

AMERICAN SALARS LITHIUM INC.

Condensed Interim Consolidated Financial Statements

For the Three and Nine Months Ended June 30, 2024

(Unaudited - Amounts in Canadian Dollars)

Notice to the Reader

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 accomplished by a notice indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management. The unaudited condensed consolidated interim financial statements have been prepared using accounting policies in compliance with International Financial Reporting Standards for the preparation of the condensed consolidated interim financial statements and are in accordance with IAS 34 – Interim Financial Reporting.

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

AMERICAN SALARS LITHIUM INC.

Condensed Interim Statements of Financial Position
(in Canadian dollars)

As at

	June 30, 2024 (unaudited)	September 31, 2023 (audited)
Assets		
Current assets:		
Cash	\$ 184,614	\$ 40,809
Amounts receivable	19,296	968
Prepaid expenses	701,531	-
Total current assets	905,441	41,777
Exploration and evaluation asset (note 3)	1,798,084	539,747
Total assets	\$ 2,703,525	\$ 581,524
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities (note 4)	\$ 54,674	\$ 27,806
Short-term loan	50,000	-
Total current liabilities	104,674	27,806
Shareholders' equity:		
Share capital (note 5)	3,701,013	1,012,406
Contributed surplus	200,610	155,964
Deficit	(1,302,772)	(614,652)
Total shareholder's equity	2,598,851	553,718
Total liabilities and shareholder's equity	\$ 2,703,525	\$ 581,524

Going concern (note 1)

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

AMERICAN SALARS LITHIUM INC.

Condensed Interim Statements of Loss and Comprehensive Loss
(in Canadian dollars)
(unaudited)

For the three and six-months ended June 30, 2024 and 2023

	Three-Months Ended June 30		Nine-Months Ended June 30	
	2024	2023	2024	2023
Expenses				
Investor communications	\$ 205,776	\$ -	\$ 219,317	\$ -
Management and consulting fees	298,703	7,500	309,203	28,000
Occupancy costs	19,695	3,000	31,771	18,360
Office and general	7,734	9	11,419	6,266
Professional fees	23,440	13,994	68,155	49,230
Transfer agent and filing fees	6,246	2,745	42,655	12,403
Travel and promotion	5,600	-	5,600	693
Other income	-	-	-	(10,000)
	567,194	27,248	688,120	104,952
Net loss and comprehensive loss	\$ (567,194)	\$ (27,248)	\$ (688,120)	\$ (104,952)
Weighted average shares outstanding	22,718,759	8,110,715	17,137,877	8,110,715
Loss per share	\$ (0.02)	\$ (0.00)	\$ (0.04)	\$ (0.01)

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

AMERICAN SALARS LITHIUM INC.

Condensed Interim Statements of Cash Flows
(in Canadian dollars)
(unaudited)

For the nine-months ended June 30, 2024 and 2023

	2024	2023
Cash provided by (used in):		
Operations		
Net loss	\$ (688,120)	\$ (104,952)
Change in non-cash working capital		
Amounts receivable	(18,328)	885
Prepaid expenses	(351,531)	-
Accounts payable and accrued liabilities	26,868	(115,505)
Net cash used in operations	(1,031,111)	(219,572)
Investing activities		
Mineral property acquisition and exploration costs	(713,837)	-
Net cash provided from financing activities	(713,837)	-
Financing activities		
Proceeds on private placement	1,838,753	265,500
Net proceeds on issuance of short-term loan	50,000	-
Net cash provided from financing activities	1,888,753	265,500
Increase in cash	143,805	45,928
Cash, beginning of period	40,809	10,510
Cash, end of period	\$ 184,614	\$ 56,438

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

AMERICAN SALARS LITHIUM INC.

