 warrants for total proceeds of $10,842. As a result, the Company transferred $4,821 representing the carrying value of the exercised warrants from reserves to share capital. The remainder of the warrants expired unexercised.

During the year ended February 29, 2024:

In February 2024, the Company issued 2,900,000 common shares in connection with the vesting and conversion of 2,900,000 restricted share units.

The Company issued 26,307 common shares in connection with the exercise of 26,307 warrants with a weighted average exercise price of $1.75 for total proceeds of $46,021. As a result, the Company transferred $33,706 representing the carrying value of the exercised warrants from reserves to share capital. The Company also issued 540,600 common shares in connection with the exercise of 540,600 stock options with a weighted average exercise price of $1.47 for total proceeds of $801,908. As a result, the Company transferred $561,349 representing the carrying value of the exercised options from reserves to share capital.

11. SHARE CAPITAL (continued)

Stock options

The Company has established an omnibus incentive plan (the "Incentive Plan") for directors, employees, and consultants, which provides for the grant of incentive stock options. Under the Incentive Plan, the exercise price of each option is determined by the Board, based upon the market price and subject to the policies of the Exchange. The aggregate number of shares issuable pursuant to options, and other securities granted under the Incentive Plan is limited to 10% of the Company's issued shares at the time of grant. The aggregate number of options granted to any one optionee in a 12-month period is limited to 5% of the issued shares of the Company.

A summary of changes of stock options outstanding is as follows:

	Options	Weighted average exercise price
		$
Balance, February 28, 2023	11,979,216	2.47
Granted	75,000	2.73
Exercised	(540,600)	1.47
Forfeited	(465,000)	3.74
Expired	(159,850)	3.37
Balance, February 29, 2024	10,888,766	2.46
Forfeited	(75,000)	2.73
Expired	(166,750)	2.24
Balance, November 30, 2024	**10,647,016**	**2.46**

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

Number of options outstanding	Number of options exercisable	Exercise price $	Remaining life (years)	Expiry date
200,000	200,000	0.25	0.18	04-Feb-25
1,729,167	1,729,167	1.28	0.80	17-Sep-25
51,515	51,515	1.03	1.02	09-Dec-25
5,758,334	5,758,334	2.17	1.53	10-Jun-26
1,323,000	1,323,000	3.63	2.21	16-Feb-27
250,000	250,000	1.91	2.59	04-Jul-27
150,000	150,000	2.14	2.84	04-Oct-27
1,185,000	1,185,000	4.85	3.18	02-Feb-28
10,647,016	**10,647,016**			

During the three and nine months ended November 30, 2024, the Company recorded share-based compensation of $nil and reversal of $30,883 (three and nine months ended November 30, 2023 – expense of $383,288 and $2,439,399, respectively) in relation to stock options.

During the nine months ended November 30, 2024, there were no stock options granted (nine months ended November 30, 2023 – 75,000).

11. SHARE CAPITAL (continued)

During the nine months ended November 30, 2024, the weighted average fair value of stock options granted was $nil per stock option (nine months ended November 30, 2023 - $2.09). Weighted average assumptions used in the Black-Scholes option pricing model for stock options granted during the nine months ended November 30, 2024 and 2023 were as follows:

	Nine months ended	
	November 30, 2024	November 30, 2023
Exercise price	-	2.73
Expected volatility	-	101.12%
Risk-free interest rate	-	3.76%
Forfeiture rate	-	3.64%
Expected life	-	5 years
Dividend yield	**Nil**	Nil

Restricted share units

The Incentive Plan also provides for the grant of RSUs to directors, officers and employees. Upon vesting, at the Company's discretion, the holder of an RSU award can receive one common share or the equivalent cash payment based on the market price of the common share on settlement date. The aggregate number of RSUs granted under the Incentive Plan, as well as any other securities granted under the Incentive Plan, is limited to 10% of the Company's issued shares at the time of grant. The aggregate number of RSUs granted to any one recipient in a 12-month period is limited to 5% of the issued shares of the Company. As of November 30, 2024, all RSUs granted are equity settled and vest over a 2-year period.

There was no RSUs granted during the nine months period ended November 30, 2024 (fair value of RSU granted during the nine months period ended November 30, 2023 – $2.71 per RSU).

During the three and nine months ended November 30, 2024, the Company recorded share-based compensation of $1,360,444 and $4,304,566 respectively (three and nine months ended November 30, 2023 – $2,785,525 and $8,410,376, respectively) in relation to the RSUs.

