CANADA CARBON INC.

FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023
(EXPRESSED IN CANADIAN DOLLARS)

(UNAUDITED – PREPARED BY MANAGEMENT)
These financial statements have not been reviewed by the Company’s auditor.

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

The accompanying unaudited condensed interim financial statements of Canada Carbon Inc. for the three months period ended March 31, 2024 have been prepared by the management of the Company and approved by the Company's Audit Committee and the Company's Board of Directors. 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 an auditor has not reviewed the financial statements.

The accompanying condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

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

CANADA CARBON INC.
UNAUDTED STATEMENTS OF FINANCIAL POSITION
(EXPRESSED IN CANADIAN DOLLARS)

As at	March 31, 2024	December 31, 2023
ASSETS		
Current		
Cash and cash equivalents	**$ 74,708**	$ 408,962
Receivables (Note 7)	**32,233**	96,217
Prepaid expenses (Note 8)	**5,464**	11,427
Total current assets	**112,405**	516,606
Security deposit	**28,750**	28,750
Exploration and evaluation assets (Note 9)	**9,040,643**	9,011,681
Drilling and reclamation deposits (Note 10)	**5,000**	5,000
Total assets	**$ 9,186,798**	$ 9,562,037
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities (Note 12)	**$ 1,145,729**	$ 1,467,779
Flow-through premium liability (Note 16)	**138,839**	145,924
Restoration, rehabilitation and environmental obligations (Note 11)	**10,000**	10,000
Total current liabilities	**1,294,568**	1,623,703
Restoration, rehabilitation and environmental obligations (Note 11)	**30,000**	30,000
Total liabilities	**1,324,568**	1,653,703
Shareholders' equity		
Capital stock (Note 13)	**36,535,133**	36,389,716
Reserves (Note 13)	**1,246,081**	1,246,081
Deficit	**(29,918,984)**	(29,727,463)
Total shareholders' equity	**7,862,230**	7,908,334
Total liabilities and shareholders' equity	**$ 9,186,798**	$ 9,562,037

Nature and continuance of operations (Note 1)
Commitments and contingencies (Notes 9, 10 and 16)
Subsequent events (Note 17)

On behalf of the Board:

"Bruce Coventry", Director "Greg Lipton", Director

See accompanying notes to the unaudited condensed interim financial statements

CANADA CARBON INC.
UNAUDITED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE THREE MONTHS ENDED MARCH 31
(EXPRESSED IN CANADIAN DOLLARS)

	2024	2023
EXPENSES		
Management fees (Note 12)	**$ 96,126**	$ 93,254
Consulting fees	**-**	3,551
Professional fees (Note 12)	**76,147**	49,931
Office, rent and miscellaneous	**7,602**	7,282
Shareholder communications and promotion	**7,390**	83,080
Share-based compensation (Notes 12 and 13)	**-**	140,036
Transfer agent and filing fees	**16,804**	16,730
Loss before other items	**204,069**	393,864
OTHER ITEMS		
Foreign exchange (gain) loss	**(5,463)**	3,475
Flow-through premium liability recovery (Note 16)	**(7,085)**	(39,340)
Net loss and comprehensive loss for the period	**$ 191,521**	$ 357,999
Basic and diluted net loss per share	**$ 0.00**	$ 0.00
Weighted average number of shares outstanding basic and diluted	**193,974,461**	146,090,605

See accompanying notes to the unaudited condensed interim financial statements

CANADA CARBON INC.
UNAUDITED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31
(EXPRESSED IN CANADIAN DOLLARS)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period	**$ (191,521)**	$ (357,999)
Items not affecting cash:		
Share-based compensation (Note 13)	**-**	140,036
Shares issued in debt settlement	**-**	200,000
Flow-through premium liability recovery	**(7,085)**	(39,340)
Unrealized foreign exchange gain	**(5,463)**	(3,475)
	(204,069)	(60,778)
Change in non-cash working capital items:		
Decreased (increase) in receivables	**63,984**	(12,155)
Decrease in prepaid expenses	**5,963**	5,148
Decreased in accounts payable and accrued liabilities	**(171,170)**	(518,773)
Net cash flows from operating activities	**(305,292)**	(586,558)
CASH FLOWS FROM INVESTING ACTIVITIES		
Exploration and evaluation assets	**(28,962)**	(27,086)
Net cash flows from investing activities	**(28,962)**	(27,086)
Decrease in cash	**(334,254)**	(613,644)
Cash, beginning of the period	**408,962**	816,604
Cash, end of the period	**$ 74,708**	$ 202,960

