FIRST LITHIUM MINERALS CORP.

FORM 2A LISTING STATEMENT

August 4, 2022

Neither the Canadian Securities Exchange nor any securities regulatory authority has in any way passed upon the merits of the Transaction described in this Listing Statement.

TABLE OF CONTENTS

1 ABOUT THIS LISTING STATEMENT

1.1 Definitions

"**ABCA**" means the *Business Corporations Act* (Alberta), as from time to time amended or re-enacted and includes any regulations heretofore or hereafter made pursuant thereto;

"**Acquisition Agreement**" means the definitive agreement dated June 10, 2022 made among PetroCorp, First Lithium, QL, and Newco, as may be amended or supplemented from time to time, in respect of the Transaction;

"**Audit Committee**" means the audit committee of the Resulting Issuer;

"**Author**" means Aldo Moreno Salinas, the author of the OCA Technical Report;

"**Closing**" means the completion of the Transaction;

"**Closing Date**" means July 28, 2022;

"**Closing Time**" means the time on the Closing Date at which the Closing occurs;

"**Continuation**" means the continuation of PetroCorp from the laws of the province of Alberta to the laws of Ontario, pursuant to the OBCA.

"**CODELCO**" means the National Copper Corporation.

"**Escrow Agreement**" means the mandatory escrow agreement entered into on the Closing Date among the Resulting Issuer, Computershare Trust Company of Canada and certain Resulting Issuer Shareholders;

"**Exchange**" means the Canadian Securities Exchange;

"**FCAB**" means Ferrocarril de Antofagasta a Bolivia;

"**Finder Shares**" means the 3,316,372 PetroCorp Consolidation Shares issued to an arm's length party in connection with the Transaction on the Closing Date;

"**First Lithium**" means First Lithium Minerals Inc., a corporation existing under the laws of the province of Ontario, and such term refers to First Lithium prior to the completion of the FLM Amalgamation;

"**FLM Amalco**" means First Lithium Minerals Inc., a corporation existing under the laws of Ontario, and such term refers to the amalgamated entity of First Lithium, QL and Newco after the completion of the FLM Amalgamation;

"**FLM Amalgamation**" means the amalgamation completed on July 28, 2022 pursuant to an amalgamation agreement made under the Acquisition Agreement, between PetroCorp, Newco, First Lithium and QL, whereby: Newco, QL and First Lithium amalgamated to form one corporation under the name "First Lithium Minerals Inc.", under the provisions of the OBCA;

"**FLM Board**" means the board of directors of First Lithium;

"**FLM Chile**" means First Lithium Minerals SpA, a wholly-owned subsidiary of First Lithium prior to the completion of the Transaction, organized under the laws of Chile;

"**FLM Consolidation**" means the consolidation of FLM Shares on a one (1) new share for a 2.5 old share basis, which shall result in approximately 29,643,712 FLM Consolidation Shares;

"**FLM Consolidation Share(s)**" means the FLM Shares after the FLM Consolidation;

"**FLM Debt Conversion**" means the conversion of $3,571,591 of First Lithium debt at a price of $0.225 per share for a total of 15,873,737 FLM Consolidation Shares;

"**FLM Private Placement**" means collectively, the private placement: 1) completed on January 5, 2022 raising aggregate gross proceeds of $480,000 comprised of 1,920,000 FLM Subscription Receipts at a price of $0.25 each; 2) completed on February 8, 2022 raising aggregate gross proceeds of $1,537,500 comprised of 6,150,000 FLM Subscription Receipts at a price of $0.25 each; and 3) completed on June 30, 2022 raising aggregate proceeds of $3,897,000 comprised of 15,588,000 FLM Subscription Receipts at a price of $0.25 each;

"**FLM Shareholder**" means a holder of FLM Shares or FLM Consolidation Shares, as applicable, from time to time, and "**FLM Shareholders**" means all of such holders;

"**FLM Share(s)**" means the common shares in the capital of First Lithium prior to the completion of the FLM Consolidation;

"**FLM Subscription Receipts"** means the aggregate of 23,658,000 subscription receipts of First Lithium issued at a price of $0.25 pursuant to the FLM Private Placement, which subject to completion of certain conditions, including completion of the Transaction, will automatically convert, without additional payment or any further action on the part of the holder, each into one FLM Consolidation Share;

"**Jenna Concessions**" means the 40 mineral exploration concessions owned by FLM Chile: Jenna 7, Jenna 9, Jenna 10, Jenna 11, Jenna 12, Jenna 13, Jenna 14, Jenna 15, Jenna 17, Jenna 18, Jenna 20, Jenna 21, Jenna 22, Jenna 23, Jenna 24, Jenna 25, Jenna 26, Jenna 27, Jenna 28, Jenna 29, Jenna 30, Jenna 31, Jenna 32, Jenna 33, Jenna 36, Jenna 37, Jenna 38, Jenna 39, Jenna 40, Jenna 41, Jenna 42, Jenna 43, Jenna 44, Jenna 45, Jenna 46, Jenna 47, Jenna 48, Jenna 49, Jenna 50 and Jenna 51, which jointly form the OCA Prospect;

"**Listing Date**" means the date of listing of the Resulting Issuer Shares on the Exchange;

"**Listing Statement**" means this listing statement;

"**Letter of Intent**" means the letter of intent dated April 7, 2022 made among PetroCorp, First Lithium and QL in respect of the Acquisition Agreement and resulting Transaction;

"**masl**" means metres above sea level;

"**Name Change**" means, subject to the completion of the Transaction, a change in the name of PetroCorp to "First Lithium Minerals Corp." or such other name as identified by First Lithium;

"**Named Executive Officer**" or "**NEO**" means each of the following individuals: (i) the Chief Executive Officer of a corporation; (ii) the Chief Financial Officer of a corporation; (iii) each of the three most highly compensated executive officers of a corporation, including any of its subsidiaries, or the three most highly compensated individuals acting in a similar capacity, other than the Chief Executive Officer and Chief Financial Officer, at the end of the most recently completed financial year whose total compensation was, individually, more than $150,000 for that financial year; and (iv) each individual who would be a Named Executive Officer under paragraph (iii) but for the fact that the individual was neither an executive officer of the corporation or its subsidiaries, nor acting in a similar capacity, at the end of that financial year;

"**NI 43-101**" means National Instrument 43-101 - Standards of Disclosure for Mineral Property of the Canadian Securities Administrators;

"**NI 52-110"** means National Instrument 52-110 – *Audit Committees;*

"**Newco**" means 1000215756 Ontario Corp., a wholly-owned subsidiary of PetroCorp;

"**OBCA**" means the *Business Corporations Act* (Ontario), as from time to time amended or re-enacted and includes any regulations heretofore or hereafter made pursuant thereto;

"**OCA Technical Report**" means the NI 43-101 compliant technical report entitled "Technical Report on the OCA Prospect, Comuna De Ollague, Province of El Loa, Region of Antofagasta Chile" dated November 27, 2019 prepared by Aldo Morena Salinas, an independent "Qualified Person" (as defined in NI 43-101);

"**OCA Prospect**" means the lithium project owned by FLM Chile, formerly a wholly-owned subsidiary of First Lithium and a wholly-owned subsidiary of the Resulting Issuer after the Transaction, which is comprised of 8,900 ha of mineral exploration concessions located in the salars of Ollague, Carcote and Ascotan in the Antofagasta Region of Northern Chile within the cordilleran sector bordering Bolivia;

"**PetroCorp**" means PetroCorp Group Inc., a corporation incorporated under the laws of Alberta, and subsequently continued under the laws of Ontario, and such term refers to PetroCorp prior to the completion of the Transaction;

"**PetroCorp Consolidation**" means the consolidation of PetroCorp Shares on a one (1) new share for 81.96721311 old share basis, which shall result in approximately 8,204,343 PetroCorp Consolidation Shares;

"**PetroCorp Consolidation Share(s)**" means the PetroCorp Shares after the PetroCorp Consolidation;

"**PetroCorp Share(s)**" means the common shares in the capital of PetroCorp prior to the completion of the PetroCorp Consolidation;

"**PetroCorp Shareholder**" means a holder of PetroCorp Shares or PetroCorp Consolidation Shares, as applicable, from time to time, and "**PetroCorp Shareholders**" means all of such holders;

"**QL**" means QL Minerals Inc., a corporation incorporated under the laws of Ontario, and such term refers to QL prior to the completion of the Transaction;

"**QL Financing**" means the offering completed on January 20, 2022 of QL Shares raising aggregate proceeds of $130,000, comprised of 2,600,000 QL Shares at a price of $0.05 each;

"**QL Private Placement**" means the private placement completed on May 17, 2022 raising aggregate gross proceeds of $795,000, comprised of 3,180,000 QL Subscription Receipts at a price of $0.25 each;

"**QL Share(s)**" means the common shares in the capital of QL prior to the completion of the Transaction.

"**QL Shareholder**" means a holder of QL Shares from time to time, and "**QL Shareholders**" means all of such holders;

"**QL Subscription Receipts**" means the 3,180,000 subscription receipts of QL issued at a price of $0.25 pursuant to the QL Private Placement, which subject to completion of certain conditions, including completion of the Transaction, will automatically convert, without additional payment or any further action on the part of the holder, into one QL Share;

"**Resulting Issuer**" means First Lithium Minerals Corp., being PetroCorp after completion of the Transaction and the Name Change;

"**Resulting Issuer Board**" means the board of directors of the Resulting Issuer;

"**Resulting Issuer Broker Warrants**" means the 895,860 broker warrants issued to finders in connection with the FLM Private Placement. Each Resulting Issuer Broker Warrant entitles the holder to purchase a Resulting Issuer Share at an exercise price of $0.25 per Resulting Issuer Share, within two years of the Closing Date;

"**Resulting Issuer Plan**" means the omnibus equity incentive plan of the Resulting Issuer;

"**Resulting Issuer Share(s)**" means the common shares of the Resulting Issuer;

"**Resulting Issuer Shareholder**" means a holder of the Resulting Issuer Shares from time to time, and "**Resulting Issuer Shareholders**" means all of such holders;

"**Senneville Property**" means the 39 mineral claims over a contiguous land package of over 2,000 hectares in Senneville, Quebec approximately 30 kilometres north of Val-d'Or, Quebec acquired by QL pursuant to the Xander Purchase Agreement;

"**SQM**" means the Chemical and Mining Company of Chile.

"**Transaction**" means the acquisition of all the issued and outstanding FLM Consolidation Shares and QL Shares by PetroCorp by exchange of one (1) PetroCorp Consolidation Share for each pursuant to the terms of the Acquisition Agreement, and all related matters therein;

"**Xander Purchase Agreement**" means the purchase agreement dated November 23, 2021 between Xander Resources Inc. and QL whereby QL acquired 100% of the Senneville Property in consideration for the issuance of 400,000 QL Shares.

1.2 Cautionary Statement Regarding Forward-Looking Statements

The information provided in this Listing Statement, including schedules and information incorporated by reference, may contain "forward-looking information". In addition, the Resulting Issuer may make or approve certain statements in future filings with Canadian securities regulatory authorities, in press releases, or in oral or written presentations by representatives of the Resulting Issuer that are not statements of historical fact and may also constitute forward-looking statements. All statements, other than statements of historical fact, made by the Resulting Issuer that address activities, events or developments that the Resulting Issuer expects or anticipates will or may occur in the future are forward-looking statements, including, but not limited to, statements preceded by, followed by or that include words such as "may", "will", "would", "could", "should", "believes", "estimates", "projects", "potential", "expects", "plans", "intends", "anticipates", "targeted", "continues", "forecasts", "designed", "goal", or the negative of those words or other similar or comparable words.

Forward-looking statements may relate to future financial conditions, results of operations, plans, objectives, performance or business developments. These statements speak only as at the date they are made and are based on information currently available and on the then current expectations of the Resulting Issuer and/or the Resulting Issuer and assumptions concerning future events, which are subject to a number of known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from that which was expressed or implied by such forward-looking statements, including, but not limited to, risks and uncertainties related to:

- the available funds of the Resulting Issuer and the anticipated use of such funds;
- investments which may be made by the Resulting Issuer;
- the availability of financing opportunities, legal and regulatory risks inherent in the mining industry, risks associated with economic conditions, dependence on management and currency risk; and
- other risks described in this Listing Statement and described from time to time in documents filed by the Resulting Issuer with Canadian securities regulatory authorities.

Consequently, all forward-looking statements made in this Listing Statement and other documents of the Resulting Issuer are qualified by such cautionary statements and there can be no assurance that the anticipated results or developments will actually be realized or, even if realized, that they will have the expected consequences to or effects on the Resulting Issuer.

The cautionary statements contained or referred to in this section should be considered in connection with any subsequent written or oral forward-looking statements that the Resulting Issuer and/or persons acting on its behalf may issue. The Resulting Issuer undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, other than as required under securities legislation. See "*Item 17 –Risk Factors*".

Currency

Unless otherwise indicated, all references to dollar amounts and "$" are to Canadian currency.

1.3 Market and Industry Data

This Listing Statement includes market and industry data relevant to the Resulting Issuer and business that has been obtained from third party sources, including industry publications. This industry data is accurate. The estimates and assumptions have been derived from industry publications, while the Resulting Issuer believes that it is accurate, there is no assurance as to the accuracy or completeness of this data. Third party sources generally state that the information contained therein has been obtained from sources believed to be reliable, but there is no assurance as to the accuracy or completeness of included information. Although the data is believed to be reliable, the Resulting Issuer has not independently verified any of the data from third party sources referred to in this Listing Statement or ascertained the underlying economic assumptions relied upon by such sources.

2 CORPORATE STRUCTURE

2.1 Corporate Name and Head and Registered Office

The full corporate name of the Resulting Issuer is First Lithium Minerals Corp. The Resulting Issuer has its head office, principal address, records office, and registered address at 77 King Street West, Suite 3000, Toronto, Ontario, M5K 1G8.

2.2 Jurisdiction of Incorporation

PetroCorp was incorporated pursuant to the ABCA on December 31, 2006. The registered and head office of PetroCorp prior to the Transaction was located at Suite 800 Dome Tower, 333 - 7th Avenue SW, Calgary, Alberta, T2P 2Z1.

First Lithium was incorporated pursuant to the OBCA on February 14, 2017. The registered office of First Lithium was located at 77 King Street West, Suite 3000, Toronto, Ontario, Canada, M5K 1G8.

QL was incorporated pursuant to the OBCA on November 18, 2021. The registered office of QL was located at 77 King Street West, Suite 3000, Toronto, Ontario, Canada, M5K 1G8.

On June 30, 2022, PetroCorp continued from Alberta to Ontario. On July 27, 2022, PetroCorp filed articles of amendment under the OBCA to change its name from "PetroCorp Group Inc." to

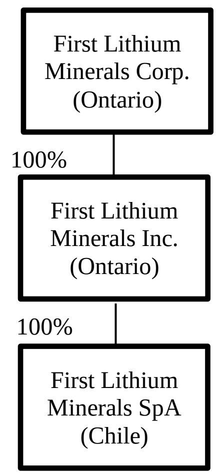
"First Lithium Minerals Corp." and to effect the PetroCorp Consolidation, as a condition of the Transaction.

On July 28, 2022, First Lithium, QL and Newco filed articles of amalgamation under the OBCA to effect the FLM Amalgamation and form FLM Amalco, a wholly-owned subsidiary of the Resulting Issuer.

FLM Chile is the wholly-owned subsidiary of the Resulting Issuer and was incorporated under the laws of Chile on March 1, 2017.

2.3 Intercorporate Relationships

The corporate structure of the Resulting Issuer is as follows:



2.4 Issuers requalifying following a fundamental change

Immediately before listing on the Exchange, PetroCorp, First Lithium, and QL completed the Transaction. In conjunction with the Transaction, PetroCorp completed the Name Change and Continuation. Upon completion of the Transaction, PetroCorp became the Resulting Issuer and FLM Amalco became a wholly owned subsidiary of the Resulting Issuer. The Transaction constitutes a reverse takeover. See "*Section 3. General Development of the Business – The Transaction*".

2.5 Non-Corporate Issuers or Issuers Outside of Canada

This section 2.5 is not applicable to the Resulting Issuer.

3 GENERAL DEVELOPMENT OF THE BUSINESS

3.1 General Development

(1) General Development of the Business of PetroCorp Prior to the Transaction

Prior to the Transaction, PetroCorp was a non-listed reporting issuer, which had no revenue producing operations. PetroCorp's main focus was to enhance value to PetroCorp Shareholders through the completion of the Transaction.

On December 1, 2017, PetroCorp completed a non-brokered private placement of 491,803,275 PetroCorp Shares at a price of $0.00061 per PetroCorp Share for aggregate gross proceeds of $300,000.

On March 30, 2022, PetroCorp completed a non-brokered private placement of 98,360,656 PetroCorp Shares at a price of $0.00061 per share for aggregate gross proceeds of $60,000.

In connection with the Transaction, PetroCorp entered into the Letter of Intent with First Lithium and QL dated April 7, 2022.

(2) General Development of the Business of First Lithium Prior to the Transaction

Prior to the Transaction, First Lithium was a private company engaged in the acquisition, exploration and evaluation of mineral properties.

The principle property and focus of First Lithium was the OCA Prospect it acquired in 2018, which comprises of 8,900 ha of mineral exploration concessions located in the salars of Ollague, Carcote and Ascotan in the Antofagasta Region of Northern Chile within the cordilleran sector bordering Bolivia. First Lithium undertook the exploration phases pursuant to the recommendations in the OCA Technical Report.

In order to facilitate the investment in the OCA Prospect and to continue to build its lithium assets, First Lithium entered into the Letter of Intent with PetroCorp and QL dated April 7, 2022.

On June 30, 2022, FLM completed all rounds of the FLM Private Placement raising aggregate proceeds of $5,914,500. In connection with the FLM Private Placement, First Lithium paid cash commissions totaling approximately $213,675, and 895,860 Resulting Issuer Broker Warrants were issued.

(3) General Development of the Business of QL Prior to the Transaction

Prior to the Transaction, QL was a mineral exploration company which held a 100% interest in 39 claims located in the township of Senneville, Quebec, Canada. On November 23, 2021, QL acquired a 100% interest in the Senneville Property from Xander Resources Inc. via the issuance of 400,000 QL Shares pursuant to the Xander Purchase Agreement. Recent examination by Xander Resource Inc.'s geologists suggests the possibility of lithium on the claim group as the claims are in proximity to the La Corne Batholith, two existing lithium mines and a developing lithium prospect by Great Thunder Gold.