RSU transactions are summarized as follows:

	Number of RSUs
Balance, February 28, 2023	5,695,000
Granted	75,000
Vested	(2,900,000)
Forfeited	(40,000)
Balance, February 29, 2024	2,830,000
Vested	(375,000)
Forfeited	(75,000)
Balance, November 30, 2024	**2,380,000**

11. SHARE CAPITAL (continued)

A summary of changes of RSUs outstanding is as follows:

Number of RSUs	Remaining life (years)	Vesting Date
2,380,000	0.18	February 2, 2025
2,380,000		

Performance share units

The Incentive Plan also provides for the grant of performance share units ("PSUs") to directors, officers and employees. Upon vesting, at the Company's discretion, the holder of a PSU award can receive one common share or the equivalent cash payment based on the market price of the common share on settlement date. The aggregate number of PSUs granted under the Incentive Plan, as well as any other securities granted under the Incentive Plan, is limited to 10% of the Company's issued shares at the time of grant. The aggregate number of PSUs granted to any one recipient in a 12-month period is limited to 5% of the issued shares of the Company. As of November 30, 2024, all granted PSUs are equity settled.

In February 2023, the Company issued 2,000,000 PSUs to various directors, officers, employees, and consultants of the Company. These 2,000,000 PSUs will vest upon a change of control or disposition of a controlling interest in one of the Company's core assets. These PSUs were granted with a fair value of $9,440,000 which is being recorded over an estimated life of 5 years.

During the three and nine months ended November 30, 2024, the Company recorded share-based compensation of $472,000 and $1,416,000 respectively (three and nine months ended November 30, 2023 – $472,000 and $1,573,333 respectively) in relation to the PSUs

PSU transactions are summarized as follows:

	Number of PSUs
Balance, February 28, 2023	2,000,000
Granted	-
Balance, February 29, 2024 and November 30, 2024	**2,000,000**

11. SHARE CAPITAL (continued)

Warrants

A summary of changes of warrants outstanding is as follows:

	Warrants	Weighted average exercise price
		$
Balance, February 28, 2023	25,909,296	3.18
Issued	10,150	3.00
Exercised	(26,307)	1.75
Expired	(5,791,893)	4.00
Balance, February 29, 2024	20,101,246	2.95
Exercised	(3,614)	3.00
Expired	(20,097,632)	2.98
Balance, November 30, 2024	**-**	**-**

12. RELATED PARTY TRANSACTIONS

Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

	Three months ended November 30		Nine months ended November 30	
	2024	2023	**2024**	2023
	$	$	**$**	$
Management and directors fees	**337,751**	516,750	**1,316,001**	1,550,250
Share-based compensation	**844,443**	2,444,463	**3,677,298**	8,367,534
	1,182,194	2,961,213	**4,993,299**	9,917,784

As at November 30, 2024, the Company owed $1,521 (February 29, 2024 – $24,725) to companies controlled by officers and directors of the Company for unpaid management fees and exploration and evaluation expenses which are included in accounts payable and accrued liabilities.

Transactions with Surge, which is deemed to be a related party, have been disclosed in note 6.

These transactions were in the normal course of operations.

13. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration and development of its mineral properties and to maintain a flexible capital structure for its projects for the benefit of its stakeholders, to maintain creditworthiness and to maximize returns for shareholders over the long-term. The Company does not have any externally imposed capital requirements to which it is subject. As the Company is in the exploration stage, its principal source of funds is from the issuance of common shares. The Company includes the components of shareholders' equity in its management of capital.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares to raise cash and obtain bridging loans from related parties. The Company's investment policy is to invest its cash in low-risk investment instruments in financial institutions with terms to maturity selected with regards to the expected time of expenditures from continuing operations.

There were no changes in the Company's management of capital during the nine months ended November 30, 2024.

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments consist of cash and cash equivalents, GICs, short-term investment, amounts receivable, deposits, reclamation deposits, accounts payable and accrued liabilities and lease liabilities. As at November 30, 2024, the Company classifies its short-term investment as FVTPL and its remaining financial instruments at amortized cost. For financial instruments at amortized cost, their carrying values approximate their fair values because of their current nature. The carrying value of the Company's lease liability is measured at the present value of the discounted future cash flows.