Supplemental disclosure with respect to cash flows (Note 14)

See accompanying notes to the unaudited condensed interim financial statements

CANADA CARBON INC.
UNAUDITED STATEMENTS OF CHANGES IN EQUITY
(EXPRESSED IN CANADIAN DOLLARS)

			Reserves			
	Number of Shares	**Capital Stock**	**Equity settled share-based payments reserve**	**Warrant reserve**	**Deficit**	**Total**
Balance December 31, 2022	**154,497,368**	**$ 35,621,883**	**$ 277,576**	**$ 611,038**	**$ (28,890,389)**	**$ 7,620,108**
Issued pursuant to settlement of debt	3,333,333	200,000	-	-	-	200,000
Issued pursuant to surface access agreement	40,000	2,200	-	-	-	2,200
Shares-based compensation	-	-	140,036	-	-	140,036
Net loss and comprehensive loss for the three months period	-	-	-	-	(357,999)	(357,999)
Balance March 31, 2023	157,870,701	$ 35,824,083	$ 417,612	$ 611,038	$ (29,248,388)	$ 7,604,345
Issued pursuant to private placement	32,133,000	937,678	-	377,302	-	1,314,980
Flow through premium liability	-	(194,223)	-	-	-	(194,223)
Value of expired options	-	-	(35,585)	-	35,585	-
Value of expired warrants	-	-	-	(171,110	171,110	-
Shares-based compensation	-	-	10,879	-	-	10,870
Issue costs	-	(177,822	-	35,945	-	(141,877)
Net loss and comprehensive loss for the nine months period	-	-	-	-	(685,770)	(685,770)
Balance December 31, 2023	**190,003,701**	**$ 36,389,716**	**$ 392,906**	**$ 853,175**	**$ (29,727,463)**	**$ 7,908,334**
Issued pursuant to settlement of debt	4,406,575	145,417	-	-	-	145,417
Net loss and comprehensive loss for the three months period	-	-	-	-	(191,521)	(191,521)
Balance March 31, 2024	**194,410,276**	**$ 36,535,133**	**$ 392,906**	**$ 853,175**	**$ (29,918,894)**	**$ 7,862,230**

See accompanying notes to the unaudited condensed interim financial statements

1. NATURE AND CONTINUANCE OF OPERATIONS

Canada Carbon Inc. (hereafter the "Company") was incorporated in British Columbia on August 13, 1985 and is listed on the TSX Venture Exchange ("TSX-V").

The Company's principal business is the acquisition, exploration and evaluation of mineral properties. In fiscal 2012 the Company positioned itself as a carbon science company focused on graphite. The Company is in the exploration and evaluation stage on its projects and as such, to date, has not generated significant revenues from its operations.

The Company's head office is located at 82 Richmond Street East, Toronto, Ontario, M5C 1P1.

The unaudited condensed interim financial statements were approved by the Board of Directors on May 23, 2024.

The Company is in the process of exploring its exploration and evaluation assets. The recoverability of the amounts shown for exploration and evaluation assets are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves, the achievement of profitable production, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material write-downs of the carrying values.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, unregistered prior agreements, unregistered claims, aboriginal claims, and non-compliance with regulatory and environmental requirements. The Company's assets may also be subject to increases in taxes and royalties, renegotiation of contracts and political uncertainty.