Condensed Interim Statements of Changes in Shareholders' Equity
(in Canadian dollars)
(unaudited)

For the six-months ended June 30, 2024 and 2023

	Number of Common Shares	Share Capital	Contributed Surplus	Deficit	Total Equity
Balance, September 30, 2022	6,775,000	\$ 374,906	\$ 155,964	\$ (439,556)	\$ (308,716)
Shares issued on property acquisition	3,100,000	310,000	-	-	310,000
Shares issued for cash	2,550,000	265,500	-	-	255,000
Net loss	-	-	-	(104,952)	(104,952)
Balance, June 30, 2023	12,425,000	\$ 950,406	\$ 155,964	\$ (544,508)	\$ 561,862
Balance, September 30, 2023	12,425,000	\$ 1,012,406	\$ 155,964	\$ (614,652)	\$ 553,718
Shares issued on property acquisition	5,310,009	1,068,751	-	-	1,068,751
Shares issued for cash	6,999,995	1,393,999	-	-	1,393,999
Shares issued for consulting services	1,000,000	350,000	-	-	350,000
Shares issued on exercise of warrants	20,600	5,150	-	-	5,150
Shares issued on exercise of options	75,000	22,500	-	-	22,500
Share issue costs	-	(151,793)	44,646	-	(107,147)
Net loss	-	-	-	(688,120)	(688,120)
Balance, June 30, 2024	28,555,940	\$ 3,701,013	\$ 200,610	\$ (1,302,772)	\$ 2,598,851

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

AMERICAN SALARS LITIUM INC.

Notes to the Condensed Interim Financial Statements

For the three and nine-month period ended June 30, 2024 and 2023
(Amounts in Canadian dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS

American Salars Lithium Inc. (the "Company") was formed on December 17, 2019 under the law of British Columbia. The address of the Company's corporate office and its principal place of business is 200-551 Howe Street, Vancouver, British Columbia, Canada.

The Company's principal business activities include the acquisition and exploration of mineral property assets. As at March 31, 2024, the Company holds an interest in an early stage mineral exploration property and the Company had not yet determined whether the Company's mineral property asset contains a deposit of minerals that is economically recoverable. The recoverability of amount shown for exploration and evaluation asset is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development of and the future profitable production from the property or realizing proceeds from its disposition. The outcome of these matters cannot be predicted at this time and the uncertainties cast significant doubt upon the Company's ability to continue as a going concern.

The Company has deficit of \$1,302,772 as at June 30, 2024, which has been funded by the issuance of equity. The Company's ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs.

These financial statements do not give affect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these financial statements.

2. BASIS OF PREPARATION

Statement of Compliance and basis of presentation

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

These condensed interim Financial Statements have been prepared on the basis of accounting policies, methods of computation, and estimates and judgements consistent with those applied in the Company's September 30, 2023 annual financial statements.

These condensed interim financial statements do not include all of the information required of full audited financial statements and therefore these condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended September 30, 2023.

AMERICAN SALARS LITIUM INC.

Notes to the Condensed Interim Financial Statements

For the three and nine-month period ended June 30, 2024 and 2023
(Amounts in Canadian dollars)

2. BASIS OF PREPARATION (continued)

Functional and presentation currency

The financial statements are presented in Canadian Dollars, which is the Company's functional and presentation currency.

Approval of the Financial Statements

The condensed interim financial statements of the Company for the period ended June 30, 2024, were approved and authorized for issuance by the Board of Directors on August 28, 2024.

3. EXPLORATION AND EVALUATION ASSET

	Isla	Black Rock South	Aesir	Spey	Pocitos 1	Total
Balance, September 30, 2023	\$ 167,747	\$ -	\$ 372,000	\$ -	\$ -	\$ 539,747
Acquisitions costs	5,000	524,251	-	137,500	544,500	1,211,251
Exploration costs	-	39,963	7,123	-	-	47,086
Balance, June 30, 2024	\$ 172,747	\$ 564,214	\$ 379,123	\$ 137,500	\$ 544,500	\$ 1,798,084
Balance, September 30, 2023	\$ 197,247	\$ -	\$ -	\$ -	\$ -	\$ 197,247
Acquisitions costs	-	-	310,000	-	-	310,000
Exploration costs	-	-	-	-	-	-
Balance, June 30, 2023	\$ 197,247	\$ -	\$ 310,000	\$ -	\$ -	\$ 507,247