On January 20, 2022, QL completed the QL Financing raising aggregate proceeds of $130,000, comprised of 2,600,000 QL Shares at a price of $0.05 each.

On May 17, 2022, QL completed the QL Private Placement raising aggregate gross proceeds of $795,000 comprised of 3,180,000 QL Subscription Receipts at a price of $0.25 each. In connection with the QL Private Placement, QL paid cash commissions totaling approximately $39,300.

In connection with the Transaction, QL entered into the Letter of Intent with PetroCorp and First Lithium on April 7, 2022.

The Transaction

On April 7, 2022, PetroCorp entered into the definitive Letter of Intent with First Lithium and QL, and the parties, with Newco, entered into the Acquisition Agreement. Pursuant to the FLM Amalgamation under the Acquisition Agreement, on July 28, 2022, PetroCorp acquired all of the issued and outstanding FLM Consolidation Shares and QL Shares in exchange for the PetroCorp Consolidation Shares.

PetroCorp held an annual and special shareholder meeting on June 16, 2022 to, among other things, approve: (i) the Name Change; (i) the PetroCorp Consolidation; and (iii) the Continuation.

First Lithium held an annual and special shareholder meeting on June 28, 2022 to, among other things, approve: (i) the Transaction; and (ii) the FLM Consolidation. Following the FLM Consolidation, First Lithium completed the FLM Debt Conversion on July 28, 2022, immediately before the completion of the Transaction.

On June 20, 2022, QL Shareholders passed a unanimous shareholders resolution to approve the Transaction.

Following the PetroCorp Consolidation, the FLM Consolidation, the FLM Debt Conversion, PetroCorp, First Lithium and QL completed the Transaction whereby each of the FLM Consolidation Shares and the QL Shares were exchanged for one (1) PetroCorp Consolidation Share, including the FLM Subscription Receipts and QL Subscription Receipts issued in connection with the FLM Private Placement and the QL Private Placement respectfully, and the Finder Shares.

3.2 Significant Acquisitions and Dispositions

PetroCorp has not acquired any significant assets or disposed of any significant assets within the previous or current financial year.

First Lithium has not acquired any significant assets or disposed of any significant assets within the previous or current financial year.

QL has not acquired any significant assets or disposed of any significant assets within the previous or current financial year, other than the acquisition of the Senneville Property pursuant to the Xander Purchase Agreement.

See "*Section 2.4 – Issuers requalifying following a fundamental change*".

3.3 Trends, Commitments, Events or Uncertainties

There are significant uncertainties regarding the prices of lithium and other minerals and the availability of equity financing for the purposes of mineral exploration and development. For instance, the price of minerals has fluctuated widely in recent years and wide fluctuations are expected to continue. There is no guarantee that the Resulting Issuer will be able to continue to raise funds needed for its business. Failure to raise the necessary funds in a timely fashion will limit the Resulting Issuer's growth. Apart from this risk, and the risk factors noted under "*Section 17 - Risk Factors*", the Resulting Issuer is not aware of any other trends, commitments, events or uncertainties that would have a material adverse effect on its business, financial condition or results of operations.

The Resulting Issuer is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates. The Resulting Issuer believes it conducts its mineral exploration activities in compliance with applicable environmental protection legislation. The Resulting Issuer is not aware of any existing environmental problems related to any of its current or former properties that may result in material liability to the Resulting Issuer.

Environmental legislation is becoming increasingly stringent and the expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Resulting Issuer's operations may cause additional expenses and restrictions.

If the restrictions adversely affect the scope of exploration and development on the exploration and evaluation assets, the potential for production on the property may be diminished or negated.

Emerging Market Issuer Disclosure

Pursuant to OSC Staff Notice 51-720 and policies of the CSE, which provide guidance to issuers that are considered "emerging market issuers", being in general terms issuers that have operations or management principally located in regions such as Asia, Africa, South America and Eastern Europe, the Resulting Issuer provides the following background information on Chile.

Summary

- Chile has been a member of the OECD since 2010.

- Chile has a rank of 27 out of 180 on the Corruption Perception Index, and a score of 67/100, which is the same rank and score as the United States. By additional comparison, Spain has a rank of 34 and a score of 61/100, Italy 42 and 56/100.[1]

- Chile has a modern democratically elected government, and was rated as a "full democracy" by the Economist Intelligence Unit's annual Democracy Index in 2020, but was downgraded to a "flawed democracy" by the Economist Intelligence Unit's annual Democracy Index in 2021 - it is ranked 25 out of 167 developed countries (the rank was 21 in 2020). By comparison the United States has a ranking of 26 and is also rated as a "flawed democracy".[2]

- Chile has a fully independent judiciary system.

- Chile is globally recognized as a developed country.

- Chile has a high education rate and a high life expectancy rate.

Economy and Fiscal Framework

Chile has a liberal, open-market economy with strong macroeconomic stability. The Chilean economy is characterized by a high level of foreign trade, in addition to strong financial institutions and fiscal policy. Chile has a mature and well-diversified financial system. Its regulatory framework is well established, and the economy has the capability of recovering in the events of crisis. The country's financial system is further strengthened by the floating exchange rate, which it has adopted, coupled with an establishment of inflation targets and strict fiscal discipline. Since the 1990s, Chile has been one of Latin America's fastest growing economies. In 2010, it became the first Latin American country to join the Organization for Economic Cooperation and Development (OECD).[3]

From 2000 to 2018, Chile's GDP increased from USD78 billion to USD298 billion. GDP growth decreased from 3.9 percent in 2018 to 1.1 percent in 2019, and then suffered a decline of 5.8% in 2020 but bounced back in 2021 with a growth of 18.1% in Q2 2021 and a growth of 17.2% in Q3 2021. The disruptions in economic activity in 2020 resulted in an uptick of unemployment and induced the government to call for a constitutional referendum which was held on October 25, 2020. Due to the fluid domestic political context and uncertainty about the impact of COVID19, Chile was exposed to lower than expected copper prices and longer subdued export demand resulting from the pandemic.

Monetary Framework

Chile's currency is the Chilean peso (CLP). The CLP has floated freely since 1999, though the Chilean government allows occasional intervention in markets to control extreme volatility. As of May 31, 2022, the exchange rate was approximately CLP830 to 1 U.S. dollar and CLP666 to

---

[1] Transparency International 2021 Corruption Perceptions Index.
[2] Economist Intelligence Unit's annual Democracy Index, 2020 and 2021.
[3] Chile – Country mining guide. KPMG Global Mining Institute, 2014.

1 Canadian dollar. There are no restrictions on repatriation of currency from Chile, subject to payment of applicable taxes.

Overview of the Mining Industry in Chile

Chile is located in South America between the Andes mountains and the Pacific Ocean of South America and stretches from Peru to the north to Terra del Fuego to the south. Chile's national language is Spanish. Chile is one of the most attractive business destinations in South America, with a well-functioning market economy and sophisticated financial markets. Mining is a key sector of Chile's economy, and the country's mining and environmental regulations are well defined. The country has abundant metals and minerals including copper, gold, silver, zinc, iron, lead and manganese, especially in its northern regions.[4]

Energy and Transport Infrastructure

The Chilean power sector is well regulated. Regulations for the sector are defined in a manner that promote investment in energy infrastructure and reduce regulatory risks for an electric company. However, Chile's power sector, especially generation and transmission, have not developed at par with the country's economy, leading to a lack of power supply in the country. The country has a potential risk of facing large energy deficits, which may drag the Chilean economic growth. In addition, droughts, unreliable gas imports, and protests against proposed projects have hampered the Chilean power sector.[5]

The mining sector in Chile faces high-energy prices. The increased cost of power could make the Chilean miners uncompetitive to their Latin American counterparts. To address these issues, Chilean mining companies are taking initiatives to ensure a more reliable source of power, to avoid blackouts and disruptions. Certain mining companies are developing their own power supply infrastructures while others that are connected to traditional power generators are seeking to be connected to alternative renewable energy sources.[6]

Regulatory Framework

Chile has well defined mining and environmental regulations governing the mining sector in the country. The country's mining sector is primarily regulated by the mining code, based on a legal protection to mining property and mining industry. The mining ministry administers the concession to mining companies under the code. In addition, the government has put in place specific progressive foreign investment regulations to attract foreign investments in the mining sector. The foreign investment is governed by The Foreign Investment Statute and Chapter XIV of the Central Bank's Compendium of Foreign Exchange Regulations. These rules have not only brought in mining investment, but also encouraged the leading providers of business services and equipment to start operations in the country.[7]

---

[4] Chile – Country mining guide. KPMG.
[5] Chile – Country mining guide. KPMG.
[6] Chile – Country mining guide. KPMG.
[7] Chile – Country mining guide. KPMG.

The framework of Chile's more than 150-year-old mining industry has evolved rapidly over the past two decades. With favorable foreign direct investment policies, and a well-established and well-tested operational framework, Chile scores well with regard to the major investment requirements typically demanded by investors. Chile's free market economy, stable macroeconomic fundamentals and excellent business environment make it an attractive destination for major mining investments.[8]

The Resulting Issuer's Operations in Chile

The principal language of business in Chile is Spanish. The Resulting Issuer's management includes persons that are fluent in Spanish. The Resulting Issuer utilizes Chilean legal counsel for business and mining matters in Chile.

The Resulting Issuer is in the early stage of development and relies to a great extent, on the Resulting Issuer's local legal counsel and local consultants retained by the Resulting Issuer in order to keep abreast of material legal, regulatory and governmental developments as they pertain to and affect the Resulting Issuer's business operations, and to assist the Resulting Issuer with its governmental relations. The Resulting Issuer relies on the advice of local experts and professionals in connection with current and new regulations that develop in respect of banking, financing, labour, litigation and tax matters in Chile. For further information, see the disclosure under the subheadings "Reliance on Local Advisors and Consultants in Chile" and "Internal Controls Related to Operations in Chile" under the heading "Risk Factors".

The Resulting Issuer holds the OCA Prospect through its wholly owned indirect subsidiary, FLM Chile, a company existing under the laws of Chile. The Resulting Issuer is able to satisfy itself as to its ownership of its property interests in the OCA Prospect through: (a) the receipt and review of title opinion regarding the Resulting Issuer's mineral rights to the OCA Prospect provided by Chile Inc., a law firm in Chile recognized as having expertise in mining law matters; and (b) conducting an internal review of its paperwork, registrations and legal requirements on a quarterly basis.

The Resulting Issuer is the indirect sole shareholder of FLM Chile, through its wholly-owned direct subsidiary, FLM Amalco. The Resulting Issuer, as the indirect sole shareholder of FLM Chile, can also resolve in a short period of time to remove the administrator and/or powers of attorney by a written resolution of the sole shareholder and the registration of same with the Registry of Commerce and can remove officers by way of simple communication that such administrator is being removed from his/her position. Finally, the supreme authority for Chilean corporations are the shareholders (who can function through unanimous written resolutions or through meetings). The Resulting Issuer as the sole shareholder of FLM Chile, through FLM Amalco, can, therefore, act directly in making management decisions and can overrule any decisions made by the administrator of FLM Chile.

The corporate records of FLM Chile are maintained by Chile Inc. The corporate records are presented in Spanish and may be translated into English upon request. There are no restrictions on access to the corporate records by the Resulting Issuer's Board, executive officers, employees,

---

[8] Chile – Country mining guide. KPMG.

personnel and advisors. The material permits, business licenses and other regulatory approvals that may in the future be required for the Resulting Issuer to be able to carry out its business operations in Chile as currently conducted, through its wholly owned Chilean subsidiary, include the items listed below. At this time, the Resulting Issuer does not require any of these permits, licenses or approval to conduct its planned operations in Chile:

- Environmental Impact Study approval by the Environmental Assessment Agency (SEA);
- Compliance with the Mining Safety Regulation and Environmental Protection Law which are administered by the National Geological and Mining Service and the National Environmental Commission;
- Water Use Rights duly registered in documents available for public examination in public records indicating that both Surface Water Use Rights and Underground Water Use Rights are in good standing, legally registered in the name of the Chilean subsidiary, free of mortgages, encumbrances, prohibitions, injunctions and litigation;
- Surface properties and surface property rights such as easements and occupation rights duly registered in documents available for public examination in public records at the corresponding Property Registrar, indicating that such rights are in good standing, legally registered in the name of the Chilean subsidiary, free of mortgages, encumbrances, prohibitions, injunctions and litigation;
- Legal constitution of exploration and exploitation mining concessions (the "**Mining Concessions**") granted by judicial resolutions through non discretional and non-contentious judicial proceedings;
- Mining Concessions duly registered in documents available for public examination in public records at the registry of the corresponding mining registrar (the "**Mining Registrar**"), the agency responsible for due registration of Mining Concessions according to the requirements of the Chilean mining legislation, in which all grants, transfers and assignments of Mining Concessions and other evidence of mineral rights to explore, exploit mineral properties are registered; and
- Payment of the annual mining license fee of the Mining Concessions.

4 NARRATIVE DESCRIPTION OF THE BUSINESS

4.1 General

(1) Business of the Resulting Issuer

The Resulting Issuer's principal business activities include the further acquisition and exploration of mineral property assets located in Chile, primarily the OCA Prospect.

(a) *Business Objectives*

The principal business carried on and intended to be carried on by the Resulting Issuer during the forthcoming 12-month period is the exploration and, if warranted, development of the OCA Prospect.

(b) *Significant Events or Milestones*

The business objective that the Resulting Issuer expects to accomplish using the available funds described below under the heading "*Purpose of Funds*", is to complete the Phase I and Phase II recommendations set out in the OCA Technical Report, which includes the following:

Significant Event or Milestone	**Target Date**	**Estimated Cost ($USD)**
Phase I		
Electromagnetic survey (TEM)	Q3/Q4 2022	$150,000
Shallow brine sampling	Q3/Q4 2022	$150,000
Logistics and site prep	Q4 2022	$50,000
Lab and technical analysis	Q4 2022	$25,000
Total Phase I:		*$375,000*
Phase II		
Shallow drilling	Q1 2023	$300,000
Deep drilling and coring	Q1/Q2 2023	$1,000,000
Lab analysis sediment	Q1/Q2 2023	$25,000
Lab analysis brine	Q1/Q2 2023	$25,000
Well completion	Q2 2023	$50,000
Pumping testing	Q2 2023	$70,000
Supervision and reporting	Q2 2023	$150,000
Total Phase II:		*$1,620,000*
Contingency on PI and PII (25%)		$498,750
Total Phase I and II:		**$2,493,750**

(c) *Total Funds*

It is anticipated that the following funds are available to the Resulting Issuer:

Description of Funds	Amount
Working capital of PetroCorp as of March 31, 2022 (deficit)	($183,864)
Working capital of First Lithium as of March 31, 2022 (deficit)	($4,363,176)
Working capital of QL as of March 31, 2022	$72,719
Net proceeds of FLM Private Placement	$5,914,500
Net proceeds of QL Private Placement	$795,000
FLM Debt Conversion	$3,571,591
Less expenses and costs of the Transaction (including Legal and Accounting)(1)	($400,000)
Total	$5,406,770

Notes:
(1) Includes estimated legal expenses of $300,000 and accounting expenses of $100,000.

The Resulting Issuer's ability to continue operations is dependent upon successfully raising the necessary financing to complete future exploration and development. These pursuits may be delayed given challenges faced by exploration stage companies seeking to raise exploration funds through the issuance of equity securities.

(d) *Purpose of Funds*

The chart below provides a summary of the principal purposes for which the funds described above under "*Total Funds*" will be used in part.

Use of Proceeds	Funds to be Expended
Phase I Exploration Program	$604,687.50(1)
Phase II Exploration Program	$2,612,250(1)
General and Administrative Expenses	$567,641
Unallocated Working Capital	$1,622,191.50
Total	$5,406,770

Notes:
(1) Amounts converted to CAD$ from USD$ at conversion rate of 1.29.

(2) Principal Products or Services

This section is not applicable.

(3) Production and Sales

This section is not applicable.

(4) Competitive Conditions and Position

The mineral exploration industry is intensely competitive and the Resulting Issuer competes with many companies that have greater financial resources and technical facilities than the Resulting Issuer. Significant competition exists for the limited number of mineral acquisition opportunities available in the Resulting Issuer's geographic sphere of operations. As a result of this competition, the Resulting Issuer's ability to acquire additional attractive mining properties on terms it considers acceptable may be adversely affected.

(5) Lending and Investment Polices and Restrictions

This section is not applicable.

(6) Bankruptcy and Receivership

Neither PetroCorp, First Lithium nor QL have been the subject of any bankruptcy or any receivership or similar proceedings against them or any voluntary bankruptcy, receivership or similar proceedings by PetroCorp, First Lithium, or QL, within the three most recently completed financial years or the current financial year.

(7) Material Restructuring

Neither PetroCorp, First Lithium nor QL have been subject to any material restructuring transaction within the three most recently completed financial years nor are PetroCorp, First Lithium or QL proposing any material restructuring transaction for the current financial year.

(8) Social and Environmental Policies

The Resulting Issuer has not adopted any formal social or environmental policies that are fundamental to its operations.

4.2 Asset Backed Securities

The Resulting Issuer does not have any asset backed securities.

4.3 Mineral Projects

The Resulting Issuer holds two properties – the OCA Prospect and Senneville Property, of which the OCA Prospect is the principal property.

<u>**OCA Prospect**</u>

Unless stated otherwise, the information in this section is based on the OCA Technical Report and is effective as of the date of the OCA Technical Report and was reviewed by, and included with the consent of the Author. Information presented herein from the OCA Technical Report is accurate as of the date of that report. Portions of the following information are based on assumptions, qualifications and procedures which are not fully described herein. Reference should be made to the full text of the OCA Technical Report which is available for review on SEDAR at www.sedar.com.

The OCA Technical Report has been prepared in accordance with the disclosure and reporting requirements set forth in the Canadian Securities Administrators' National Instrument 43-101 (NI 43-101), Companion Policy 43-101CP, and Form 43-101F1. The best practice guidelines for resource and reserve estimation for lithium brines from the Canadian Institute of Mining, Metallurgy and Petroleum were also used.

(1) Property Description and Location

Area and Location

The OCA Prospect is located in the Salars of Ollague, Carcote and Ascotán, commune of Ollague, province of El Loa, Antofagasta Region, Chile, 215 kilometers Northeast from the city of Calama (see **Fig. 1 – Location of the OCA Prospect**). The mineral exploration concessions that form the OCA Prospect are located in the salars of Ollague, Carcote, Ascotán, within the cordilleran sector, bordering Bolivia.