These unaudited condensed interim financial statements have been prepared with the assumption that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. As at March 31, 2024, the Company had a working capital deficiency of $1,182,163 and an accumulated deficit of $29,918,984 compared to a working capital deficiency of $1,107,097 and an accumulated deficit of $29,727,463 as at December 31, 2023. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Management believes it will be successful in raising the necessary funding to continue operations in the normal course of operations. These financial statements do not include the adjustments that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

2. STATEMENT OF COMPLIANCE

These condensed interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting ("IAS 34"), as issued by the International Accounting Standards Board ("IASB"), and its interpretations. Accordingly, these unaudited condensed interim financial statements do not include all of the information and footnotes required by International Financial Reporting Standards ("IFRS") for complete financial statements for year-end reporting purposes.

3. BASIS OF PRESENTATION

These unaudited condensed interim financial statements have been prepared on a historical cost basis except for financial instruments recorded at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

In the preparation of these unaudited condensed interim financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the year. Actual results could differ from these estimates.

4. SIGNIFICANT ACCOUNTING POLICIES

These unaudited condensed interim financial statements should be read in conjunction with the Company's annual financial statements for the year ended December 31, 2023 and were prepared using the same accounting policies, method of computation and presentation as were applied in the annual financial statements for the year ended December 31, 2023.

5. 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, exploration and development of its 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 and evaluation 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 three months ended March 31, 2024 and 2023. The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than of the TSX Venture Exchange ("TSXV") which requires adequate working capital or financial resources of the greater of (i) $50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months.

As at March 31, 2024, the Company may not be compliant with the policies of the TSXV. The impact of this violation is not known and is ultimately dependent on the discretion of the TSXV.

6. FINANCIAL RISK FACTORS

There have been no significant changes in the risks, objectives, policies and procedures during the three months ended March 31, 2024. 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, security deposit and receivables. The receivables primarily relate to sales tax due from the Federal and Provincial Governments. The Company has no significant concentration of credit risk arising from operations. Cash and the security deposit, which is comprised of a guaranteed investment certificate used to secure a corporate credit card, are held at a Canadian financial institution from which management believes the risk of loss to be low. Management believes that the credit risk concentration with respect to its receivables is remote.

Liquidity risk
The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. Additional funding will be required to get the Miller project through the feasibility stage; however, management believes it will be able to obtain the necessary funding.

Market risk
(a) Interest rate risk
The Company has cash and cash equivalents balances and no interest-bearing debt, therefore, interest rate risk is minimal.

(b) Foreign currency risk
The majority of the Company’s administrative expenditures are transacted in Canadian dollars. The Company funds certain expenses in the United States on a cash call basis using US dollar currency converted from its Canadian dollar bank accounts held in Canada. Management does not hedge its foreign exchange risk. The Company holds negligible cash balances in US dollars.

(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.

Sensitivity analysis
Based on management's knowledge and experience of the financial markets, the Company does not expect material movements in the underlying market risk variables over the next twelve month period.

7. RECEIVABLES

The receivables balance is comprised of the following items:

	March 31, 2024	*December 31, 2023*
Sales tax due from federal and provincial governments	**$ 32,233**	$ 96,217
Total	**$ 32,233**	$ 96,217

(EXPRESSED IN CANADIAN DOLLARS)

8. PREPAID EXPENSES

The prepaid expense balance is comprised of the following items:

	March 31, 2024	*December 31, 2023*
Insurance	**$ 5,464**	$ 11,427
Total	**$ 5,464**	$ 11,427

9. EXPLORATION AND EVALUATION ASSETS

At March 31, 2024, expenditures incurred on exploration and evaluation assets were as follows:

	Asbury Graphite Property, Quebec	**Miller Property, Quebec**	**March 31, 2024**
Acquisition costs:			
Balance, beginning of period	**$ 656,582**	**$ 403,814**	**$ 1,060,396**
Balance, end of period	**656,582**	**403,814**	**1,060,396**
Deferred exploration costs:			
Balance, beginning of period	**1,251,186**	**6,700,099**	**7,951,285**
Drilling, geologist, consultants and other labour	**18,766**	**6,038**	**24,804**
Admin and other expenses	**-**	**4,158**	**4,158**
Additions during the period	**18,766**	**10,196**	**28,962**
Balance, end of period	**1,269,952**	**6,710,295**	**7,980,247**
Total exploration and evaluation assets	**$ 1,926,534**	**$ 7,114,109**	**$ 9,040,643**