Isla Property Option

On November 8, 2020, and amended on February 9, 2021 and August 29, 2023, the Company entered into a Purchase Agreement (the "Isla Agreement") with an arms-length party. Pursuant to the Isla Agreement, the Company has an option to acquire 100% interest in six mineral claims known as the Isla claims located in British Columbia, Canada from the arms-length party.

In addition, the Isla claims are subject to a Net Smelter Return Royalty of 1.5% which can be purchased at any time for \$1,500,000 from the arms-length party.

Under the Isla Agreement, the Company will make cash payments totaling \$40,000 as follows:

- make a cash payment of \$5,000 upon execution and delivery of the agreement (paid);
- make a further cash payment of \$5,000 on the date upon which the common shares are listed on a stock exchange in Canada (paid); and
- make a further cash payment of \$5,000 within 24 months (paid) and \$25,000 within 30 months of listing on a stock exchange in Canada.

The Company allowed the expiry of one of the six claims during the year ended September 30, 2023. Consequently, the Company recorded a loss on disposal related to the Isla property of \$19,500 to reflect the forfeiture of the one claim.

AMERICAN SALARS LITHIUM INC.

Notes to the Condensed Interim Financial Statements

For the three and nine-month period ended June 30, 2024 and 2023
(Amounts in Canadian dollars)

3. EXPLORATION AND EVALUATION ASSET (*continued*)

Black Rock South

The Company acquired 100% of American Brines Lithium Inc., which owns the Black Rock South Lithium project located in Washoe County, Nevada. Under the terms of the agreement the Company issued 3,495,009 shares on closing on November 9, 2023, fair valued at \$0.15 per share, and will issue an additional 3,495,009 shares on the first anniversary and 3,494,997 shares on the second anniversary dates of closing.

Aesir Lithium Claims

On May 31, 2023, the Company entered into a Purchase Agreement (the "Aesir Agreement") with an arms-length party to acquire a 100% interest in Aesir Lithium Corp. Pursuant to the Aesir Agreement, the Company acquired a 100% interest in twenty seven mineral claims known as the Aesir lithium claims located in Quebec, Canada. As consideration the Company issued 3,100,000 shares at their fair value \$0.12 per share.

The Company accounted for this transaction as an asset acquisition. The assets acquired consisted entirely of the Aesir lithium claims, and there were no liabilities assumed. The \$372,000 purchase consideration was applied entirely to the exploration and evaluation asset and there were no transaction costs.

Spey Property

On March 1, 2024, the Company entered into a Purchase Agreement with third parties to acquire a 100% ownership interest in the property. Pursuant to the agreement, in order to earn the 100% ownership interest in the property, the Company is required to make the following payments:

Make cash payments as follows:

- \$137,500 (paid) within 60 days of the purchase agreement;
- \$220,000 on or before the first anniversary of the agreement;
- \$440,000 on or before the second anniversary of the agreement;
- \$550,000 on or before of each the third, fourth, and fifth anniversary of the agreement.

Issue common share of the Company as follows:

- Issue 1,650,000 common shares within 60 days of the purchase agreement;
- Issue 1,650,000 common shares on or before the first anniversary date of the agreement;
- Issue 1,650,000 common shares on or before the second anniversary date of the agreement;
- Issue 1,650,000 common shares on or before the third anniversary date of the agreement.

Pocitos 1 Lithium

American Salars has entered into an agreement with Recharge Resources Ltd., whereby American Salars is acquiring a 100% interest in the Pocitos 1 lithium salar project by issuing to the Vendor 5,000,000 common shares subject to a 24-month escrow and assuming an outstanding tax liability of the Vendor estimated to be no more than USD \$250,000 as well as a payable to WSP for the Mineral Resource Estimate at a cost of AUS \$80,000.