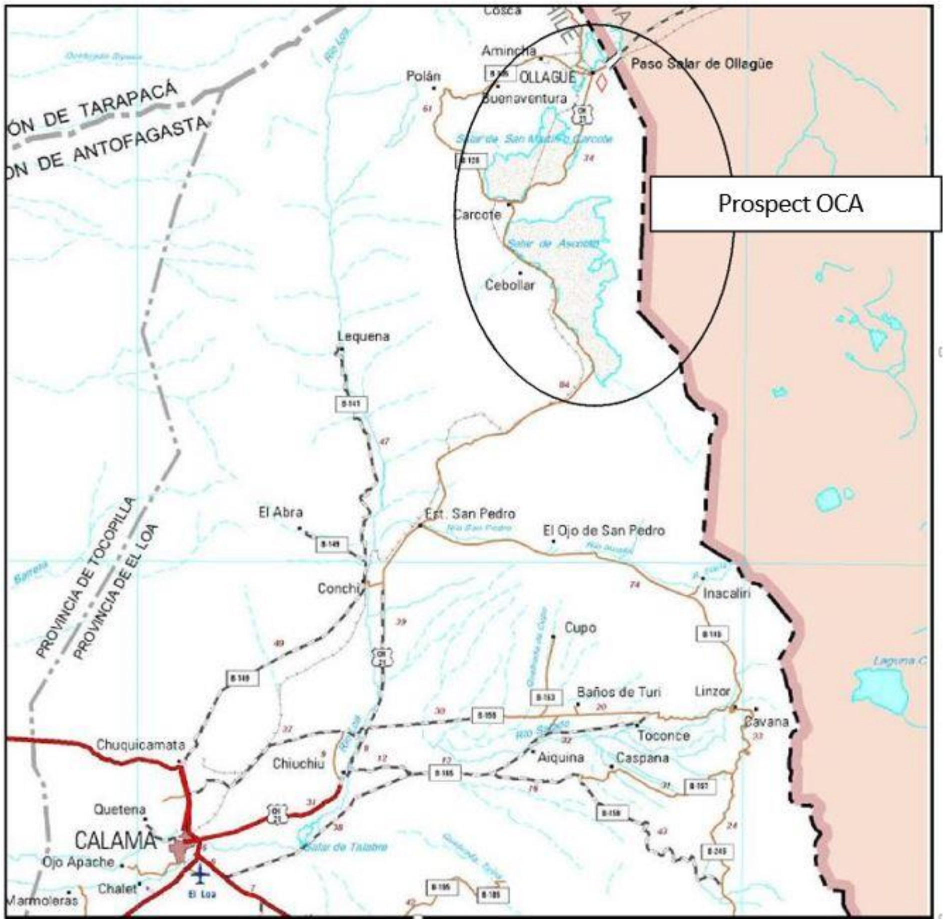


Fig. 1 – Location of the OCA Prospect

FLM Chile is a wholly-owned Chilean subsidiary of the Resulting Issuer, Chilean Tax ID Nº 76.694.998-3, located at 2351 Pedro de Villagra Street, in the community of Vitacura, in Santiago, Chile.

FLM Chile is the registered owner of the Jenna Concessions (see **Table 1 – Mineral Exploration Concessions OCA Prospect** and **Fig. 2 – Location of the Mineral Exploration Concessions of the OCA Prospect**). A legal opinion regarding these concessions has been prepared by Chilean legal firm Chile Inc. on August 29, 2021.

The OCA Prospect has a total area of 8,900 hectares and is divided into three groups of concessions:

Group 1: Jenna 7, Jenna 9, Jenna 43, Jenna 44 and Jenna 45, with a total of 1,100 hectares, are located in the Ollague Salar (3,733 meters masl).

Group 2: Jenna 10, Jenna 11, Jenna 12, Jenna 13, Jenna 14, Jenna 15, Jenna 36, Jenna 37 and Jenna 42, with a total of 2,300 hectares, are located in the Carcote Salar (3,700 masl).

Group 3: Jenna 17, Jenna 18, Jenna 20, Jenna 21, Jenna 22, Jenna 23, Jenna 24, Jenna 25, Jenna 26, Jenna 27, Jenna 28, Jenna 29, Jenna 30, Jenna 31, Jenna 32, Jenna 33, Jenna 38, Jenna 39, Jenna 40, Jenna 41, Jenna 46, Jenna 47, Jenna 48, Jenna 49, Jenna 50 and Jenna 51 with a total of 5,500 hectares, are located in the Ascotán Salar (3,735 masl).

The Jenna Concessions are fully constituted and have been awarded to FLM Chile. All concessions are valid and in good standing.

									REGISTRATION DETAILS						
	NAME	TYPE	SALAR	COMMUNE	NATIONAL ROLE	COURT FILE	COURT	STATUS	PAGE	NUMBER	YEAR	REGISTER	REGISTRAR	HA	PREFERENTIAL RIGHTS
1	JENNA 7	EXPLORATION	OLLAGÜE	OLLAGÜE	023021631-2	V-1656-2017	3º CALAMA	CONSTITUTED	4733	3194	2018	DISCOVERIES	CALAMA	200	100
2	JENNA 9	EXPLORATION	OLLAGÜE	OLLAGÜE	023021599-5	V-1656-2017	2º CALAMA	CONSTITUTED	4738	3196	2018	DISCOVERIES	CALAMA	300	200
3	JENNA 10	EXPLORATION	CARCOTE	OLLAGÜE	023021630-4	V-1657-2017	3º CALAMA	CONSTITUTED	4740	3197	2018	DISCOVERIES	CALAMA	300	197,4
4	JENNA 11	EXPLORATION	CARCOTE	OLLAGÜE	023021624-K	V-1659-2017	1º CALAMA	CONSTITUTED	4743	3198	2018	DISCOVERIES	CALAMA	300	45
5	JENNA 12	EXPLORATION	CARCOTE	OLLAGÜE	023021619-3	V-1660-2017	1º CALAMA	CONSTITUTED	4745	3199	2018	DISCOVERIES	CALAMA	300	224
6	JENNA 13	EXPLORATION	CARCOTE	OLLAGÜE	023021603-7	V-1657-2017	2º CALAMA	CONSTITUTED	4747	3200	2018	DISCOVERIES	CALAMA	300	300
7	JENNA 14	EXPLORATION	CARCOTE	OLLAGÜE	023021629-0	V-1658-2017	3º CALAMA	CONSTITUTED	4749	3201	2018	DISCOVERIES	CALAMA	300	300
8	JENNA 15	EXPLORATION	CARCOTE	OLLAGÜE	023021598-7	V-1658-2017	2º CALAMA	CONSTITUTED	4752	3202	2018	DISCOVERIES	CALAMA	300	300
9	JENNA 17	EXPLORATION	ASCOTAN	OLLAGÜE	023021623-1	V-1661-2017	1º CALAMA	CONSTITUTED	4754	3203	2018	DISCOVERIES	CALAMA	200	200
10	JENNA 18	EXPLORATION	ASCOTAN	OLLAGÜE	023021602-9	V-1659-2017	2º CALAMA	CONSTITUTED	4756	3204	2018	DISCOVERIES	CALAMA	300	300
11	JENNA 20	EXPLORATION	ASCOTAN	OLLAGÜE	023021651-7	V-60-2018	3º CALAMA	CONSTITUTED	6457	4283	2018	DISCOVERIES	CALAMA	300	300
12	JENNA 21	EXPLORATION	ASCOTAN	OLLAGÜE	023021645-2	V-59-2018	1º CALAMA	CONSTITUTED	4758	3205	2018	DISCOVERIES	CALAMA	300	300
13	JENNA 22	EXPLORATION	ASCOTAN	OLLAGÜE	023021646-0	V-59-2018	2º CALAMA	CONSTITUTED	4760	3206	2018	DISCOVERIES	CALAMA	300	300
14	JENNA 23	EXPLORATION	ASCOTAN	OLLAGÜE	023021652-5	V-59-2018	3º CALAMA	CONSTITUTED	6460	4284	2018	DISCOVERIES	CALAMA	300	300
15	JENNA 24	EXPLORATION	ASCOTAN	OLLAGÜE	023021642-8	V-58-2018	1º CALAMA	CONSTITUTED	4762	3207	2018	DISCOVERIES	CALAMA	300	300
16	JENNA 25	EXPLORATION	ASCOTAN	OLLAGÜE	023021648-7	V-58-2018	2º CALAMA	CONSTITUTED	4764	3208	2018	DISCOVERIES	CALAMA	300	300
17	JENNA 26	EXPLORATION	ASCOTAN	OLLAGÜE	023021650-9	V-57-2018	1º CALAMA	CONSTITUTED	4766	3209	2018	DISCOVERIES	CALAMA	300	300
18	JENNA 27	EXPLORATION	ASCOTAN	OLLAGÜE	023021653-3	V-58-2018	3º CALAMA	CONSTITUTED	6463	4285	2018	DISCOVERIES	CALAMA	300	300
19	JENNA 28	EXPLORATION	ASCOTAN	OLLAGÜE	023021644-4	V-66-2018	1º CALAMA	CONSTITUTED	4768	3210	2018	DISCOVERIES	CALAMA	300	300
20	JENNA 29	EXPLORATION	ASCOTAN	OLLAGÜE	023021643-6	V-65-2018	1º CALAMA	CONSTITUTED	4770	3211	2018	DISCOVERIES	CALAMA	300	300
21	JENNA 30	EXPLORATION	ASCOTAN	OLLAGÜE	023021647-9	V-65-2018	2º CALAMA	CONSTITUTED	4772	3212	2018	DISCOVERIES	CALAMA	200	200
22	JENNA 31	EXPLORATION	ASCOTAN	OLLAGÜE	023021674-6	V-284-2018	3º CALAMA	CONSTITUTED	6466	4286	2018	DISCOVERIES	CALAMA	300	300
23	JENNA 32	EXPLORATION	ASCOTAN	OLLAGÜE	023021668-1	V-282-2018	2º CALAMA	CONSTITUTED	6469	4287	2018	DISCOVERIES	CALAMA	100	100
24	JENNA 33	EXPLORATION	ASCOTAN	OLLAGÜE	023021667-3	V-281-2018	1º CALAMA	CONSTITUTED	6471	4288	2018	DISCOVERIES	CALAMA	100	100
25	JENNA 36	EXPLORATION	CARCOTE	OLLAGÜE	032021675-4	V-336-2018	1º CALAMA	CONSTITUTED	6473	4289	2018	DISCOVERIES	CALAMA	200	200
26	JENNA 37	EXPLORATION	CARCOTE	OLLAGÜE	023021698-3	V-336-2018	3º CALAMA	CONSTITUTED	1544	970	2019	DISCOVERIES	CALAMA	200	200
27	JENNA 38	EXPLORATION	ASCOTAN	OLLAGÜE	023021676-2	V-337-2018	2º CALAMA	CONSTITUTED	6475	4290	2018	DISCOVERIES	CALAMA	100	100
28	JENNA 39	EXPLORATION	ASCOTAN	OLLAGÜE	023021699-1	V-337-2018	3º CALAMA	CONSTITUTED	1995	1212	2019	DISCOVERIES	CALAMA	100	100
29	JENNA 40	EXPLORATION	ASCOTAN	OLLAGÜE	023021727-0	V-611-2018	2º CALAMA	CONSTITUTED	1546	971	2019	DISCOVERIES	CALAMA	100	100
30	JENNA 41	EXPLORATION	ASCOTAN	OLLAGÜE	023021700-9	V-426-2018	3º CALAMA	CONSTITUTED	1548	972	2019	DISCOVERIES	CALAMA	100	100
31	JENNA 42	EXPLORATION	CARCOTE	OLLAGÜE	023021701-7	V-557-2018	1º CALAMA	CONSTITUTED	1550	973	2019	DISCOVERIES	CALAMA	100	100
32	JENNA 43	EXPLORATION	OLLAGÜE	OLLAGÜE	023021704-1	V-557-2018	2º CALAMA	CONSTITUTED	1553	974	2019	DISCOVERIES	CALAMA	200	82,6
33	JENNA 44	EXPLORATION	OLLAGÜE	OLLAGÜE	023021702-5	V-556-2018	1º CALAMA	CONSTITUTED	1555	975	2019	DISCOVERIES	CALAMA	200	200
34	JENNA 45	EXPLORATION	OLLAGÜE	OLLAGÜE	023021703-3	V-558-2018	3º CALAMA	CONSTITUTED	3724	2296	2019	DISCOVERIES	CALAMA	200	200
35	JENNA 46	EXPLORATION	ASCOTAN	OLLAGÜE	023021725-4	V-578-2018	1º CALAMA	CONSTITUTED	1557	976	2019	DISCOVERIES	CALAMA	100	10
36	JENNA 47	EXPLORATION	ASCOTAN	OLLAGÜE	023021732-7	V-579-2018	3º CALAMA	CONSTITUTED	1997	1213	2019	DISCOVERIES	CALAMA	100	18,31
37	JENNA 48	EXPLORATION	ASCOTAN	OLLAGÜE	023021748-3	V-990-2018	1º CALAMA	CONSTITUTED	3355	2103	2019	DISCOVERIES	CALAMA	100	100
38	JENNA 49	EXPLORATION	ASCOTAN	OLLAGÜE	023021726-2	V-577-2018	1º CALAMA	CONSTITUTED	1559	977	2019	DISCOVERIES	CALAMA	100	69,3
39	JENNA 50	EXPLORATION	ASCOTAN	OLLAGÜE	023021742-4	V-725-2018	2º CALAMA	CONSTITUTED	2000	1214	2019	DISCOVERIES	CALAMA	300	300
40	JENNA 51	EXPLORATION	ASCOTAN	OLLAGÜE	023021747-5	V-784-2018	1º CALAMA	CONSTITUTED	2002	1215	2019	DISCOVERIES	CALAMA	200	118
													TOTAL	8900	7864,61

Table 1 – Mineral Exploration Concessions OCA Prospect

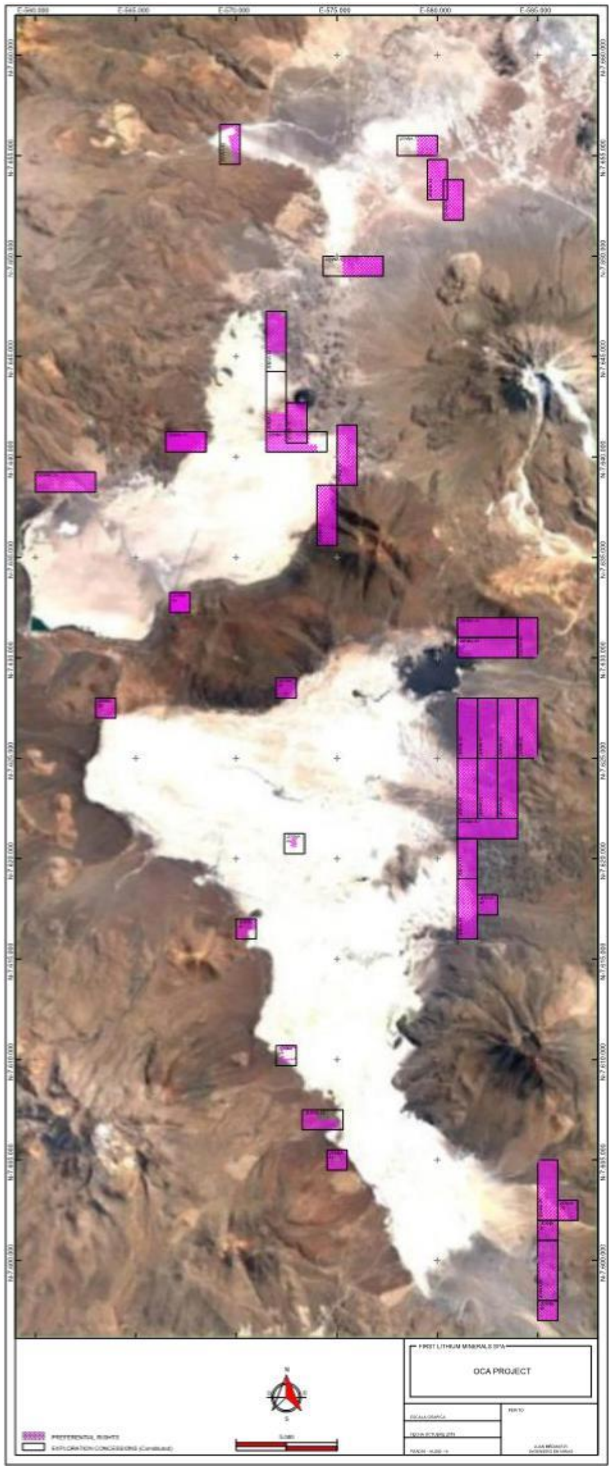


Fig. 2 – Location of the Mineral Exploration Concessions of the OCA Prospect

Surface Rights, Surface Access and Environmental Liabilities

The surface rights of the OCA Prospect are held by the Chilean Government, through the Ministry of National Assets. As a result, there is no third party (private individual or company) that owns the surface rights.

As such, from a legal standpoint, FLM Chile should have unrestricted access to the properties. According to Chilean mining law, the owner of a mineral exploration concession shall have the exclusive right to explore its claim, without any limitation (with some exceptions not applicable in this case).

Regarding the obligations to permit the continued use of the properties, FLM Chile needs to pay the corresponding annual license fees and complete the procedure for maintaining the mineral concessions.

To the extent known, there are no environmental liabilities affecting the mineral exploration properties. Protected species are known to be present in the salars and the current and future work will take into account the standard of care required concerning contractor access to the Property. Wetlands have special protection in the region and are managed according to the standards set by the government.

Applicable permits should be obtained prior to initiating exploration activities involving any use of drilling equipment. The Chilean environmental authority requires a "Declaracion Impacto Ambiental" or declaration of environmental impact, when more than 40 drilling platforms are planned for exploration.

To the extent known, there are no significant factors or risks that may affect access, title, or the right or ability to perform exploration work on the properties, as explained herein.

Mineral Ownership Rights

Mineral concessions are granted to applicants by a judicial ruling in a civil court and are registered in the Public Mines Registry. There are two types of concessions, exploration concessions and exploitation concessions. It is not necessary to hold an exploration concession prior to an exploitation concession. Mineral concessions are legally considered property and are independent from property rights over surface tenements. The holder of exploration or exploitation concessions has exclusive rights to explore or exploit minerals within the limits of the concession. Mineral concessions are granted on a "first come, first served" basis.