At December 31, 2023, expenditures incurred on exploration and evaluation assets were as follows:

	Asbury Graphite Property, Quebec	**Miller Property, Quebec**	**December 31, 2023**
Acquisition costs:			
Balance, beginning of year	$ 656,582	$ 401,614	$ 1,058,196
Additions during the year	-	2,200	2,200
Balance, end of year	656,582	403,814	1,060,396
Deferred exploration costs:			
Balance, beginning of year	909,271	5,999,986	6,909,257
Assays	13,763	45,418	59,181
Drilling, geologists, consultants and other labour	287,922	653,666	941,588
Travel, meals and accommodation	40,230	-	40,230
Tax credit	-	(973)	(973)
Admin and other expenses	-	2,002	2,002
Additions during the year	341,915	700,113	1,042,028
Balance, end of year	1,251,186	6,700,099	7,951,285
Total exploration and evaluation assets	$ 1,907,768	$ 7,103,913	$ 9,011,681

(EXPRESSED IN CANADIAN DOLLARS)

9. EXPLORATION AND EVALUATION ASSETS (continued)

Miller Property, Quebec, Canada
The Company acquired the property in 2013. Certain claims are subject to net production and net smelter royalties between 1.5% and 2%. Certain of these royalties can be reduced to 1% at any time through the Company making payments of $1,000,000.

In September 2013, the Company entered into a surface access rights agreement ("Agreement") with two landholders with respect to the Miller graphite property. The Agreement provided the Company with surface access for an initial of five years and allowed the Company to carry out regular graphite prospecting and exploration programs on the property. The Agreement granted the Company an exclusive and irrevocable option ("Option") to acquire or lease all or part of the property necessary for the extraction of mineral substances. If the Company exercised the Option prior to the expiry of the five-year term, the term of the Agreement would extend through the period of commercial production. Pursuant to the Agreement, the Company would issue 40,000 shares to the landholders for the first year, and for every subsequent year until commercial production, or pay $5,000 cash at the option of the landholder. If the Company began commercial production, the annual payments would cease and the landholders will be entitled to a 2.5% production royalty.

During 2018, the initial Agreement expired and a new amended surface access agreement (“Amendment #1”), with the same terms as the original Agreement, was signed. Pursuant to the terms of the Amendment #1, the Company issued 40,000 shares valued at $5,600 in December 2018, 40,000 common shares valued at $2,000 in September 2019, 40,000 common shares valued at $10,400 in October 2020, 40,000 common shares valued at $4,000 in September 2021, 40,000 common shares valued at $2,200 in May 2022 and 40,000 common shares valued at $2,200 in January 2023.

Amendment #1 expired in 2023 and a new amended surface access agreement (“Amendment #2”) was signed in August 2023. The agreement will be in effect until August 2028. Pursuant to Amendment #2, the Company paid $8,000 in cash and each subsequent year will be required to issue 40,000 common shares or pay $8,000 in cash.

Asbury Graphite Property, Quebec, Canada
In 2012, the Company acquired claims subject to a net production royalty of 0.75% for a period of 10 years after the start of graphite production.

During 2021, the Company acquired additional claims surrounding its existing claims on the former Asbury Mine.

Rare Earth Claims, British Columbia, Canada
In March 2010, the Company entered into an acquisition agreement to acquire a 100% interest in the Carbonatite Syndicate Rare Earth Claim Group. The Company obtained a $5,000 reclamation bond in relation to the drilling permits for the Rare Earth property. All the mining claims have expired and the capitalized costs were written off in prior years. See Notes 10 and 11.