The Company classifies financial instruments carried at fair value according to the following hierarchy based on the amount of observable inputs used to value the financial instrument:

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 – Fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (derived from prices).

Level 3 – Valuations in this level are those with inputs for the asset or liability that are not based on observable market data. The Company's Surge Warrants (short-term investment) are classified under Level 3.

The Company's financial instruments are exposed to the following risks:

Credit Risk
Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments which are potentially subject to credit risk for the Company consist primarily of cash and cash equivalents, GICs and amounts receivable. The cash and cash equivalents and GICs are held at Canadian financial institutions and the Company considers the credit risk to be minimal. The Company's amounts receivable balance primarily consists of goods and sales taxes receivables from the Government of Canada.

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

The Company's maximum exposure to credit risk is as follows:

	November 30 2024	February 29 2024
	$	$
Cash and cash equivalents	**3,492,789**	11,889,416
Amounts receivable	**42,272**	616,042
	3,535,061	12,505,458

Liquidity Risk
Liquidity risk is the risk that the Company will not be able to meet its obligations with respect to financial liabilities as they come due. The Company's current financial liabilities are comprised of accounts payable and accrued liabilities and current lease liabilities. The Company's accounts payable and accrued liabilities arose as a result of exploration activities and other corporate expenses. The Company frequently assesses its liquidity position by reviewing the timing of amounts due and its current cash flow position to meet its obligations. The Company manages its liquidity risk by endeavouring to maintain sufficient cash and cash equivalents balances to meet its anticipated operational needs.

The following table summarizes the Company's current financial liabilities:

	November 30 2024	February 29 2024
	$	$
Accounts payable and accrued liabilities	**1,439,385**	2,174,324
Current lease liabilities (note 9)	**42,792**	39,013
	1,482,177	2,213,337

Foreign Exchange Risk
The Company is exposed to foreign currency risk on fluctuations related to cash and cash equivalents, accounts receivable, reclamation deposits, and accounts payable and accrued liabilities that are denominated in a foreign currency. As at November 30, 2024, the Company had foreign currency net assets of $569,823 in United States dollars, net liabilities of $188,380 in Australian dollars and net liabilities of 2,092,700 Peruvian soles, amounting to net liabilities of $157,538. A 10% fluctuation in the foreign exchange rate of foreign currencies against the Canadian dollar would result in a foreign exchange gain/loss of approximately $15,754.

Interest Rate Risk
Interest rate risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has cash and cash equivalents balances and term deposits with interest based on the prime rate. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institution. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Price Risk
Price risk is the risk that assets or liabilities carried at fair value or future cash flows of a financial instrument will fluctuate because of changes in market conditions.

The Company's maximum exposure to price risk on its short-term investment is as follows:

	November 30 2024	February 29 2024
	$	$
Level 3	**2,139,980**	4,451,480

During the three and nine months ended November 30, 2024, there were no transfers between level 1, level 2 and level 3 classified assets and liabilities.

15. SEGMENTED INFORMATION

The Company has one reportable segment, being the acquisition and exploration of exploration and evaluation assets. Geographic information on the Company's non-current assets is as follows:

November 30, 2024	**Canada**	**USA**	**Peru**	**Total**
	$	$	$	$
Exploration and evaluation assets	-	35,035,156	115,855,362	150,890,518
Investment in Surge	1,113,902	-	-	1,113,902
Other non-current assets	93,839	768,636	943,046	1,805,521
Total non-current assets	**1,207,741**	**35,803,792**	**116,798,408**	**153,809,941**

February 29, 2024	**Canada**	**USA**	**Peru**	**Total**
	$	$	$	$
Exploration and evaluation assets	-	35,035,156	115,424,265	150,459,421
Investment in Surge	1,828,201	-	-	1,828,201
Other non-current assets	133,804	783,359	950,949	1,868,112
Total non-current assets	**1,962,005**	**35,818,515**	**116,375,214**	**154,155,734**

16. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOWS

	For the three months ended November 30		**For the nine months ended November 30**	
	2024	2023	**2024**	2023
Supplemental cash-flow disclosure:	**$**	$	**$**	$
Interest received	**240,516**	198,456	**471,490**	1,055,016
Supplemental non-cash disclosure:				
Reclassification of restricted share units vested	**157,500**	-	**328,500**	-
Reclassification of stock options exercised	**-**	-	**-**	561,349
Reclassification of warrants exercised	**-**	-	**4,821**	33,556