Exploration concessions are granted for the initial two years and are subject to an annual fee. If exploration concessions are not converted into exploitation concessions, exploration concessions can be renewed for an additional two years, but are required to waive half of the surface area. Exploitation concessions are indefinite, provided that the holder pays an annual concession fee. Concession rights can be relinquished through a regulatory process or they can be revoked if the holder breaches formal requirements, such as the nonpayment of the annual fee.

(2) Accessibility, Climate, Local Resource, Infrastructure, and Physiography

Accessibility

The OCA Prospect can be accessed from the nearest town of Ollague, Chile via Highway 21 (CH-21) that connects Ollague with Calama (200km).

There are numerous surface roads to access most of the mineral exploration concessions in the area of salars including through the hard salt and sediment flat surface of the salars.

The railway, FCAB forms a major transportation corridor between the seaport of Antofagasta, Chile and the capital of Bolivia, La Paz. The railway passes close to the border of salars Ollague and Ascotán and through Salar de Carcote and has a station and operating depot in Ollague.

Climate

The mineral exploration concessions are located in a desert environment, with little annual precipitation and rare winter fog occurrences (Camanchaca). Due to extreme aridity, there are no climatic restrictions to explore or work the OCA Prospect, except for the months of January and February when occasional precipitation and lightning storms could hinder certain operating activities for a couple of days.

Local Resources

There is no production of domestic or basic industrial goods near the OCA Prospect. Most of the supplies are brought from the city of Calama, Chile.

Ollague, Chile is closest town to the OCA Prospect and has basic infrastructure, including a domestic drinking water system, 220-volt power, first aid center with ambulance service, public school, restaurants, hostels, police station, mail, warehouses, municipality and railway station.

The city of Calama, with approximately 146,600 inhabitants, is located about 200 km southwest from the OCA Prospect. It is approximately a 2.5 hour drive from Ollague. Calama is the capital of El Loa Province and is an active commercial and mining center with industrial and civil infrastructure, hotels, restaurants, major national airport, schools, universities, banks, developed industrial district, hospital, clinics, supermarkets and railway station.

Transportation of supplies and construction materials to the OCA Prospect could be facilitated by the existing transportation infrastructure. FCAB transports a variety of industrial equipment and minerals, and forms a major transportation corridor between the seaport city of Antofagasta, Chile and the capital of Bolivia, La Paz.

Cerro Pabellon Geothermal Power Plant, arguably South America's first and the only large geothermal power plant (48MW facility) is located approximately 10km south of the southern border of Salar de Ascotán.

Power lines from the coastal power generation facilities run to existing copper mines in the Calama area with the closest substation and power lines approx. 100-150km near the OCA Prospect. Natural gas pipelines located in the same vicinity.

Topography, Elevation and Vegetation

Topography is mainly formed by Loa River, volcanic chain, and endorheic basins of salars de Ascotán, Carcote and Ollague (see **Fig. 3 – Topography of the OCA Prospect**). The upper basin of Loa River is flanked on both sides by two longitudinal mountain ranges; the western flank is constituted by the Sierra del Medio with an approximate altitude of 4,500 meters; on the eastern flank the continental divide formed by the Andes including: the Paruma de Portezuelo mountain (5,582 masl), the Ollagüe volcano (5,868 masl), the Ascotán mountain (5,187 masl) and the Toconce mountain (5,411 masl).

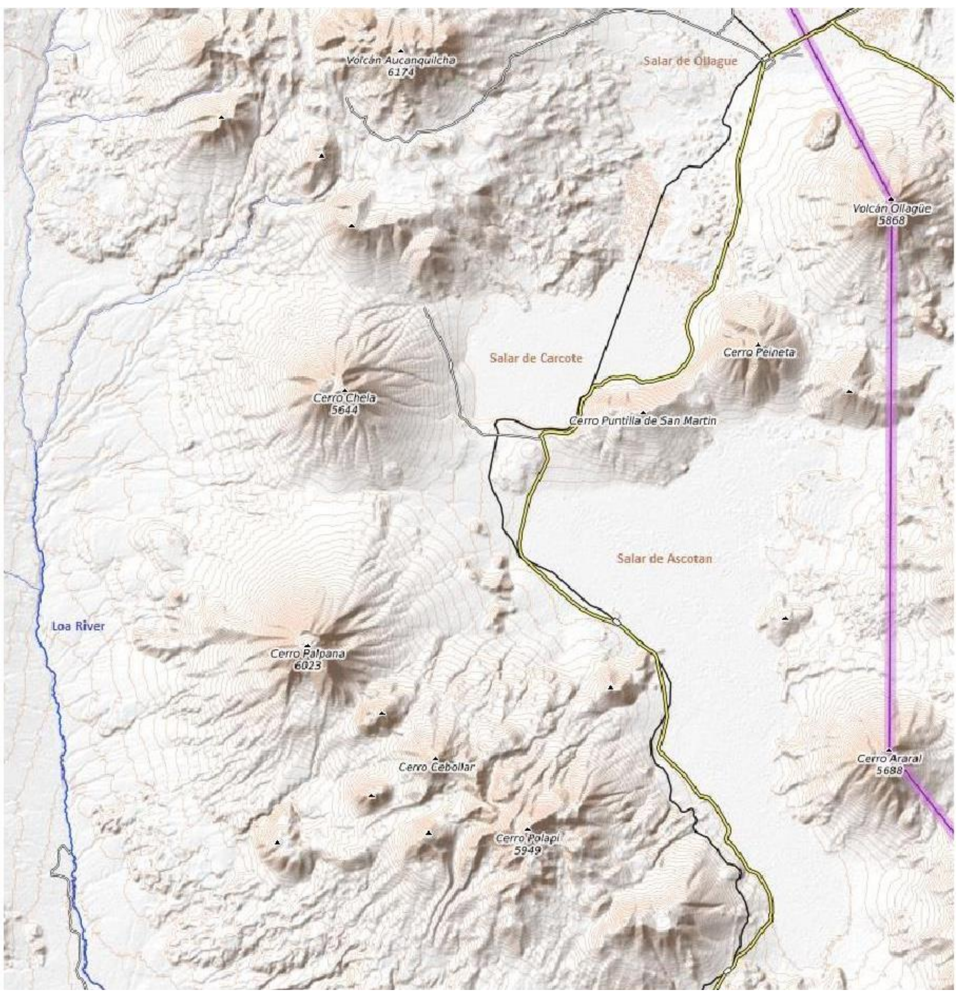


Fig. 3 – Topography of the OCA Prospect

Desert scrub and cactus species inhabit the area of the salars. Most are situated outside the brine areas due to the extreme conditions in a salt flat area.

There are shrubs of a low steppe type. The individual shrubs are isolated from each other as is typical of a dry climate with bare soil between them.

Cold nights, wind and lack of fresh water are some of the characteristics of the severe climatic condition that give rise to scarce regional vegetation. The most typical are low shrubs and cactus. Local plants which are characterized by tiny or non-existent leaves and the presence of thorns are also present in the area. Ninety percent (90%) of the area of the mineral exploration properties of the OCA Prospect has no vegetation, which is typical of the South American salars.

(3) History

The founding of the town of Ollague and the construction of the railroad Antofagasta & Bolivia Railway Ltd., in 1888, are associated with the discovery and exploitation of sulfur minerals in the Ollague volcano (Santa Cecilia), the Aucanquilcha volcano, Buenaventura and Amincha.

The Aucanquilcha sulfur deposit was discovered in 1913 and was a producing sulfur mine, at one point employing 700 workers.

The mining of borax and boron compounds, in Ollague, Carcote and Ascotán, began in 1886; by the English company Borax Consolidated Limited, which extracted mainly Ulexite. The company worked until 1966 in the Salars de Carcote and Ascotán and used the railroad to transport borax to Bolivia and then to Uruguay and Brazil.

Around the same time, the British mining company in Collahuasi mined copper deposits in the area. The copper ore was transported to Ollague and by rail from Ollague to the seaport of Antofagasta.

Presently, Quiborax Company (Chile) mines several borax deposits in Salar de Ascotán, in the Cebollar area.

(4) Geological Setting and Mineralization:

Regional Geology

The salars of Ollague, Carcote and Ascotán correspond to continental saline deposits or salars with brines (see **Fig. 4 - Regional Geological Map**). The saline deposits are generated during a process in which high evaporation rates and low precipitation rates concentrate salts in the salars (terminal lakes). They are typically composed of salt crust, brine and clastic or sedimentary rock fractions, whose extensions and depth can vary widely. The deposits typically contain carbonate, sulphate, and chloride salt compounds, in different concentrations, both in the salt crust, sediments and brine.

Typically, salars, or terminal lakes, are formed when three main geologic and environmental parameters are present. The first, is the geologic material that feeds and leaches into salar, which can come from different sources, locally including rocks of volcanic origin, sedimentary rocks such as clays, and erosion and deposition of old salars. The second, is a presence of a closed basin where surface and groundwater that come into the basin as inflows fill the basin and have no outlet aside from evaporation or entrapment. A closed basin allows saline mineralization to concentrate through evaporation process into depositions and brine formations. The third, is the arid climate where the evaporation rate is much higher than the precipitation rate.

Mineralization in the OCA Prospect is primarily represented by three different fractions:

- Liquid, represented mainly by chloride and sulfate brines.

- Dendritic material, consisting of sand, silt and clay intercalated in the salar sediments.

- Various precipitated salt compounds resulting from salts reaching respective solubility and concentration limits.

The fractions' interrelationship creates a separation and zonation of carbonates, sulfates and chlorides. There is evidence that the general zonation in the prospect areas has been modified in its orientation by an outside influence, which is likely the differential movements in the last stage of the Andean mountain building or uplift.

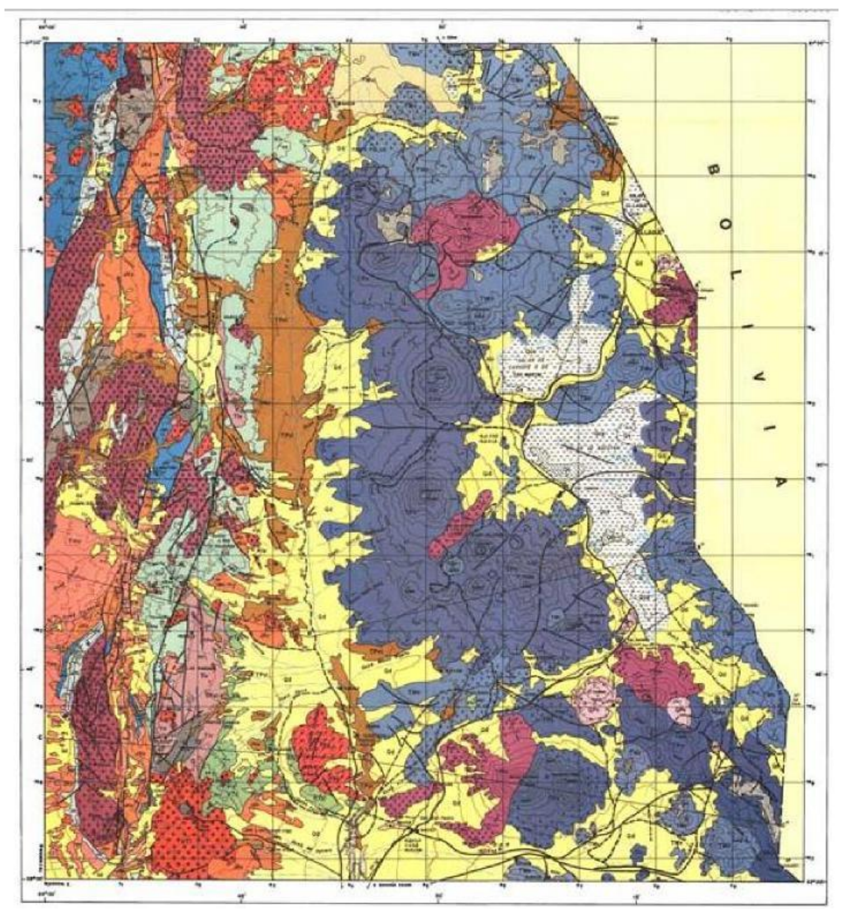


Fig. 4 - Regional Geological Map

Metallic mineralization: There are a few large copper porphyry mineralization areas surrounding the city of Calama, represented by the Chuquicamata, Radomiro Tomic, Ministro Hales, El Abra, Gabriela active mines, among others, most of which are owned by CODELCO.

Non-metallic mineralization: Boron, a non-metallic mineral, is currently actively exploited in the area and mined by SQM in the Carcote Salar, and Quiborax in the Ascotán Salar. Sulfur deposits are present in the area; however, the deposits are not currently exploited.

Lithium-Potassium brines: Mineralization areas of lithium-potassium brines are present in the region and currently being explored. There are at least five companies exploring lithium containing brines in Ollague, Carcote, Ascotan salars.

Local Geology

The OCA Prospect area is part of the high-energy basin (composed of the Ollague, Carcote and Ascotán salars).

The main basin has evolved in the last 10-20 million years. The basin contains several compact saline horizons with interspersed porous salt and sediment layers, which have been favourable environments for the accumulation of brines.

The basin collects water from temporary streams in a catchment area of approximately 6,000 km^2. Minerals such as lithium (Li), potash (K), boron (B), sodium (Na) and magnesium (Mg), among others, are leached and transported from rocks in the catchment, and then accumulated and concentrated by evaporation in the salar.

Much of the erosional activity was during the Holocene period starting about 11,000 years ago. The movement and deposition of young alluvial material from the margins of the basin have buried much of the older salt.

The below paragraphs describe the local geology of the Ollague, Carcote and Ascotán salars. For each salar, refer to **Fig. 5 – Geological Map of the Ollague, Carcote and Ascotán Salars** below for sediment types and geologic structures, including salars' corresponding pliocene / pleistocene deposits composed of conglomerates, sandstones, siltstones and argillites; volcanic centres and sequences; and evaporate deposits of sulfates, chlorides, and carbonates with borax, potassium, sodium, magnesium and/or lithium.

<u>Geology of Salar De Ollague</u>

The Salar de Ollague is located on the border between Chile and Bolivia. It is about 17 km long by 11 km wide and has an area of 187 km^2, with the larger part located on the Bolivian side and a smaller part on the Chilean.

The Salar de Ollague basin, on the Chilean side, is located in the north of the Antofagasta Region. It borders to the south with the basin of Salar de Carcote, to the west with the volcanic chain and the basin of the Loa River, and to the east with Bolivia.

The main morphological and climatological characteristics are:

- elevation: 3,733 masl
- area of the basin: 187 km^2
- surface of the salar: in Chile 31 km^2

Geology of Salar de Carcote

The Salar de Carcote basin is located in the north of the Antofagasta Region. The salar is implanted in the lower part of a depression in the basin flanked to the east and west by tertiary and quaternary volcanic chains of general north-south orientation. It borders to the south with the Salar de Ascotán basin, to the north with the Salar de Ollague, to the west with the volcanic chain and the basin of the Loa River, and to the east with the volcanic chain formed by Ollague volcano.

Salar de Carcote hydrogeology and geology has been investigated by Mardones (1977), and more recently by CODELCO Chuquicamata, however all information remains private.

The main morphological and climatological characteristics are:

- elevation: 3,690 masl
- area of the basin: 561 Km^2
- surface of the salar: 108 Km^2
- surface of the lagoon: 3-4 Km^2

Geology of Salar de Ascotán

Salar de Ascotán, is located in the north of the Antofagasta Region. The salar is located in the lower part of a depression in the basin flanked to the east and west by tertiary and quaternary volcanic chains of general north-south orientation. The salar borders the Salar de Carcote on the north, on the west by the volcanic chain and basin of the Loa River, to the east and south by volcanic chains.

The geology and hydrogeology of the basin were studied in detail by Mardones, 1977 and CODELCO Chuquicamata (1994, 1996). Mardones completed studies and drilled several wells to supply water to the El Abra copper mine.

Ascotán is a salar with sediments intermixed with salt compounds, undersurface brine, and a surface crust composed primarily of gypsum and halite. The groundwater with the characteristics of brine is observable a few meters below the surface.

The boron deposit where ulexite is exploited is located near the west-central boundary of the salar (Cebollar station). The salar has a complex system of elongated lagoons of east-west or southwest-northeast orientation probably derived from surface water sources in the surrounding hills. There are also smaller and less numerous lagoons located near the west side of the salar.

The main morphological and climatological characteristics of the salar are:

- elevation: 3,716 masl
- surface of the basin: 1,757 km^2
- surface of the salar: 243 km^2
- surface of the lagoons: 18 km^2

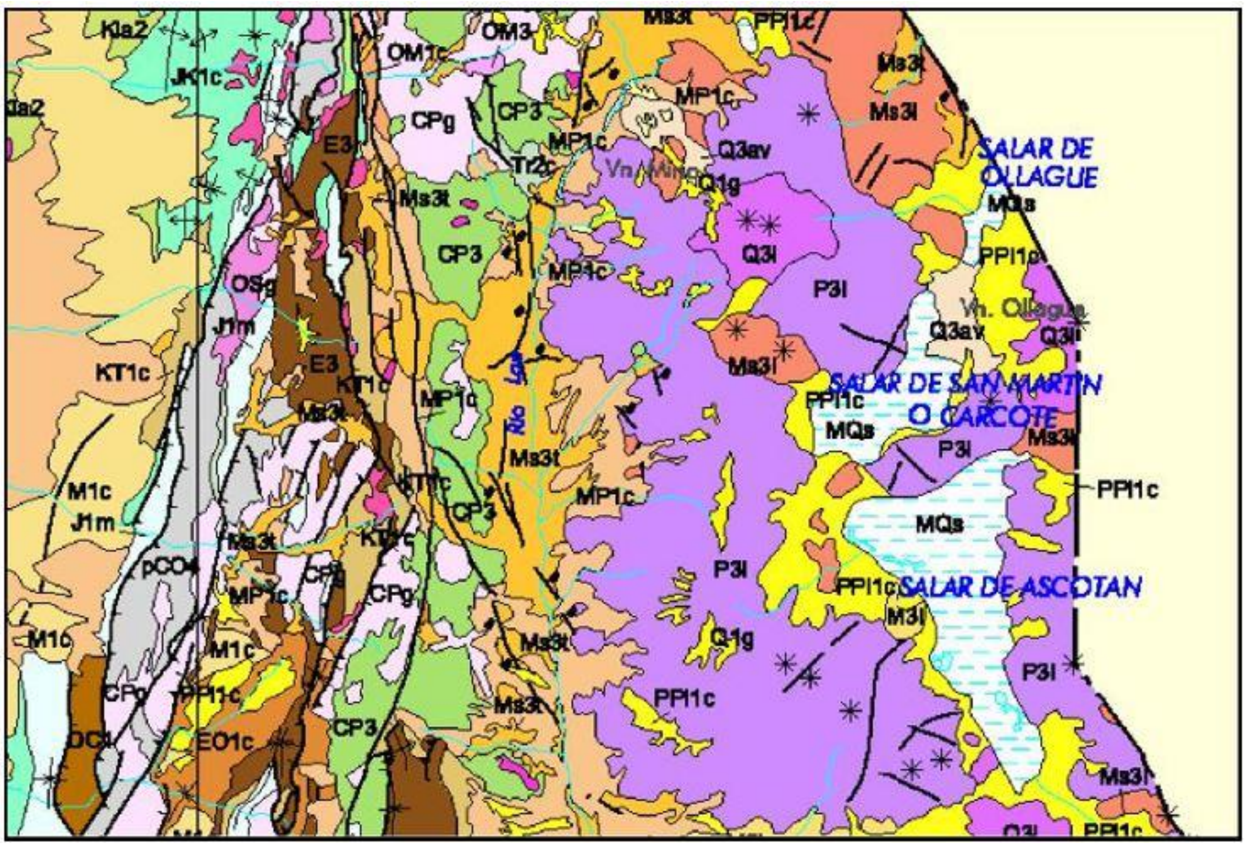


Fig. 5 – Geological Map of the Ollague, Carcote and Ascotán Salars

PPI1c Pliocene-Pleistocene: Conglomerates, sandstones, siltstones and arcilolites, generally consolidated, with mainly alluvial facies, subordinated lacustrine and wind. In regions I to III they form inactive alluvial fans while in central Chile (Estratos de Potrero Alto) they are terraced levels attached to the substrate of the coastal zone.