AMERICAN SALARS LITIUM INC.

Notes to the Condensed Interim Financial Statements

For the three and nine-month period ended June 30, 2024 and 2023
(Amounts in Canadian dollars)

3. EXPLORATION AND EVALUATION ASSET (*continued*)

The Vendor has agreed to a 24-month escrow with releases every six months. The vendor has agreed to a further voluntary escrow whereby they have agreed not to sell more than 10,000 shares per day in any given trading day and cumulatively no more than 50,000 shares in a normal business week. The Vendor has further agreed to proxy all votes to management of American Salars.

At closing, the Purchaser shall issue to the Vendor 2,500,000 bonus warrants (the "Bonus Warrants"), with each Bonus Warrant entitling the Vendor to acquire one common share of the Purchaser at an exercise price of CAD \$0.75 for a period of five years. The Bonus Warrants will be exercisable by the Vendor only upon the Pocitos 1 property having a Measured and Indicated and Inferred combined ("M+I+I") resource of 1,000,000 tonnes LCE, and subject to the receipt of a "technical report" (as that term is defined in section 1.1 of NI 43-101) confirming that the Property has the required M+I+I resources (as such terms are defined in section 1.2 of NI 43-101).

The Pocitos 1 property is subject to a 2.5% net smelter royalty ("NSR") of the minerals produced on a FOB basis from the property, the Company can purchase 1.5% (60%) of the NSR for CAD \$1,500,000.

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The Company's accounts payable and accrued liabilities are non-interest bearing and detailed below:

	June 30, 2024	September 30, 2023
Trade accounts payable	\$ 54,674	\$ 27,806
	\$ 54,674	\$ 27,806

5. SHARE CAPITAL

Authorized:

Unlimited number of common shares without par value.

Escrow shares:

As at June 30, 2024, there were 570,001 common shares held in escrow.

Issued:

During the year ended September 30, 2023, the Company had the following transactions:

On December 22, 2022 the Company issued 1,500,000 common shares at a price of \$0.10 per share for gross proceeds of \$150,000 pursuant to a private placement.

On April 5, 2023, the Company completed a private placement of 1,050,000 units at \$0.11 per unit for gross proceeds of \$115,500. Each unit consists of one common share and one share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share at \$0.14 per share for a period of 36 months. \$Nil was allocated to the warrants, under the residual value method.

During the period ended June 30, 2024, the Company had the following transactions:

On November 9, 2023 the Company issued 3,495,009 common shares for the Black Rock South claims (Note 5).

AMERICAN SALARS LITIUM INC.

Notes to the Condensed Interim Financial Statements

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(Amounts in Canadian dollars)

5. SHARE CAPITAL (*continued*)

On June 8, 2023, the Company issued 3,100,000 common shares for the Aesir Lithium claims.

On March 8, 2024, the Company issued 100,000 common shares on the exercise of warrants to net \$14,000.

On April 5, 2024, the Company issued 20,600 common shares on the exercise of warrants for gross proceeds of \$5,150.

On April 26, 2024, the Company closed a private placement of 3,999,995 units for gross proceeds of \$799,999. Each unit consists of one common share and one common share purchase warrant allowing the holder to purchase half of a share at \$0.25 per common share and expires twelve months from closing. In addition, the Company issued 65,000 broker warrants with a deemed value of \$11,836.

On April 29, the Company issued 75,000 common shares on the exercise of stock options for gross proceeds of \$22,500.

On May 16, 2024, the Company issued 1,815,000 common shares relating to mineral property acquisition payments for deemed value of \$544,500.

On May 31, 2024, the Company closed a private placement of 2,900,000 units for gross proceeds of \$580,000. Each unit consists of one common share and one common share purchase warrant allowing the holder to purchase half of a share at \$0.25 per common share and expires twelve months from closing. In addition, the Company issued 65,000 broker warrants with a deemed value of \$32,809.