10. DRILLING AND RECLAMATION DEPOSITS

The following table details the outstanding drilling and reclamation deposits:

Property	***March 31, 2024***	*December 31, 2023*
Rare Earth (Note 11)	**$ 5,000**	$ 5,000
Total	**$ 5,000**	$ 5,000

(EXPRESSED IN CANADIAN DOLLARS)

11. RESTORATION, REHABILITATION AND ENVIRONMENTAL OBLIGATIONS

In 2020, the Company has recorded an obligation of $10,000 for the Rare Earth property. Company has also recorded an obligation of $30,000 for the Miller graphite property to reclaim disturbance caused by the work programs. The restoration costs are expected to be incurred in 2042.

The following is an analysis of the restoration, rehabilitation and environmental obligations:

Balance, December 31, 2022, 2023 and March 31, 2024	$ 40,000

12. RELATED PARTY TRANSACTIONS

Related parties include the Board of Directors, Executive Officers and any companies owned or controlled by them. The Company entered into the following transactions with related parties:

			Three Months Ended March 31,	
	Nature of transactions	Notes	**2024**	2023
Directors	Management	a	**$ 12,000**	$ 9,000
Ellerton Castor	Management	b	**$ 84,126**	$ 84,673
Olga Nikitovic	Management/Professional fees	c	**$ -**	$ -
Marrelli Support Services Inc.	Management/CFO	d	**$ 8,250**	$ 3,750
Aird & Berlis	Professional fees	e	**$ 2,857**	$ 16,400

a) During the three months ended March 31, 2024, the Company accrued fees for independent directors of $12,000 (three months ended March 31, 2023 – $9,000) included in management fees. As at March 31, 2024, $166,000 (December 31, 2023 - $154,000) was included in accounts payable and accrued liabilities.

b) During the three months ended March 31, 2024, $84,126 for services provided by the CEO are included in professional fees (three months ended March 31, 2023 - $84,673). As at March 31, 2024, $22,500 (December 31, 2023 - $83,575) was included in accounts payable and accrued liabilities.

c) Ms. Nikitovic assumed the role of interim CEO in November 2020 in addition to her CFO role until December 2021. In January 2023 and 2024, the Company settled debt shares with Ms. Nikitovic and issued 3,333,333 and 4,406,575 common shares for $200,000 and $145,417, respectively. As at March 31, 2024, $nil (December 31, 2023 - $145,417) was included in accounts payable and accrued liabilities.

d) During the three months ended March 31, 2024, the Company paid CFO professional fees and disbursements of $8,250 to Marrelli Support Services Inc. (the three months ended March 31, 2023 - $3,750). As at March 31, 2024, $17,401 (December 31, 2023 - $2,883) was included in accounts payable and accrued liabilities.

e) Tom Fenton, Corporate Secretary for the Company, is a partner of Aird & Berlis, LLP. Legal fees of $2,857 (three months ended March 31, 2023 - $16,400) are included in professional fees. As at March 31, 2024, $24,893 (December 31, 2023 - $24,893) was included in accounts payable and accrued liabilities.

All related party amounts included in accounts payable are unsecured, non-interest bearing and payable on demand.

Compensation of key management personnel

		Three months ended March 31	
	Notes	**2024**	2023
Directors, management/professional fees	a	**$ 107,233**	$ 113,823
Share-based compensation	b	**-**	140,036
		$ 107,233	$ 253,859

(EXPRESSED IN CANADIAN DOLLARS)

12. RELATED PARTY TRANSACTIONS (continued)

a) The Company does not pay any health or post-employment benefits. The salaries represent the fees for the CEO, CFO and directors which are included in the transactions above.
b) Share-based payments included the fair value of options issued for services granted to key management.

13. CAPITAL STOCK, STOCK OPTIONS AND SHARE PURCHASE WARRANTS

Capital Stock

The Company has authorized an unlimited number of common shares without par value. As at March 31, 2024, the Company had 194,450,276 common shares outstanding (December 31, 2023 – 190,003,701).

i) In January 2023, 3,333,333 common shares valued at $200,000 based on the quoted price of shares at the time of issue, were issued to Olga Nikitovic to settle part of the debt amount owing.

ii) In January 2023, the Company issued 40,000 shares valued at $2,200 based on the quoted price of shares at the time of issue, pursuant to the Miller Project surface access agreement.

iii) In January 2024, 4,406,575 common shares valued at $146,417 based on the quoted price of shares at the time of issue, were issued to Olga Nikitovic to settle the debt amount owing.