MQs Miocene-Quaternary: Evaporitic deposits: sulfates, chlorides, carbonates and fine detrital levels, locally with borax and / or lithium. In the Salar, regional I to III: Salares de Surire, Huasco, Copsa, Ollague, Carcote y Ascotán Salars, Bellavista, Grande, Atacama, Pedernales and Maricunga.

Q3av Quaternary: Deposits of volcanic avalanche, associated with partial collapse of volcanic buildings. In the Principal mountain range, regional I to VI: avalanches of Parinacota, Ollague, Socompa, Colon-Coya and Teno.

P3i: Pliocene Volcanic centers: lavas, domes and andesitic pyroclastic deposits to dacitic, pyroclastic cones and basaltic to andesitic - basaltic lavas. In the main mountain range, regional I to III: Laran Cagua volcanoes, Miño, white rocks and hidden lagoon; in the XI region: volcanic centers of the Taitao peninsula.

Ms3l: Lower-Middle Miocene: Partially eroded volcanic complexes and volcanic sequences: lava, breccia, domes, and pyroclastic, andesitic-basaltic to dacitic rocks. In the Principal mountain range, regions I to VIII volcanic complex Doña Inés and eyes of Maricunga; Cerro Las Tórtolas and Farellones formations.

MS 3 i Upper Miocene: Volcanic center and sequence: lava, domes, and pyroclastic deposits, andesitic to dacitic, with alluvial intercalations, associated with epithermal deposits of Au-Ag. In the main mountain range regions, I to IV: Choquelimpie, Copiapo, Wheelwright and Ice Cows formation

(5) Exploration

The OCA Prospect area is composed of the Ollague, Carcote and Ascotán salars. Historical exploration by other entities (non-NI 43-101 compliant or verifiable) shows the salars contain lithium mineralization areas, which are the target for the First Lithium's exploration objective.

The interpretation of the previous exploration data of the OCA Prospect has focused mainly on the activities reported by SQM in 2009 and 2010, which objectives were to evaluate the potential of lithium and borax mineralization in the Carcote and Ascotán salars, using brine samples. SQM collected samples of brine from shallow wells, which represented shallow zone surface brine waters. The SQM results were positive for the presence of lithium and showed between 390 mg/l and 468 mg/l of Li concentration.

The work to date by FLM Chile in the OCA Prospect has consisted of:

- Geological reconnaissance of the surface of the OCA Prospect in Salars Ollague, Carcote, Ascotán and surveying work, carried out by AMS Asesorías Geológicas Ltda., in March 2018. The Author carried out field visits.
- Extraction of soil sediments and brine samples on the prospect.
- Interpretation of the geochemical results obtained from sedimentary material and brine samples.

(6) Mineralization

Geology and Mineralization

Only comparative mineral deposit types are available in the OCA Technical Report, which are not necessarily indicative of the mineralization in the OCA Prospect.

Basic Hydrology and Hydrogeology

<u>Salar De Ollague</u>

In the Salar de Ollague, the brine is located at a depth of only a few meters. Only the waters that originate from the slopes of the Aucanquillcha volcano toward the west, southwest of the salar, are of good quality and suitable for domestic and agricultural use. The waters within the north, south and west edges of the salar are totally inadequate for any potable or agricultural use as the waters have high total dissolved solids and have been concentrated due to evaporation and salt precipitation.

The sediments that compose the surface of salar area include salts and gypsum. Third party exploration work showed brine presence in the upper 50-70 meters extending up to 250 meters.

Further work on hydrology and hydrogeology would be required.

Salar de Carcote

The sediments that compose the surface of salar area include salts and gypsum. Within the salar area a series of water bodies including lagoons and wetlands are observable on the surface. Some of these include Green Lake, Calixto, Leon Lake and Hot Eyes Lake. Surface water quality varies and includes dilute waters from springs in the up-gradient part of the watershed up to 100 ppm total dissolved solids, medium salinity from springs in the north of the salar (700-1300 ppm), and the higher zone of salinity from springs in the south of the salar (7,000-25,000 ppm). Principal components in the water include sodium, calcium, chloride and sulphate ions. During periods of drought, the surface of these lagoons is reduced to 4% of the total surface area of the Salar de Carcote.

Further work on hydrology and hydrogeology would be required.

Sala de Ascotán

A complex system of elongated artificial lagoons with east - west or southwest - northeast orientation are observed. They are fed by brackish springs that emerge from the eastern bank of the salar that have a flow up to 730 l/s. Precipitation in this area ranges from 52.2 (mm/year) to 75.7 (mm/year).

The Salar de Ascotán basin is characterized by the poor quality of its waters in relation to domestic or agriculture use. Only four sectors with water of acceptable quality for human consumption have been found, all located in northwest of the salar.

Under the surface brine of the Salar of Ascotán can be classified into two groups that are separated into two areas, the east and west. The east sector is characterized by brackish water of the Na-(Ca) / Cl type. The origin of these waters is unknown. The numerous slopes of the east sector are part of the watershed, have a very high total water inflow of 730 l/s and feed a system of lagoons that produces brines of the Na-(Ca) / Cl type. The east sector, where some of the concessions of the OCA Prospect are located does not have acceptable quality water for domestic or agricultural use and is composed of saline brine.

The west sector is characterized by water with varied saline concentrations and compositions and with a high sulphate concentration. There is a clear trend as waters enter the salar area with a lower saline concentration and over time processes of evaporation and saturation generate different water types that occur in different areas. The inflow through this west sector is at 200 l/s, is much lower than that of the east sector. The water is the source of small lagoons adjacent to the salar's edge.

Further work on hydrology and hydrogeology would be required.

(7) Drilling

To date, no drilling campaign has been completed in the OCA Prospect.

(8) Sampling and Analysis

Geochemical Soil Samples

The sampling campaign was performed during the period of March 5-18, 2018. Twenty-six (26) sedimentary geochemical samples were collected over the area of the OCA prospect. The geochemical samples of the sediments were collected by excavating material to about 1.00 meter below surface and taking a sample of the material of approximately 10 kg. In some cases, the sample had high moisture content. See **Table 2 - Soil Samples OCA Prospect** below for the sample results.

	Geochemical Samples								
WGS Number 84	North	East	ID	CA (%)	K (%)	Li (ppm)	Mg (%)	Na (%)	
JENNA 1	7.660.178	576.509	6397	7.49	1.75	31.00	0.66	2.24	Salar Ollague
JENNA 2	7.659.206	576.872	6396	11.57	0.77	134.00	0.85	3.31	Salar Ollague
JENNA 3	7.657.495	576.870	6393	2.25	1.71	37.00	0.92	2.07	Salar Ollague
JENNA 4	7.657.500	577.500	6394	10.12	1.21	76.00	2.23	1.63	Salar Ollague
JENNA 5	7.656.718	578.200	6395	7.20	1.45	84.00	2.33	1.92	Salar Ollague
JENNA 6	7.655.500	577.000	6392	14.37	0.91	47.00	0.81	2.31	Salar Ollague
JENNA 7	7.655.602	578.278	6391	14.04	1.21	36.00	0.96	1.8	Salar Ollague
JENNA 8	7.652.000	574.800	6398	20.14	0.62	53.00	1.37	0.9	Salar Ollague
JENNA 9	7.649.854	574.747	6399	19.17	0.31	217.00	3.70	1.28	Salar Ollague
JENNA 10	7.644.412	571.690	6400	7.18	0.90	169.00	3.61	2.04	Salar de Carcote
JENNA 11	7.643.041	571.653	6401	11.56	0.56	300.00	4.56	2.79	Salar de Carcote
JENNA 12	7.640.413	573.926	6402	18.42	0.69	59.00	0.88	1.79	Salar de Carcote
JENNA 13	7.640.090	575.210	6403	8.38	1.21	101.00	1.30	2.76	Salar de Carcote
JENNA 14	7.638.080	574.159	6404	14.27	0.77	20.00	0.63	1.09	Salar de Carcote
JENNA 15	7.638.299	561.497	6405	11.70	0.94	17.00	0.62	1.27	Salar de Carcote
JENNA 17	7.619.049	581.159	6415	8.28	1.35	207.00	3.68	2.54	Salar Ascotan
JENNA 18	7.617.500	581.500	6416	7.77	1.37	188.00	3.31	2.76	Salar Ascotan
JENNA 20	7.627.388	581.104	6407	6.14	1.40	39.00	1.65	1.83	Salar Ascotan
JENNA 21	7.626.500	582.500	6408	3.67	1.64	65.00	1.61	1.95	Salar Ascotan
JENNA 22	7.626.500	583.500	6409	3.57	1.57	61.00	1.49	1.86	Salar Ascotan
JENNA 23	7.626.500	584.500	6410	3.56	1.57	65.00	1.46	2.18	Salar Ascotan
JENNA 24	7.623.500	581.500	6411	6.18	1.42	30.00	1.16	1.53	Salar Ascotan
JENNA 25	7.622.780	582.105	6412	7.25	1.25	28.00	0.96	1.28	Salar Ascotan
JENNA 26	7.623.500	583.500	6413	6.33	1.29	29.00	1.06	1.35	Salar Ascotan

JENNA 27	7.621.500	582.500	6414	16.64	0.65	18.00	0.64	0.69	Salar Ascotan
JENNA 30	7.631.000	584.500	6406	3.72	1.31	53.00	1.24	2.12	Salar Ascotan
Average:				9.65	1.15	83.23	1.68	1.90	

Table 2 – Soil Samples OCA Prospect

Brine Samples

The brine was sampled using one (1.0) litre bottles, which were first, rinsed in brine from the sample wells and then submerged by hand to the depth of 0.50 meters to fill the bottles. The bottles were gradually submerged in the wells to eliminate possibility that sediment would enter the sample. The bottles were filled completely, so no air was present in the bottles. The bottles were then labeled and the lid was sealed with adhesive tape. The samples were then were prepared for shipment and analysis. Seven (7) brine samples were collected in total.

The samples were put on ice and were hand delivered to the Activation Geological Laboratories SpA Laboratory, Avenida La Cantera 2270, Coquimbo, Chile. The laboratory has extensive experience in the handling and analysis of brine samples in Chile. There is no relationship between Activation Geological Laboratories SpA and the issuer AMS Asesorías Geológicas Ltda.

		Our Brine Samples								
WGS Number 84	Brine	North	East	ID	Ca (MG/L)	K (MG/L)	Li (MG/L)	Mg (MG/L)	Na (MG/L)	
JENNA 11	S 10	7.643.696	571.807	6401	60.44	18.46	0.96	21.44	312.77	Salar de Carcote
JENNA 14	S11	7.638.323	574.172	6404	125.69	4,888.28	186.75	2,472.50	128.07	Salar de Carcote
JENNA 15	S12	7.638.345	560.999	6405	174.07	19,205.62	607.28	7,222.70	39,921.28	Salar de Carcote
JENNA 21	S15	7.625.933	582.383	6408	334.10	844.88	451.32	5,000.41	41,104.74	Salar de Ascotan
JENNA 24	S16	7.623.779	581.145	6411	254.70	927.81	422.29	5,053.45	38,744.64	Salar de Ascotan
JENNA 25	S17	7.622.656	582.479	6412	928.88	715.04	355.23	4,416.84	417.40	Salar de Ascotan
JENNA 27	S20	7.621.431	581.147	6414	292.03	686.12	331.12	4,121.01	398.55	Salar de Ascotan
Average:					309.99	3,883.74	336.42	4,044.05	17,289.64	

Table 3 – Brine Samples OCA Prospect

Analysis

The samples from the wells were not filtered in the field and were not acidified before being sent to the laboratory. All collected samples contained some suspended sediment despite the caution taken to minimize it.

The samples were transported to Coquimbo, Chile under the custody of AMS Asesorías Geológicas Limitada and delivered to Activation Geological Laboratories SpA. Avenida La Cantera 2270 - Coquimbo – Chile. This laboratory has its main offices in Chile, in the city of Coquimbo and international headquarters in Ancaster, Ontario, Canada.

The Activation Geological Laboratories SpA laboratory has extensive experience in lithium analysis and is ISO 9001 accredited and operates in accordance with ISO 17025 methods.

Activation Geological Laboratories SpA provided certificates of analysis and digital analysis reports to FLM Chile.

Certified standards prepared by Activation Geological Laboratories SpA were used as part of the QA / QC program, which serves as a Quality Control of the laboratory analysis program.

Laboratory standards for cation and anion analysis were performed and reported. Split samples and blanks were also included in the analysis as part of the quality control procedures.

A review of the data was performed by the Author. Based on the results of the quality control of samples collection and interpretation, the author believes the concentrations of Lithium in soils and brine samples were accurately analyzed and reported. Some other constituents including metals in soils have greater differences in the case of duplicate samples.

(9) Security of Samples

Samples of soils and brines from the OCA Prospect were collected and prepared according to the protocols for the standard collection of sediment and brine samples described above.

(10) Mineral Resources and Mineral Reserves

No mineral resources and reserves have been estimated.

(11) Mining Operations

Mineral Processing and Metallurgical Testing

At this stage, no mineral or metallurgical processing test has been completed.

Mining Methods

No mining methods have been estimated.

Recovery Methods

No recovery methods have been estimated.

Project Infrastructure

No infrastructure exists at this time at the OCA Prospect.

Market Studies and Contracts

No market studies have been conducted.

Environmental Studies, Permit and Social Impact

The OCA Technical Report contains publicly available information on environmental issues and permits. More specific information will be developed as field studies progress.

Capital and Operating Costs

No costs estimates have been analyzed.

Economic Analysis

No economic analysis has been performed.

(12) Exploration and Development

FLM Chile has only completed the work as described in *Section 4.3(5) - Exploration above.*

Adjacent Properties

The properties of OCA Prospect have adjacent mining properties leased by different individuals and companies. Mineral exploration concessions covering essentially nitrate and lithium deposits in these properties are present. The Author does not know if there are properties that have a risk of having diatomaceous earth minerals that may contain asbestos in any of the surrounding properties.

Exploration Phase One

The Author of the OCA Technical Report recommended that FLM Chile undertake a two-phase exploration program. Through further hydrogeology research of the prospect area, additional surface mapping and brine sampling, determine the potential areas of brine concentration within the prospect for conducting a detailed geophysical survey.

Geophysical survey of the prospect area should be evaluated by various applicable methods including electro-magnetic techniques such as "TEM". The results of the "TEM" surveys that indicate positive anomalies would be used to develop a drilling program.

Exploration Phase Two

In the second phase of the exploration, the drilling program could use augur, a diamond core, or optionally vibratory drilling technology for brine sample recovery. This may include drilling the upper section a short distance using a tricone bit in the upper non-mineralized units and then switching to the primary sampling method. Some options include installing casing or cementation during deeper drilling to avoid the mixing of fluids from different parts of the conductive horizon.

The drilling samples would be used to determine the presence of brine fluids in the formation and the effective porosity. Sampling would occur in diamond drilling using a packer to isolate the sample zone in the case of brines and the sampling and would be done over short intervals and continuously till the final targeted depth. The sample drilling should ideally penetrate the entire high conductive horizon identified in the geophysical program. At each lithological change, or in favourable zones, additional brine sampling should be considered.

In the case of holes with concentrated brines with a high lithium content, identified during sampling, the drill hole can be reamed out to a diameter of 6 "to 8" with well casing and screen installed to develop a permanent pumping well where longer terms tests can be performed. See **Table 4 – Summary of Recommended Exploration Programs** below for proposed drilling information.

	Number of Program Component Holes / Stations	Average Depth (feet)	Total Footage
Electromagnetic survey (TEM)	60	N/A	N/A
Shallow exploration	40	20	800
Deep exploration	5	1,000	5,000

Table 4 - Summary of Recommended Exploration Programs

5 SELECTED CONSOLIDATED FINANCIAL INFORMATION

5.1 Annual Information

PetroCorp

The following selected financial information is derived from and subject to the detailed information contained in the audited annual financial statements of PetroCorp for the years-ended March 31, 2021 and March 31, 2022, and related notes thereto as set out in Schedule "A" to this Listing Statement. This information should only be read in conjunction with such financial statements.