On June 3, 2024, the Company issued 1,000,000 shares for consulting services with a deemed value of \$350,000.

Stock Options

During the year ended September 30, 2023, the Company adopted a Stock Option Plan (the "Plan"). Under the Plan, the Company can issue up to 10% of the issued and outstanding common shares as incentive stock options to directors, officers, employees and consultants to the Company. The Plan limits the number of stock options which may be granted to any one individual to not more than 5% of the total issued common shares of the Company in any 12-month period. The Plan also limits the stock options which may be granted to any one individual if the exercise would result in the issuance of common shares more than 2% in any 12-month period. The number of options granted to any one consultant or a person employed to provide investor relations activities in any 12 month period must not exceed 2% of the total issued common shares of the Company.

On February 3, 2022, the Company granted 400,000 stock options to certain directors and officers of the Company at an exercise price of \$0.30 for a period of three years from the date of grant. The fair value of these options was calculated to be \$82,748. The remaining contractual life as at June 30, 2024 is 0.60 years. During the nine-months ended June 30, 2024 (2023 – nil) 75,000 stock options were exercised.

AMERICAN SALARS LITIUM INC.

Notes to the Condensed Interim Financial Statements

For the three and nine-month period ended June 30, 2024 and 2023
(Amounts in Canadian dollars)

5. SHARE CAPITAL (continued)

Warrants

A continuity of the warrants outstanding at June 30, 2024 is as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, September 30, 2022	175,000	\$ 0.20
Issued	1,050,000	0.14
Balance, September 30, 2023	1,225,000	0.15
Issued	3,729,998	0.25
Exercised	120,600	0.15
Balance, April 30, 2024	4,834,398	0.23

The following share purchase warrants were outstanding as at June 30, 2024:

Expiry date	Number of warrants	Exercise price	Remaining contractual life (years)
		\$	
December 22, 2026	154,400	0.20	2.48
April 5, 2026	950,000	0.14	1.76
April 26, 2025	2,064,998	0.25	0.82
May 31, 2025	1,665,000	0.25	0.92
	4,834,398	0.23	1.09

6. RELATED PARTY TRANSACTIONS

Key management personnel include persons having the authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined the key personnel to be the executive and non-executive officers and directors of the Company.

	Nine-months Ended June 30,	
	2024	2023
Management and consulting	\$ 40,500	\$ 28,000
	\$ 40,500	\$ 28,000

As at June 30, 2024 and September 30, 2023, \$17,500 and nil were owed to related parties for services.

7. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Cash is carried at fair value using a level 1 fair value measurement. The carrying value of cash, accounts payable and accrued liabilities, and due to related party approximate their fair value because of the short-term nature of these instruments.

AMERICAN SALARS LITIUM INC.

Notes to the Condensed Interim Financial Statements

For the three and nine-month period ended June 30, 2024 and 2023
(Amounts in Canadian dollars)

7. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (*continued*)

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

There have been no changes from the prior year.

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

Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash with high-credit quality financial institutions.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at June 30, 2024, the Company had a cash balance of \$184,614 (September 30, 2023 - \$40,809) to settle current liabilities of \$104,674 (September 30, 2023 - \$27,806). All of the Company's accounts payable and accrued liabilities have contractual maturities of 30 days or due on demand and are subject to normal trade terms. To maintain liquidity, the Company is currently investigating financing opportunities.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. The Company does not have a practice of trading derivatives.

Interest rate risk

The Company's financial assets exposed to interest rate risk consist of cash balances. 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. As at June 30, 2024 and September 30, 2023, the Company did not have any investments in investment-grade short-term deposit certificates.

Foreign currency risk

The Company is exposed to foreign currency risk to the extent expenditures incurred or funds received, and balances maintained by the Company are denominated in currencies other than Canadian dollars. The Company is not exposed to foreign currency risk.

Price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is not exposed to significant other price risk.