At March 31, 2024, the following warrants were outstanding.

Expiry Date	Exercise Price $	Number of Warrants	Remaining contractual life (years)
September 29, 2024	0.10	7,466,648	0.50
April 28, 2025	0.09	185,400	1.08
December 13, 2025	0.05	9,666,666	1.70
December 20, 2025	0.05	3,333,333	1.70
April 28, 2027	0.08	11,640,000	3.08
May 27, 2027	0.08	200,000	3.16
May 1, 2028	0.10	12,902,647	4.09
		45,394,694	2.54

The following assumptions were used for the Black-Scholes option pricing model valuation of warrants and broker warrants issued during the year ended December 31, 2023:

	Warrants	Broker Warrants
Share price	$0.02 - $0.03	$0.02 - $0.03
Risk-free interest rate	2.97% - 3.97%	2.97% - 3.97%
Expected dividend yield	0.00%	0.00%
Expected stock volatility	115% - 139%	115% - 139%
Expected life in years	2.0 - 5.0 years	2.0 - 5.0 years

(EXPRESSED IN CANADIAN DOLLARS)

13. CAPITAL STOCK, STOCK OPTIONS AND SHARE PURCHASE WARRANTS (continued)

Share Purchase Warrants

The following is a summary of the warrant transactions for the three months ended March 31, 2024 and year ended December 31, 2023.

	Three months ended March 31, 2024		**Year ended December 31, 2023**	
	Number of Warrants	**Weighted Average Exercise Price $**	**Number of Warrants**	**Weighted Average Exercise Price $**
Balance, beginning of period/year	**45,394,694**	**0.09**	21,992,048	0.13
Warrants/broker warrants issued	**-**	**-**	25,902,646	0.10
Warrants expired	**-**	**-**	(2,500,000)	0.26
Balance, end of period/year	**45,394,694**	**0.09**	45,394,694	0.09

Stock options

The Company is authorized to grant directors, employees and consultants up to 20% of the issued and outstanding capital stock of the Company. Under the plan, the exercise price of each option equals the market price, less any applicable discounts of the Company's stock as calculated on the date of grant. The options can be granted for a maximum term of 5 years.

As at March 31, 2024, the following incentive stock options were outstanding:

		Options Outstanding		Options Exercisable	
Expiry Date	Exercise Price $	Number of Options Outstanding	Weighted average remaining contractual life (years)	Number of Options Vested	Weighted average remaining contractual life (years)
July 18, 2024	0.10	800,000	0.30	800,000	0.30
August 15, 2025	0.15	400,000	1.38	400,000	1.38
December 18, 2026	0.10	2,759,000	2.72	2,759,000	2.72
March 1, 2028	0.15	3,200,000	3.92	3,200,000	3.92
September 6, 2028	0.15	300,000	4.44	300,000	4.44
		7,459,000	2.97	7,459,000	2.97

(EXPRESSED IN CANADIAN DOLLARS)

13. CAPITAL STOCK, STOCK OPTIONS AND SHARE PURCHASE WARRANTS (continued)

Stock options (continued)

The following is a summary of stock option transactions for the three months ended December 31, 2024 and December 31, 2023:

	Three months ended March 31, 2024		Year ended December 31, 2023	
	Number of Options	**Weighted Average Exercise Price $**	Number of Options	Weighted Average Exercise Price $
Balance, beginning of period/year	**7,459,000**	**0.13**	4,359,000	0.11
Options granted	**-**	**-**	3,500,000	0.15
Options expired (forfeited)	**-**	**-**	(400,000)	0.10
Balance, end of period/year	**7,459,000**	**0.13**	7,459,000	0.13

Share based compensation for the three months ended March 31, 2024 of $nil (three months ended March 31, 2023 - $140,036) has been charged to share based compensation expense with a corresponding amount being recorded in the equity settled share-based payments reserve.