	Audited		
Item	**March 31, 2022 Fiscal Year Ended**	**March 31, 2021 Fiscal Year Ended**	**March 31, 2020 Fiscal Year Ended**
Net Revenues	nil	nil	nil
Net Loss	$43,696	$47,523	$44,726

	Audited		
Item	**March 31, 2022 Fiscal Year Ended**	**March 31, 2021 Fiscal Year Ended**	**March 31, 2020 Fiscal Year Ended**
Total Assets	$232,824	$193,055	$207,000
Long term liabilities	nil	nil	nil
Loss per share	$0.00	$0.00	$0.00
Cash Dividends declared	$0.00	$0.00	$0.00

First Lithium

A summary of selected financial information of First Lithium for the years-ended December 31, 2021, December 31, 2020 and for the three-month period ended March 31, 2022 is set out below and should be read in conjunction with the annual financial statements and the unaudited interim financial statements of First Lithium for such financial year as set out in Schedule "B" to this Listing Statement:

	Unaudited	Audited	
Item	**Three Months ended March 31, 2022**	**December 31, 2021 Fiscal Year Ended**	**December 31, 2020 Fiscal Year Ended**
Net Revenues	nil	nil	nil
Net Loss	$154,790	$707,677	$709,258
Total Assets	$2,533,846	$479,194	$182,292
Long term liabilities	nil	nil	nil
Loss per share	$0.00	$0.01	0.01
Cash dividends per share	$0.00	$0.00	$0.00

QL Minerals

A summary of selected financial information of QL since incorporation for the year-ended March 31, 2022 is set out below and should be read in conjunction with the audited financial statements of QL for such financial period as set out in Schedule "C" to this Listing Statement:

	Audited
Item	March 31, 2022 Fiscal Year-Ended
Net Revenues	nil
Net Loss	$57,281
Total Assets	$588,984
Total long-term Financial Liabilities	nil
Loss per share	$0.00
Cash dividends per share	$0.00

5.2 Quarterly Information

The following table summarizes certain amounts for each of the eight most recently completed quarters ending at the end of the most recently completed financial period for PetroCorp.

Quarter Ended	Total Revenues ($)	Net Income (Loss) ($)	Basic and diluted loss per share ($)
March 31, 2022	-	(9,210)	0.00
December 31, 2021	-	(9,187)	0.00
September 30, 2021	-	(14,527)	0.00
June 30, 2021	-	(10,772)	0.00
March 31, 2021	-	(10,520)	0.00
December 31, 2020	-	(10,322)	0.00

Quarter Ended	Total Revenues ($)	Net Income (Loss) ($)	Basic and diluted loss per share ($)
September 30, 2020	-	(15,671)	0.00
June 30, 2020	-	(11,010)	0.00

Copies of the unaudited interim financial statements for the periods listed above for PetroCorp are available on PetroCorp's SEDAR profile at www.sedar.com.

The following table summarizes certain amounts for each of the eight most recently completed quarters ending at the end of the most recently completed financial period for First Lithium.

Quarter Ended	Total Revenues ($)	Net Income (Loss) ($)	Basic and diluted loss per share ($)
March 31, 2022	-	(154,790)	0.00
December 31, 2021	-	(85,850)	0.00
September 30, 2021	-	(226,047	0.00
June 30, 2021	-	(163,505)	0.00
March 31, 2021	-	(232,275)	0.00
December 31, 2020	-	(148,369)	0.00
September 30, 2020	-	(79,869)	0.00
June 30, 2020	-	(157,914)	0.00

QL, as a private corporation incorporated on November 18, 2021, does not have quarterly results.

5.3 Dividends

Neither First Lithium nor QL have paid any dividends on their common shares since incorporation. PetroCorp has not paid any dividends within the three most recently completed financial years.

Other than restrictions in the OBCA, there are no restrictions on the Resulting Issuer's ability to declare dividends.

With respect to the Resulting Issuer, the payment of dividends, if any, will rest within the sole discretion of the Resulting Issuer Board. The decision to declare and pay dividends depends upon earnings, capital requirements and financial condition, as well as other relevant factors. The Resulting Issuer has not declared any cash dividends and it intends to retain its earnings to finance the growth and expansion of its operations. As such, the Resulting Issuer anticipates that it will not pay any dividends on the Resulting Issuer Shares or other securities in the foreseeable future. See "*Item 17 – Risk Factors*".

5.4 Foreign GAAP

The financial statements included in this Listing Statement have been, and the future financial statements of the Resulting Issuer shall be, prepared in accordance with IFRS.

6 MANAGEMENT'S DISCUSSION AND ANALYSIS

PetroCorp's management's discussion and analysis for the years-ended March 31, 2022 and March 31, 2021 are available on PetroCorp's SEDAR profile at www.sedar.com and is attached as Schedule "D" hereto.

First Lithium's management's discussion and analysis for the year ended December 31, 2021 and for the three-month period ended March 31, 2022 are attached as Schedule "E" hereto**.**

QL's management's discussion and analysis for the period-ended March 31, 2022 are attached as Schedule "F" hereto.

7 MARKET FOR SECURITIES

None of the PetroCorp Shares, FLM Shares or QL Shares were listed on an exchange prior to the Transaction. PetroCorp Shares were voluntarily delisted from the TSX Venture Exchange on June 1, 2017. Following completion of the Transaction and Name Change, the Resulting Issuer Shares have been listed for trading on the Exchange under the symbol "FLM".

8 CONSOLIDATED CAPITALIZATION

The following table sets out the capitalization of the Resulting Issuer after giving effect to the Transaction:

Designation of Security	Authorized Amount	Amount Outstanding after Acquisition
Resulting Issuer Shares	Unlimited	86,876,163
Resulting Issuer Shares reserved for issuance upon exercise of Resulting Issuer Broker Warrants	895,860	895,860
Resulting Issuer Shares reserved for issuance upon exercise of Resulting Issuer Options	10% of issued and outstanding Resulting Issuer Shares	Nil
Resulting Issuer Shares reserved for issuance upon exercise of Resulting Issuer RSUs	10% of issued and outstanding Resulting Issuer Shares	Nil
Resulting Issuer Shares (fully-diluted)	-	87,772,023

9 OPTIONS TO PURCHASE SECURITIES

Stock Option Plan

The Resulting Issuer has adopted the Resulting Issuer Plan effective on July 28, 2022. The Plan includes a "rolling" plan for the grant of stock options ("**Options**") which provides for the issuance of such number of Options as is equal to up to 10% of the issued and outstanding Resulting Issuer Shares from time to time, and such number of restricted share units ("**RSUs**") and deferred share units ("**DSUs**") (collectively, with Options and RSUs, the "**Awards**") as is equal to up to 10% of the issued and outstanding Resulting Issuer Shares from time to time. The purpose of the Resulting Issuer Plan is to: (i) increase the interest in the Resulting Issuer's welfare by its directors, officers, senior executives, other employees and consultants ("**Eligible Participants**"); and (ii) to retain and reward certain Eligible Participants, and attract and retain other persons to the Resulting Issuer. The Resulting Issuer Plan is administered by the Resulting Issuer Board, which has full and final authority with respect to the granting of all Awards thereunder.

Options may be granted under the Resulting Issuer Plan to such Eligible Participants of the Resulting Issuer and its affiliates, if any, as the Resulting Issuer Board may from time to time designate. The vesting provisions of Options will be determined by the Resulting Issuer Board, but will not vest before the first anniversary from the date granted, unless otherwise determined. The exercise price of Options will be determined by the Resulting Issuer Board, but such price will not be less than the market value of such Resulting Issuer Shares at the time of the grant. All Options granted under the Resulting Issuer Plan may be exercisable for a period of up to ten (10) years.

DSUs may be awarded to eligible directors by the Resulting Issuer Board and may form all or a portion of a director's annual retainer fee, to be received in the form of Resulting Issuer Shares or cash equivalents, or a combination of both. DSUs may be redeemed after the director's termination date for a period of up to two years or less, as determined, by providing a DSU

Redemption Notice (as defined in the Resulting Issuer Plan) to the Resulting Issuer. If a DSU Redemption Notice is not received by the Resulting Issuer on or before the 90th day following the termination date, the director shall be deemed to have delivered a DSU Redemption Notice and the Resulting Issuer shall redeem all of the eligible director's DSUs in exchange for Resulting Issuer Shares or cash equivalent.

RSUs may be awarded to a recipient by the Resulting Issuer Board, subject to meeting certain performance criteria to acquire Resulting Issuer Shares at a price determined by the Resulting Issuer Board in the form of Resulting Issuer Shares or cash equivalents, or a combination of both. The Resulting Issuer Board shall determine the vesting terms, but the vesting of RSUs shall not commence before the first anniversary from the date granted, unless otherwise determined. The applicable restriction period for an RSU shall be determined by the Resulting Issuer Board, except for Eligible Participants subject to the *Income Tax Act* (Canada), the restricted period shall end no later than December 31 of the calendar year which is three years after the calendar year in which the RSU is granted. The number of vesting RSUs shall be determined by whether certain performance criteria or other conditions are met by the recipient.

Awards may terminate as follows: (i) immediately in the event of dismissal with cause; (ii) 30 days from date of termination other than for cause; (iii) after 90 days from the date of disability; or (iv) 90 days from the date of death. Awards granted under the Resulting Issuer Plan are not transferable or assignable and may only be exercised by the participant to whom the Award was granted, or upon death or incapacity by a legal representative, or with the Resulting Issuer's prior written approval and subject to conditions set by the Resulting Issuer.

The above description is qualified entirely by and subject to the terms and conditions of the Resulting Issuer Plan. As of the date of this Listing Statement, there are no Awards held by current nor past executive officers of the Resulting Issuer or any subsidiary, current nor past employees of the Resulting Issuer or any subsidiary, consultants, nor any other person or company.

10 DESCRIPTION OF THE SECURITIES

10.1 General

The authorized share capital of the Resulting Issuer consists of an unlimited number of Resulting Issuer Shares without par value, of which 86,876,163 are issued and outstanding as of the Closing Date. Resulting Issuer Shareholders are entitled to receive notice of, and to attend and vote at, all meetings of the Resulting Issuer Shareholders, and each Resulting Issuer Share will confer the right to one vote, provided that the shareholder is a holder on the applicable record date declared by the Resulting Issuer Board.

Resulting Issuer Shareholders are entitled to receive dividends if, as and when declared by the Resulting Issuer Board. In the event of a liquidation, dissolution or winding up of the Resulting Issuer or other distribution of assets of the Resulting Issuer among the holders of shares of the Resulting Issuer, holders of the Resulting Issuer Shares will rank equally as to priority of distribution.

10.2 Debt Securities

This item is not applicable.

10.3 Other Securities

This item is not applicable.

10.4 Modification of Terms

The rights of Resulting Issuer Shareholders may be modified only in accordance with the provisions attached to thereto in the Resulting Issuer's articles or the provisions of the OBCA.

10.5 Other Attributes

All of the material provisions relating to the Resulting Issuer Shares are described above, under Section 10.1.

10.6 Prior Sales

PetroCorp

Share Subscription Financings

On March 30, 2022, PetroCorp completed a non-brokered private placement of 98,360,656 PetroCorp Shares at a price of $0.00061 per share for aggregate gross proceeds of $60,000.

First Lithium

Share Subscription Financings

On June 30, 2022, First Lithium closed the FLM Private Placement for a total of 23,658,000 FLM Subscription Receipts at price of $0.25 per FLM Subscription Receipt.

Debt Financing

On July 28, 2022, immediately before the completion of the Transaction, First Lithium completed the FLM Debt Conversion, settling $3,571,591 of First Lithium debt at a price of $0.225 per FLM Share for a total of 15,873,737 FLM Consolidation Shares.

QL Minerals

Share Subscription Financings

On January 20, 2022, QL closed the QL Financing for 2,600,000 QL Shares at a price of $0.05 per QL Share.

On May 17, 2022 QL closed the QL Private Placement for 3,180,000 QL Subscription Receipts at a price of $0.25 per QL Subscription Receipt.

Finder Shares

In connection with the Transaction and the subscription financings, an arm's length party was issued the Finder Shares on the Closing Date.

10.7 Stock Exchange Price

This section is not applicable.

11 ESCROWED SECURITIES

Resulting Issuer Escrow

Pursuant to the Escrow Agreement dated as of the Closing Date, entered into in accordance with National Policy 46-201 – *Escrow for Initial Public Offerings*, all Resulting Issuer Shares which are owned or controlled by Related Persons (as such term is defined in the Exchange's policies) have been escrowed.

The Resulting Issuer is classified as an "emerging issuer" under NP 46-201. Based on the Resulting Issuer being an "emerging issuer", the escrowed Resulting Issuer Shares are subject to a three-year escrow and to the release schedule applicable to an "emerging issuer".

Pursuant to the Escrow Agreement, 10% of the escrowed Resulting Issuer Shares will be released by the escrow agent on the date of the listing on the Exchange followed by six subsequent releases of 15% every six months thereafter.

11,073,326 Resulting Issuer Shares are subject to the Escrow Agreement, comprised of Rob Saltsman (10,173,326) and Claude Ayache (900,000).

Resulting Issuer Voluntary Escrow

In addition to the above noted escrow, pursuant to the Acquisition Agreement, all FLM Consolidation Shares (23,353,711) held by FLM Shareholders except related persons, prior to the automatic conversion of the FLM Subscription Receipts and prior to the FLM Debt Conversion, and approximately 5,500,000 PetroCorp Consolidations Shares held by certain PetroCorp Shareholders, upon conversion to the Resulting Issuer Shares are subject to voluntary escrow restrictions, which will be marked on the share certificates/DRS representing such shares: 25% will be released on each of the 6, 9, 12 and 15 month anniversaries of Closing Date.

The following table shows all of the securities of the Resulting Issuer that are subject to the voluntary escrow on closing of the Transaction:

Shareholder Type	Number of Escrowed Resulting Issuer Shares	Percentage of Class (undiluted)
FLM Shareholders	23,353,711	26.9%
PetroCorp Shareholders	5,500,000	6.3%

12 PRINCIPAL SHAREHOLDERS

Following completion of the Transaction, except as noted below, no person beneficially owns, directly or indirectly, or exercises control or direction over 10% or more of the Resulting Issuer Shares.

Name	Number of Resulting Issuer Shares	Percentage of class (undiluted / diluted)
Rob Saltsman(1)	10,173,326	11.7% / 11.6%

Notes:

(1) Rob Saltsman directly and indirectly holds or exercises control over the Resulting Issuer Shares through himself, Jencorp Inc., Paige Capital Inc., and close family members.

To the knowledge of the Resulting Issuer, no voting trust exists such that more than 10% of any class of voting securities of the Resulting Issuer are held, or are to be held, subject to any voting trust or other similar agreement.

13 DIRECTORS AND OFFICERS

13.1 Directors and Officers

The following table sets forth the names of all directors and officers of the Resulting Issuer, their municipalities of residence, their current positions with the Resulting Issuer, their principal occupations during the past five years and the number and percentage of shares beneficially owned, directly or indirectly, or over which control or direction is exercised as at the date of this Listing Statement:

Name, Municipality of Residence **Position with the Resulting Issuer**	**Principal Occupation or Employment**	**Date Appointed**	**Number and Percentage of Resulting Issuer Shares held**
Rob Saltsman, *President, CEO, Secretary and Director*[(4)] Thornhill, Ontario, Canada	President, CEO, Secretary and Director of the Resulting Issuer. President and Managing Partner of Paige Capital Inc.	Closing Date	10,173,326 [(1)] (11.7%)
Claude Ayache *CFO* Toronto, Ontario Canada	CFO of the Resulting Issuer.	Closing Date	900,000[(2)] (1.0%)
Adrian Smith *VP Exploration* Port Coquitlam, British Columbia, Canada	Consulting Geologist.	Closing Date	Nil. (0%)
Peter Espig, *Director*[(4)] Vancouver, British Columbia, Canada	Officer of Sweet Earth Holdings Corporation and Nicola Mining Inc.	Closing Date	420,000[(3)] (0.5%)
Ernest Mast, *Director*[(4)] Etobicoke, Ontario, Canada	Officer of Doré Copper Mining Corp.	Closing Date	Nil. (0%)

Notes:

(1) Rob Saltsman directly and indirectly holds or exercises control over the Resulting Issuer Shares through himself, Jencorp Inc., Paige Capital Inc. and close family members.

(2) Claude Ayache holds Resulting Issuer Shares indirectly through his wife and her company, Stefnic Management Ltd.

(3) Peter Espig holds Resulting Issuer Shares directly and indirectly through his wife.

(4) Member of the Audit Committee.

13.2 Period of Service of Directors

Rob Saltsman, Peter Espig and Ernest Mast were appointed upon completion of the Transaction. The term of each director will expire on the date of the next annual general meeting, unless his or her office is earlier vacated or he or she is removed in accordance with the Resulting Issuer's articles and the OBCA.

13.3 Directors and Officers Common Share Ownership

As of the date of this Listing Statement, the directors and executive officers of the Resulting Issuer, beneficially own, directly or indirectly, or over which control or direction is exercised, as a group, 11,493,326 Resulting Issuer Shares, representing approximately 13.2% of all outstanding voting securities of the Resulting Issuer on a non-dilutive basis.

13.4 Committees

The Resulting Issuer currently has established one committee, being its Audit Committee. The members of the Audit Committee are Rob Saltsman, Peter Espig and Ernest Mast. The Resulting Issuer's Board will adopt a written charter setting forth the responsibilities, powers and operations of the Audit Committee consistent with NI 52-110. The principal duties and responsibilities of the Resulting Issuer's Audit Committee will be to assist the Resulting Issuer's Board in discharging the oversight of:

- the integrity of the Resulting Issuer's consolidated financial statements and accounting and financial processes and the audits of our consolidated financial statements;
- the Resulting Issuer's compliance with legal and regulatory requirements;
- the Resulting Issuer's external auditors' qualifications and independence;
- the work and performance of the Resulting Issuer's financial management and its external auditors; and
- the Resulting Issuer's system of disclosure controls and procedures and system of internal controls regarding finance, accounting, legal compliance, and risk management established by management and the Resulting Issuer's Board.
- It is anticipated that the Audit Committee will have access to all books, records, facilities, and personnel and may request any information about the Resulting Issuer as it may deem appropriate. It will also have the authority to retain and compensate special legal, accounting, financial and other consultants, or advisors to advise the Audit Committee. The Audit Committee is also expected to review and approve all related-party transactions and prepare reports for the Resulting Issuer's Board on such related-party transactions as well as be responsible for the pre-approval of all non-audit services to be provided by our auditors.

The Resulting Issuer is a "venture issuer" as defined in NI 52-110 and is relying upon the exemption in section 6.1 of NI 52-110 in respect of the composition of its Audit Committee and in respect of its reporting obligations under NI 52-110.

13.5 Principal Occupation of Directors and Officers

Except for Rob Saltsman and Claude Ayache, each of the directors and officers of the Resulting Issuer currently act as a director or officer of a company that is a reporting issuer, as outlined below under *Section 13.10 – Conflict of Interest*.

13.6 Corporate Cease Trade Orders or Bankruptcies

Except as disclosed herein, no proposed director is, as at the date of this Listing Statement, or has been, within ten (10) years before the date of this Listing Statement, a director, chief executive officer or chief financial officer of any company (including the Resulting Issuer in respect of which the Listing Statement is being prepared) that:

i. was subject to a cease trade or similar order that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or

ii. was subject to a cease trade or similar order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

No proposed director is, as at the date of this Listing Statement, or has been within ten (10) years before the date of this Listing Statement, a director or executive officer of any company (including the Resulting Issuer in respect of which the Listing Statement is being prepared) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager of trustee appointed to hold its assets.

No proposed director has, within the past ten (10) years, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement, or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

13.7 Penalties or Sanctions

Except as disclosed herein, no proposed director of the Resulting Issuer has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

On November 27, 2003, Robert Saltsman entered into a settlement agreement (the "**Settlement Agreement**") with the Investment Dealers Association of Canada (the "**Association**") in relation to contraventions of Association's by-law 29.1, for engaging in conduct unbecoming a registered representative, and engaging in unsuitable trading strategies for three clients contrary to

Association Regulation 1300.1(c). Pursuant to the Settlement Agreement, Robert Saltsman: (i) admitted to the contraventions noted above; (ii) was prohibited from approval by the Association to act in any registered capacity with any member of the Association for a period of ten years, beginning February 7, 2001; (iii) was ordered to pay a fine of $40,000 ($60,000 if not paid within twelve months of the Settlement Agreement); and (iv) pay the Association's costs of the proceeding in the amount of $10,000. Robert Saltsman has since made all payments pursuant to the Settlement Agreement,.

13.8 Disclosure of Settlement Agreements

Except as disclosed above in *Section 13.7 – Penalties or Sanctions*, no director or officer of the Resulting Issuer, or any shareholder holding a sufficient amount of securities of the Resulting Issuer to materially affect control of the Resulting Issuer, has entered into a settlement agreement with a securities regulatory authority.

13.9 Personal Bankruptcies

No director or officer of the Resulting Issuer or a shareholder that holds a sufficient number of securities of the Resulting Issuer to affect materially the control of the Resulting Issuer, or a personal holding company of any such persons has, within the 10 years before the date of the Listing Statement, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director or officer.

13.10 Conflict of Interest

The directors of the Resulting Issuer are required by law to act honestly and in good faith with a view to the best interests of the Resulting Issuer and to disclose any interests, which they may have in any project or opportunity of the Resulting Issuer or a subsidiary. If a conflict of interest arises at a meeting of the Resulting Issuer Board, any director in a conflict will disclose his or her interest and abstain from voting on such matter.

To the best of the Resulting Issuer's knowledge, there are no known existing or potential conflicts of interest among the Resulting Issuer or its subsidiary, and the directors, executive officers or other members of management of the Resulting Issuer or its subsidiary as a result of their outside business interests except that certain directors and officers may serve as directors and officers of other companies, and therefore it is possible that a conflict may arise between their duties to the Resulting Issuer or its subsidiary, and their duties as a director or officer of such other companies. See "*Risk Factors*".

The following table sets out the directors and officers of the Resulting Issuer that are, or have been within the last five years, directors, officers or promoters of other reporting issuers.

Director/Officer	**Other Reporting Issuers**	**Position**
Rob Saltsman	ScreenPro Security (formerly, Compel Capital Inc.) (CSE)	President/CEO/ Director

Claude Ayache	Findev Inc. (formerly, TransGaming Inc.) (TSXV) Novamind Inc. (formerly, Hinterland Metals Inc.) (TSXV - Halted) The Well Told Company Inc. (formerly AgAu Resources, Inc.) (TSXV - Halted)	CFO Director CFO/Director
Adrian Smith	M3 Metals Corp. (TSXV) Go Mining Corp. (CSE) Flow Metals Corp. (CSE) ArcPacific Resources Corp. (TSXV) Usha Resources Corp. (TSXV) Gold Tree Resources Corp. Prudent Minerals Corp. (CSE)	President/Director Director Director CEO/Director Director CEO/Director Director
Peter Espig	Nicola Mining Inc. (TSXV) BMEX Gold Inc. (formerly Meridius Resources Limited) (TSXV) Element 29 Resources Inc. (TSXV) Sweet Earth Holdings Corporation (formerly, Seaway Energy Services Inc.) (NEX)	Director/CEO Director Director CEO/Director
Ernest Mast	Libero Copper & Gold Corporation (Formerly Libero Copper Corporation) (TSXV) Scottie Resources Corp. (TSXV) Doré Copper Mining Corp. (TSXV)	Director Director/President/CEO Director/President/CEO

13.11 Management

The following summarizes certain information concerning the Resulting Issuer's directors and officers:

Rob Saltsman – Age 54 – President, Chief Executive Officer, Secretary and Director

Mr. Saltsman has 25 years of experience in venture capital and public investments and is the Founder of First Lithium Minerals Inc., a company he founded in 2017. He served as the CEO of Compel Capital Inc. from 2011 to 2018 and RMM Ventures Inc. from 2005 to 2006, and as Vice President of Georgian Capital Corp. where he focused on investing and consulting services in private equity. He is currently a President and Managing Partner of Paige Capital Inc., a venture capital investment company, and is a founding partner of South America Finance Corp SAS, a private merchant banking group in Colombia. Mr. Saltsman will devote approximately 80% of his time to the affairs of the Company.

Claude Ayache – Age 59 – Chief Financial Officer

Mr. Ayache is a bilingual CPA, CMA with over 35 years of experience, more than half of which was served at the CFO/CEO level of publicly reporting companies in Canada and the US. He has also served on the board of several private companies and non-profit organizations. Mr. Ayache will devote approximately 50% of his time to the affairs of the Company.

Adrian Smith – Age 35 – VP Exploration

Mr. Smith, P. Geo., B.Sc., is a Consulting Geologist with fifteen years' experience working in the mining and exploration industries. Mr. Smith began working for exploration companies in 2007, and worked as an Underground Mine Geologist in the Shasta Gold-Silver Mine in Northern BC from 2008 until 2010. He then began work for North American Tungsten Corp. at the Cantung Mine where he was involved in successfully identifying, modeling, and producing ore in addition to known reserves. Since then, Mr. Smith has taken his mining and exploration experience from underground and applied it to exploration projects across Canada and USA. Currently Mr. Smith sits on the Board of several Jr Mining Companies, serves as CEO of ArcPacific Resources Corp., and founded Divitiae Resources Ltd. Mr. Smith graduated from Simon Fraser University with a Bachelor of Science degree specializing in Geology, and has been a member of APEG BC since 2008. Mr. Smith will devote approximately 10% of his time to the affairs of the Resulting Issuer. Mr. Smith will devote approximately 25% of his time to the affairs of the Company.

Peter Espig – Age 56 – Director

Mr. Espig has been the President and CEO of Nicola Mining Inc. since 2013. The former Goldman Sachs banker and Olympus Capital Partners executive founded TriAsia Capital, a private equity and consulting firm focused on raising capital for mid-sized companies and pre-initial public offering investment in 2006. Mr. Espig is a founding director of Phosplatin Therapeutics, a private biopharmaceutical company, and has been a board member since November 2010. He is also the CEO of Sweet Earth Holdings (CSE: SE) and is an independent director of Element 29 (TSX.V: ECU). Mr. Espig is a pioneer of SPACs, having completed two mega transactions with a combined value of greater than US$1.0 BN and served as a board member of Star Bulk Carriers (NASDAQ: SBLK) from 2006 to 2013. Mr. Espig received his MBA from Columbia Business School, where he was a Chazen International Scholar. Mr. Espig will devote approximately 10% of his time to the affairs of the Company.

Ernest Mast – Age 58 – Director

Mr. Mast is the former President & CEO of Primera mining and Minera Panama S.A., a subsidiary of Inmet Mining Corp., which was subsequently acquired by First Quantum Minerals for $5.1 BN. He received an MBA from Universidad Catolicade Chile and holds a Master's degree in Mining & Metallurgical Engineering. He is fluent in Spanish and worked as a Technical Director of Noranda Chile's operation and Lomas Bayas Copper Mine. Mr. Mast will devote approximately 10% of his time to the affairs of the Company.

14 CAPITALIZATION

14.1 Common Shares

The following tables provide information about our capitalization as of the date of this Listing Statement, each with reference to the Resulting Issuer's outstanding common shares:

Issued Capital	**Number of Securities (Non-diluted)**	**Number of Securities (fully diluted)**	**% of Issued (non-diluted)**	**% of Issued (fully diluted)**
Public Float				
Total Outstanding (A)	86,876,163	87,772,023	100%	100%
Held by Related Persons[1](B)	16,178,726	16,178,726	18.6%	18.4%
Total Public Float (A-B)	70,697,437	71,593,297	81.4%	81.6%
Freely Tradeable Float				
Number of outstanding securities subject to resale restrictions, including restrictions imposed by pooling or other arrangements or in a shareholder agreement and securities held by control block holders (C)	39,927,037	39,927,037	46.0%	45.5%
Total Tradeable Float (A-C)	46,949,126	47,844,986	54.0%	54.5%

Notes:

(1) Related Persons or employees of the Resulting Issuer, or persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position in the Resulting Issuer (or who would beneficially own or control, directly or indirectly, more than a 5% voting position in the Resulting Issuer upon exercise or conversion of other securities held).

Public Securityholders (Registered)

For the purposes of this table, "public security-holders" are registered shareholders other than related persons enumerated in section (B) of the previous chart.

Size of Holding	Number of holders	Total number of Shares
1 – 99 securities	62	884
100 – 499 securities	21	6,088
500 – 999 securities	4	2,728
1,000 – 1,999 securities	2	2,477
2,000 – 2,999 securities	0	0
3,000 – 3,999 securities	1	3,660
4,000 – 4,999 securities	0	0
5,000 or more securities	181	69,713,663
Total	271	69,729,500

Public Securityholders (Beneficial)

The following table includes (i) beneficial holders holding securities in their own name as registered shareholders; and (ii) beneficial holders holding securities through an intermediary where the Resulting Issuer has been given written confirmation of shareholdings. For the purposes of this section, it is sufficient if the intermediary provides a breakdown by number of beneficial holders for each line item below; names and holdings of specific beneficial holders do not have to be disclosed.

Size of Holding	Number of holders	Total number of Shares
1 – 60 securities	653	4,811
61 – 609 securities	194	33,051
610 – 915 securities	17	11,643
916 – 1,219 securities	6	6,232
1,220 – 3,037 securities	19	3,2667
3,038 – 6,100 securities	4	18,165
6,101 or more securities	10	827,763
Unable to confirm:	-	33,605

Size of Holding	Number of holders	Total number of Shares
Total	903	967,937

Non-Public Securityholders (Registered)

The following table includes "non-public registered securityholders", being those related persons enumerated in section (B) of the issued capital chart.

Size of Holding	Number of holders	Total number of Shares
1 – 99 securities	0	0
100 – 499 securities	0	0
500 – 999 securities	0	0
1,000 – 1,999 securities	0	0
2,000 – 2,999 securities	0	0
3,000 – 3,999 securities	0	0
4,000 – 4,999 securities	0	0
5,000 or more securities	14	16,178,726
Totals	14	16,178,726

The Resulting Issuer has at least 244 registered and beneficial public securityholders holding at least a board lot.

14.2 Convertible or Exchangeable Securities

As of the date hereof, the Resulting Issuer has the following securities convertible into Resulting Issuer Shares:

Description of Security (include conversion / exercise terms, including conversion / exercise price)	Number of convertible / exchangeable securities outstanding	Number of listed securities issuable upon conversion / exercise
Resulting Issuer Broker Warrants[1]	895,860	895,860

Notes:

(1) The Resulting Issuer Broker Warrants were granted to finders in connection with the FLM Private Placement.

15 EXECUTIVE COMPENSATION

Statement of Executive Compensation

The following provides a summary of the Statement of Executive Compensation and also provides information concerning compensation paid and to be paid to the directors of the Resulting Issuer. For the purposes of this section, the Named Executive Officers are: Rob Saltsman, Claude Ayache and Adrian Smith.

Summary Compensation Table

The following summary compensation table provides a summary of the compensation proposed to be paid to the Named Executive Officers and directors for the 12-month period following the closing of the Transaction:

Name and principal position	Year	Salary, Consulting Fee, Retainer or Commission ($)	Bonus ($)[1]	Committee or meeting fees ($)	All other compensation ($)	Total compensation ($)
Rob Saltsman *President, CEO and Director*	2022	$180,000	-	-	-	$180,000
Claude Ayache, *CFO*	2022	$60,000	-	-	-	$60,000
Adrian Smith *VP Exploration*	2022	$20,000	-	-	-	$20,000
Ernest Mast *Director*	2022	$0.00	-	-	-	$0.00

Peter Espig *Director*	2022	$0.00	-	-	-	$0.00

Notes:

(1) It is not anticipated that a bonus will be paid for the 12 months period following the closing of the Transaction but this remains subject to the discretion of the Resulting Issuer Board.

Compensation Discussion and Analysis

The Resulting Issuer's Board is responsible for determining compensation for the Resulting Issuer's officers and directors.

When determining compensation policies and individual compensation levels for the Resulting Issuer's officers, a variety of factors, will be considered including: the overall financial and operating performance of the Resulting Issuer, each officer's individual performance and contribution towards meeting corporate objectives; each officer's level of responsibility and length of service; and industry comparables.

The Resulting Issuer's compensation philosophy for its officers will follow three underlying principles: to provide compensation packages that encourage and motivate performance; to be competitive with its peer group of mining companies, which are of similar size and scope of operations, so as to attract and retain talented executives; and to align the interests of its officers with the long-term interests of the Resulting Issuer and its shareholders through stock related programs. The Resulting Issuer's peer group in connection with salary compensation consists of sampling of other similar sized mining companies both private and those that are reporting issuers (or the equivalent) in Canada.

The Resulting Issuer's executive compensation will consist of an annual base salary and long-term incentives and granting of Awards pursuant to the Resulting Issuer Plan. There may also be a bonus paid to officers at the discretion of the Resulting Issuer Board, although the Resulting Issuer does not currently anticipate a bonus for the 12-month period following the Transaction. The Resulting Issuer director compensation may consist of long-term incentives in the form of granting of Awards pursuant to the Resulting Issuer Plan and may also be comprised of annual fees for attending meetings of the Resulting Issuer Board.

An incentive component of the Resulting Issuer's compensation program will be the potential longer-term reward provided through the grant of Awards. The granting of Options are intended to attract, retain and motivate officers and directors, and to align the interests of those individuals with those of the Resulting Issuer Shareholders. The granting of Options provides such individuals with an opportunity to acquire a proprietary interest in the Resulting Issuer's value growth through the exercise of stock options. Options will be granted at the discretion of the Resulting Issuer Board, which will consider factors such as how other, similar companies grant options and the potential value that each optionee is contributing to the Resulting Issuer. The number of Options granted to an individual is based on such considerations.

The stage of the Resulting Issuer's development and the small size of its specialized management team will allow frequent communication and constant management decisions in the interest of developing shareholder value as a primary goal. As the Resulting Issuer's business develops and performance goals are more apt to be delegated, particular performance goals will become more complex and measurable, and included in the compensation structure accordingly.

Award Grants

The Resulting Issuer may grant Awards to its directors, officers, consultants, as applicable, pursuant to the Resulting Issuer Plan. However, details respecting any such Award grant will be at the discretion of the Resulting Issuer Board.

Pension Plan Benefits

The Resulting Issuer does not intend to implement any deferred compensation plan or pension plan that provides for payments or benefits at, following, or in connection with retirement.

External Management Companies

None of the NEOs or directors of the Company have been retained or employed by an external management company which has entered into an understanding, arrangement or agreement with the Resulting Issuer to provide executive management services to the Resulting Issuer, directly or indirectly.

Compensation Policies and Risk Management

The Resulting Issuer Board will consider the implications of the risks associated with the Resulting Issuer's compensation policies and practices when determining rewards for its officers. The Resulting Issuer Board intends to review at least once annually the risks, if any, associated with the Resulting Issuer's compensation policies and practices at such time.

Executive compensation will be comprised of short-term compensation in the form of a base salary (in the case of executive officers) and long-term ownership through the granting of Awards and the ownership of Resulting Issuer Shares. Although it is not anticipated that a bonus will be paid for the 12-month period following the closing of the Transaction, this remains subject to the discretion of the Resulting Issuer Board. Director compensation may be comprised of annual fees for attending meetings of the Resulting Issuer Board or for acting as chairs of committees of the Resulting Issuer Board, in addition to granting of Awards at the discretion of the Resulting Issuer Board.

This structure will ensure that a significant portion of executive and director compensation is both long-term and "at risk" and, accordingly, is directly linked to the achievement of business results and the creation of long term shareholder value. As the benefits of such compensation, if any, will not be realized by optionees until a significant period of time has passed, the ability of officers to take inappropriate or excessive risks that are beneficial to their short-term compensation at the expense of the Resulting Issuer and the Resulting Issuer Shareholders will be extremely limited. Furthermore, the short-term component of executive and director compensation (base salary/director fees) will represent a relatively small part of the total compensation. As a result, it is unlikely an officer or director would take inappropriate or excessive risks at the expense of the Resulting Issuer or the Resulting Issuer Shareholders that would be beneficial to their short-term compensation when their long-term compensation might be put at risk from their actions.

Due to the small size of the Resulting Issuer and the anticipated level of its activity, the Resulting Issuer Board will be able to closely monitor and consider any risks which may be associated with the Resulting Issuer's compensation policies and practices. Risks, if any, may be identified and mitigated through Resulting Issuer Board meetings during which financial and other information of the Resulting Issuer will be reviewed. No risks have been identified arising from the Resulting Issuer's compensation policies and practices that are reasonably likely to have a material adverse effect on the Resulting Issuer.

Option-based Awards

The granting of Options will be used to provide share purchase options which are granted in consideration of the level of responsibility of the executive and/or director as well as his or her impact or contribution to the longer-term operating performance of the Resulting Issuer. In determining the number of Options to be granted to the executive officers and directors, the Resulting Issuer Board will take into account the number of options, if any, previously granted to each executive officer and/or director, and the exercise price of any outstanding options, to closely align the interests of the executive officers and directors with the interests of the Resulting Issuer Shareholders. The Resulting Issuer Board as a whole has the responsibility to administer the compensation policies related to the executive management of the Resulting Issuer, including option-based awards.

Compensation of Directors

The Resulting Issuer may pay compensation to its directors in the form of annual fees for attending meetings of the Resulting Issuer Board or for acting as chairs of committees of the Resulting Issuer Board. Subject to the discretion of the Resulting Issuer Board, directors will be entitled to receive Awards pursuant to the Resulting Issuer Plan, subject to the discretion of the Resulting Issuer Board. Directors will be reimbursed for any out-of-pocket travel expenses incurred in order to attend meetings of the Resulting Issuer Board, committees of the Resulting Issuer Board or meetings of Resulting Issuer Shareholders. It is also anticipated that the Resulting Issuer will obtain customary insurance for the benefit of its directors and enter into indemnification agreements with its directors pursuant to which the Resulting Issuer will agree to indemnify its directors to the extent permitted by law.