The following assumptions were used for the Black-Scholes option pricing model valuation of options issued during the year ended December 31, 2023.

	2023
Share price	$0.05 - $0.06
Risk-free interest rate	3.59% -3.97%
Expected dividend yield	0.00%
Expected stock volatility	116% - 119%
Expected life in years	5.0 years

14. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Significant non-cash investing and financing transactions for the three months ended March 31, 2024 consisted of:

a) Debt settlement issuance of 4,406,575 shares with a value at $145,417.

Significant non-cash investing and financing transactions for the three months ended March 31, 2023 consisted of:

a) The issuance of 40,000 shares valued at $2,200 pursuant to the surface access agreement for the Miller Property.
b) Debt settlement issuance of 3,333,333 shares with a value at $200,000.

15. SEGMENTED INFORMATION

The Company primarily operates in one reportable operating segment, being the acquisition and exploration of mineral properties in Canada. As the operations comprise a single reporting segment, amounts disclosed in the financial statements also represent segment amounts.

16. COMMITMENTS AND CONTINGENCIES

The Company is obliged to spend $1,149,980 by December 31, 2024 as part of the flow-through funding agreement for shares issued in 2023. The flow-through agreements require the Company to renounce certain tax deductions for Canadian exploration expenditures incurred on the Company's mineral properties to flow-through participants. The Company indemnified the subscribers for any related tax amounts that become payable by the subscribers as a result of the Company not meeting its expenditure commitments.

As of March 31, 2024, the Company has fulfilled approximately $318,000 of the total commitment. For the three months ended March 31, 2024, the Company has recorded amortization of flow-through premium liability of $7,085 (three months ended March 31, 2023 - $39,340) in the statements of loss and comprehensive loss.

The Company's exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations. See Note 11.

Marrelli Service Support Inc. - CFO and service consulting agreement
The Company is obligated to pay a termination notice for consulting service of $3,750 for 24 months from the effective date of the termination notice, if the termination notice is provided within the first two calendar years, after that the commitment is $3,750 for three months.

Executive compensation
The Company entered into an employment agreement with it senior executive which contains clauses requiring additional payments to be made upon the occurrence of certain events such as change of control, as well as termination commitment of $330,650 (USD$250,000). As the triggering event has not occurred, the contingent payment has not been provided for in these financial statements. Minimum commitment under this contract due within one year is $330,650 (USD$250,000).

17. SUBSEQUENT EVENTS

On April 10, 2024, the Company closed a non-brokered private placement of 2,466,818 units at a price of $0.055 per unit for aggregate gross proceeds of $135,675. Each unit is comprised of one common share and one share purchase warrants. Each warrant entitles the holder to acquire one common share in the capital of the Company at a price of $0.12 per share for a period of 60 months from the date of issuance. The CEO of the Company subscribed for 181,818 Units.

On May 14, 2024, the Company closed a non-brokered private placement of 7,500,000 flow-through units ("FT Unit") at a price of $0.06 per FT Unit for aggregate gross proceeds of $450,000. Each FT Unit is comprised of one flow-through share ("FT Share") and one-half share purchase warrants ("FT Warrant"). Each FT Warrant entitles the holder to acquire one common share in the capital of the Company at a price of $0.12 per share for a period of 60 months from the date of issuance.

Concurrently, the Company closed non-brokered private placement of 833,333 non-flow-through units ("NFT Unit") at a price of $0.06 per NFT Unit for aggregate gross proceeds of $50,000. Each NFT Unit is comprised of one common share and one share purchase warrants ("Warrant"). Each Warrant entitles the holder to acquire one common share in the capital of the Company at a price of $0.12 per share for a period of 60 months from the date of issuance. The Company paid finders' fees of: (i) a cash fee of $36,000 and (ii) 600,000 finders warrants. Each finder's warrant shall entitle the holder to acquire one common share at a price of $0.12 per share for a period of 60 months from the date of issuance.

On May 14, 2024, the Company filed a 43-101 for the Asbury Graphite Property.