Termination and Change of Control Benefits

The Resulting Issuer is not party to any compensation plan or arrangement with NEOs or directors of the Resulting Issuer which require payments upon the resignation or the termination of employment of such person.

16 INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Except as disclosed in this Listing Statement and in attached financial statements, no individual who is, or at any time during the most recently completed financial year was, a director or executive officer of the Resulting Issuer, a proposed nominee for election as a director of the

Resulting Issuer, and each associate of any such director, executive officer or proposed nominee, (a) is, or at any time since the beginning of the most recently completed financial year of the Resulting Issuer has been, indebted to the Resulting Issuer or any of its subsidiaries, or (b) has or had indebtedness to another entity at any time since the beginning of the most recently completed financial year which is or was the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Resulting Issuer or any of its subsidiaries.

17 RISK FACTORS

The following information is a summary only of certain risk factors and is qualified in its entirety by reference to, and must be read in conjunction with, the detailed information appearing elsewhere in this Listing Statement. These risks and uncertainties are not the only ones the Resulting Issuer is facing. Additional risk and uncertainties not presently known to the Resulting Issuer, or that management currently deems immaterial, may also impair the Resulting Issuer's operations. If any such risks actually occur, the business, financial condition, liquidity and results of the Resulting Issuer's operations could be materially adversely affected.

An investment in the Resulting Issuer Shares, as well as the Resulting Issuer's prospects, are highly speculative due to the high risk nature of its business and the present stage of its operations. The Resulting Issuer Shareholders may lose their entire investment. Investors should not invest any funds in the Resulting Issuer unless they can afford to lose their entire investment.

Exploration and Development

Exploration for minerals is a speculative venture involving substantial risk. There is no certainty that the expenditures made by the Resulting Issuer will result in discoveries of commercial mineral reserves.

Mining and development risks always accompany anticipated rewards, and uncertainties always exist where mineral properties are concerned. Uncertainties include the size, grade and recovery of naturally occurring mineral deposits. Although exploration and development efforts can outline a mineral deposit with a degree of certainty, ultimate grade and tonnages are never fully known until mining has been completed. Mineral prices are also a significant factor in the development decision for a mineral property, as a mine may not be economically feasible in a period of depressed prices. Factors beyond the control of the Resulting Issuer may affect the marketability of any minerals discovered. Pricing is affected by numerous factors such as international economic and political trends, global or regional consumption and demand patterns, and increased production by current producers.

Mining Claims

The operations of the Resulting Issuer will require licences and permits from various governmental authorities in Chile. There can be no assurance that the Resulting Issuer will be able to obtain all necessary licences and permits that may be required to carry out the exploration and development of its projects in a timely manner or at all.

The activities of the Resulting Issuer will be subject to government approvals, various laws governing prospecting, development, land resumptions, production taxes, an export licence, labour standards and occupational health, mine safety, toxic substances and other matters. Although the Company intends to carry out its activities in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development.

The Resulting Issuer's operations will also be subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, which would result in environmental pollution. A breach of such legislation may result in imposition of fines and penalties.

The Resulting Issuer does not have any of these permits in a current or useable form, and will be required to apply for and obtain all necessary permits as required to explore and develop and eventually mine, process and sell product. There is no guarantee the Resulting Issuer will be able to obtain the necessary permits in a timely manner or at all. Delays in obtaining permits could materially delay the Resulting Issuer's operations, and failure to obtain any necessary permit could materially restrict the Resulting Issuer's future operations.

Foreign Operations and Political Risk

The Resulting Issuer holds properties in Chile, exposing it to the socioeconomic conditions as well as the laws governing the mining industry in Chile. Inherent risks with conducting foreign operations include, but are not limited to: risks relating to political stability and changes in laws relating to foreign ownership, government participation, taxation, royalties, duties, rates of exchange, exchange controls, export controls, land use and operational safety, social and labour unrest, and the potential for terrorism or military repression.

Changes, if any, in mining or investment policies, or shifts in political attitude in Chile, may adversely affect the Resulting Issuer's operations or profitability. Exploration, development and mining of the OCA Prospect could also be subject to resistance from local residents that could either prevent or delay exploration and development of the OCA Prospect. Furthermore, in the event of a dispute arising from the Resulting Issuer's activities in Chile, the Resulting Issuer may be subject to the exclusive jurisdiction of court outside Canada, which could adversely affect the outcome of the dispute.

The Resulting Issuer continues to monitor developments and policies in all the jurisdictions in which it operates and the potential impact such developments and policies may have on its operations; however, they cannot be accurately predicted and could have an adverse effect on the Resulting Issuer's operations or profitability.

Reliance on Local Advisors and Consultants in Chile

The legal and regulatory requirements in Chile with respect to conducting mineral exploration and mining activities, banking system and controls, as well as local business culture and practices are different from those in Canada. The officers and directors of the Resulting Issuer must rely, to a great extent, on the Resulting Issuer's local legal counsel and local consultants retained by the Resulting Issuer in order to keep abreast of material legal, regulatory and governmental developments as they pertain to and affect the Resulting Issuer's business operations, and to assist the Resulting Issuer with its governmental relations. The Resulting Issuer must rely, to some extent, on those members of management who have previous experience working and conducting business in Chile in order to enhance its understanding of and appreciation for the local business culture and practices. The Resulting Issuer also relies on the advice of local experts and professionals in connection with current and new regulations that develop in respect of banking, financing, labour, litigation and tax matters in Chile. Any developments or changes in such legal, regulatory or governmental requirements or in local business practices are beyond the control of the Resulting Issuer. The impact of any such changes may adversely affect the business of the Resulting Issuer.

Internal Controls Related to Operations in Chile

Given the limited number of the Resulting Issuer's management personnel in Chile, the Resulting Issuer relies on local advisors and consultants in Chile in connection with accounting and financial records and reporting. Any weaknesses in the internal control procedures of the Resulting Issuer in regards to monitoring of such local advisors and consultants may result in errors or omissions in financial information or other disclosure, or may create a risk of potential fraud or loss of the Resulting Issuer's assets.

Enforcement of Legal Rights

The Resulting Issuer has a material subsidiary organized under the laws of Chile and certain of the Resulting Issuer's personnel are located in Chile. Given that the majority of the Resulting Issuer's material non-cash assets and certain of its personnel are located outside of Canada, investors may have difficulty in effecting service of process within Canada and collecting from or enforcing against the Resulting Issuer, any judgments issued by the Canadian courts or Canadian securities regulatory authorities and predicated on the civil liability provisions of Canadian securities legislation or other laws of Canada. Similarly, in the event a dispute arises in connection with the Resulting Issuer's foreign operations, the Resulting Issuer may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdiction of courts in Canada.

Assurance of Title in Chile

The Resulting Issuer has taken reasonable measures, in accordance with industry standards for properties at the same stage of exploration as those of the Resulting Issuer to ensure proper title to its properties. However, there is no guarantee that title to any of its properties will not be challenged or impugned. The Resulting Issuer's properties may be subject to prior unregistered liens, agreements, transfers or claims, including native land claims and title may be affected by, among other things, undetected defects. In addition, the Resulting Issuer may be unable to operate the properties as permitted or to enforce its rights with respect to its properties. The failure to comply with all applicable laws and regulations, including a failure to pay taxes, carry out and file assessment work, may invalidate title to portions of the properties where the mineral rights are not held by the Resulting Issuer.

Possible Failure to Obtain Mining Licences in Chile

Even if the Resulting Issuer does complete the required exploration activities on the OCA Prospect, it may not be able to obtain the necessary licences or permits to conduct mining operations, and thus would realize no benefit from such exploration activities.

Title Risks

Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral properties. The Resulting Issuer has investigated title to its mineral property and, to the best of its knowledge, title to its property is in good standing.

No Earnings and History of Losses

The business of developing and exploring resource properties involves a high degree of risk and, therefore, there is no assurance that current exploration programs will result in profitable operations. The Resulting Issuer has not determined whether any of its properties contain economically recoverable reserves of mineralized material and currently has not earned any revenue from its mining properties; therefore, the Resulting Issuer does not generate cash flow from its operations. There can be no assurance that significant additional losses will not occur in the future. The Resulting Issuer's operating expenses and capital expenditures may increase in future years with advancing exploration, development and/or production from the Resulting Issuer's properties. The Resulting Issuer does not expect to receive revenues from operations in the foreseeable future and expects to incur losses until such time as one or more of its properties enters into commercial production and generates sufficient revenue to fund continuing operations. There is no assurance that any of the properties will eventually enter commercial operation. There is also no assurance that new capital will become available, and if it does not, the Resulting Issuer may be forced to substantially curtail or cease operations.

Environmental Regulations, Permits and Licenses

The Resulting Issuer's operations are subject to various laws and regulations governing the protection of the environment, exploration, development, production, taxes, labour standards, occupational health and safety, waste disposal, and other matters. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in impositions of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a direction of stricter standards, and enforcement, and higher fines and penalties for non-responsibility for companies including its directors, officers and employees. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability for the Resulting Issuer and its directors, officers and employees. The Resulting Issuer intends to fully comply with all environmental regulations.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Resulting Issuer and cause increases in capital expenditures or productions costs or reduction in levels of productions at producing properties, or requirements abandonment, or delays in development of new mining properties.

Lithium Market Prices

Lithium is not a traded commodity like base and precious metals. Sales agreements are negotiated on an individual and private basis with end-users or intermediaries. In addition, there are a limited number of producers of lithium compounds, and it is possible that these existing producers will try to prevent newcomers from entering the chain of supply by increasing their production capacity and lowering sales prices. Other factors, such as supply and demand of lithium-based end-products (such as lithium hydroxide), pricing characteristics of alternative sources of energy, industrial disruption and actual lithium market sale prices, could have an adverse impact on the market price of lithium and as such render the OCA Prospect uneconomic. There can be no assurance that such prices will remain at current levels or that such prices will improve.

Lithium Market Growth Uncertainty

Factors beyond the Resulting Issuer's control may affect the marketability of metals discovered, if any. The development of lithium operations at the OCA Prospect is highly dependent on projected demand for and uses of lithium-based end products. This includes lithium-ion batteries for electric vehicles and other large format batteries that currently have limited market share and whose projected adoption rates are not assured. To the extent that such markets do not develop in the manner contemplated by the Resulting Issuer, then the long-term growth in the market for lithium products will be adversely affected, which would inhibit the potential for development of the projects, their potential commercial viability and would otherwise have a negative effect on the business and financial condition of the Resulting Issuer. In addition, as a commodity, lithium market demand is subject to the substitution effect in which end-users adopt an alternate commodity as a response to supply constraints or increases in market pricing. To the extent that these factors arise in the market for lithium, it could have a negative impact on overall prospects for growth of the lithium market and pricing, which in turn could have a negative effect on the Resulting Issuer and its projects.

Risks Relating to Changes in Technology

Lithium and its derivatives are preferred raw materials for certain industrial applications, such as rechargeable batteries and liquid crystal displays (LCDs). Many materials and technologies are being researched and developed with the goal of making batteries lighter, more efficient, faster charging and less expensive. Some of these technologies could be successful and could adversely affect demand for lithium batteries in personal electronics, electric and hybrid vehicles and other applications. The Resulting Issuer cannot predict which new technologies may ultimately prove to be commercially viable and on what time horizon. In addition, alternatives to such products may become more economically attractive as global commodity prices shift. Any of these events could adversely affect demand for and market prices of lithium, thereby resulting in a material adverse effect on the economic feasibility of extracting any mineralization the Resulting Issuer discovers and reducing or eliminating any reserves it identifies.

Credit risk

Credit risk is the risk of loss due to the counterparty's inability to meet its obligations. The Resulting Issuer's exposure to credit risk is on its cash. Risk associated with cash is managed through the use of major banks which are high credit quality financial institutions as determined by rating agencies.

Liquidity risk

Liquidity risk is the risk that the Resulting Issuer will encounter difficulties in meeting obligations when they become due. The Resulting Issuer endeavors to ensure that there is sufficient capital in order to meet short-term operating requirements, after taking into account the Resulting Issuer's holdings of cash. The Resulting Issuer's cash is held in corporate bank accounts available on demand. The Resulting Issuer's accounts payable and accrued expenses generally have contractual maturities of less than 30 days and are subject to normal trade terms.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and price risk.

Currency Risk

The Resulting Issuer is subject to normal market risks including fluctuations in foreign exchange rates and interest rates. While the Resulting Issuer manages its operations in order to minimize exposure to these risks, the Resulting Issuer has not entered into any derivatives or contracts to hedge or otherwise mitigate this exposure. The Resulting Issuer is not exposed to significant currency risk.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Resulting Issuer is not exposed to significant interest rate risk as it has no interest bearing debt.

Price Risk

The Resulting Issuer is exposed to price risk with respect to equity prices. Price risk as it relates to the Resulting Issuer is defined as the potential adverse impact on the Resulting Issuer's ability to raise financing due to movements in individual equity prices or general movements in the level of the stock market. The Resulting Issuer closely monitors individual equity movements and the stock market to determine the appropriate course of action to be taken by the Resulting Issuer.

Uncertainty of Use of Proceeds

Although the Resulting Issuer has set out in this Listing Statement its intended use of funds, these are estimates only and subject to change. While management does not contemplate any material variation, management does retain broad discretion in the application of such proceeds.

No Known Economic Deposits

The Resulting Issuer is an exploration stage company and cannot give assurance that a commercially viable deposit, or "reserve," exists on any properties for which the Resulting Issuer currently has or may have (through potential future joint venture agreements or acquisitions) an interest. Therefore, determination of the existence of a reserve depends on appropriate and sufficient exploration work and the evaluation of legal, economic, and environmental factors. If the Resulting Issuer fails to find a commercially viable deposit on any of its properties, its financial condition and results of operations will be materially adversely affected.

Operating Hazards and Risks

Mining operations involve many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. In the course of exploration, development and production of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions including rock bursts, cave-ins, fires, flooding and earthquakes may occur. Operations in which the Resulting Issuer has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of metals, any of which could result in damage to or destruction of mines and other producing facilities, damage to life and property, environmental damage and possible legal liability for any or all damage.

Influence of Third Party Stakeholders

The OCA Prospect, as well as other mineral properties of the Resulting Issuer, or the roads or other means of access which the Resulting Issuer intends to utilize in carrying out its work programs or general business mandates on the OCA Prospect or its other properties may be subject to interests or claims by third party individuals, groups or companies. In the event that such third parties assert any claims, the Resulting Issuer's work programs may be delayed even if such claims are not meritorious. Such delays may result in significant financial loss and loss of opportunity for the Resulting Issuer.

Uninsurable Risks

Exploration, development and production of mineral properties is subject to certain risks, and in particular, unexpected or unusual geological operating conditions including rock bursts, cave-ins, fires, flooding and earthquakes may occur. It is not always possible to insure fully against such risks and we may decide not to take out insurance against such risks as a result of high premiums or for other reasons. Should such liabilities arise, they could have an adverse impact on our operations and could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of the Resulting Issuer.

Competition and Agreements with Other Parties

The mining industry is intensely competitive in all its phases. The Resulting Issuer competes with other companies that have greater financial resources and technical capacity. Competition could adversely affect the Resulting Issuer's ability to acquire suitable properties or prospects in the future.

The Resulting Issuer may, in the future, be unable to meet its share of costs incurred under agreements to which it is a party, and it may have its interest in the properties subject to such agreements reduced as a result. Also, if other parties to such agreements do not meet their share of such costs, the Resulting Issuer may not be able to finance the expenditures required to complete recommended programs.

Dependence on Management

The Resulting Issuer is very dependent upon the personal efforts and commitment of its existing management. To the extent that management's services would be unavailable for any reason, a disruption to the operations of the Resulting Issuer could result, and other persons would be required to manage and operate the Resulting Issuer.

Price Volatility of Public Stock

In recent years, securities markets have experienced extremes in price and volume volatility. The market price of securities of many early stage companies, among others, have experienced fluctuations in price which may not necessarily be related to the operating performance, underlying asset values or prospects of such companies. It may be anticipated that any market for the Resulting Issuer Shares will be subject to market trends generally and the value of the Resulting Issuer's shares on a stock exchange may be affected by such volatility.

The Resulting Issuer has an unlimited number of common shares that may be issued by the board of directors without further action or approval of the Resulting Issuer Shareholders. While the board is required to fulfil its fiduciary obligations in connection with the issuance of such shares, the shares may be issued in transactions with which not all shareholders agree, and the issuance of such shares will cause dilution to the ownership interests of the Resulting Issuer Shareholders.

Conflicts of Interest

The Resulting Issuer's directors and officers may serve as directors and officers, or may be associated with other reporting companies or have significant shareholdings in other public companies. To the extent that such other companies may participate in business or asset acquisitions, dispositions, or ventures in which the Resulting Issuer may participate, the directors and officers of the Resulting Issuer may have a conflict of interest in negotiating and concluding terms respecting the transaction. If a conflict of interest arises, the Resulting Issuer will follow the provisions of the OBCA in dealing with conflicts of interest. These provisions state, where a director/officer has such a conflict, that the director/officer must at a meeting of the board, disclose his interest and refrain from voting on the matter unless otherwise permitted by the OBCA. In accordance with the laws of the Province of Ontario the directors and officers of the Resulting Issuer are required to act honestly, in good faith and in the best interests of the Resulting Issuer.

Dividends

The Resulting Issuer has not declared or paid any dividends on its common shares and does not currently have a policy on the payment of dividends. For the foreseeable future, the Resulting Issuer anticipates that it will retain future earnings and other cash resources for the operation and developments of its business. The payment of any future dividends will depend upon earnings and the Resulting Issuer's financial condition, current and anticipated cash needs and such other factors as the directors of the Resulting Issuer consider appropriate.

Estimates and Assumptions

Preparation of its financial statements requires the Resulting Issuer to use estimates and assumptions. Accounting for estimates requires the Resulting Issuer to use its judgment to determine the amount to be recorded on its financial statements in connection with these estimates. If the estimates and assumptions are inaccurate, the Resulting Issuer could be required to write down its recorded values. On an ongoing basis, the Resulting Issuer re-evaluates its estimates and assumptions. However, the actual amounts could differ from those based on estimates and assumptions.

Costs and Compliance Risks

Legal, accounting and other expenses associated with public company reporting requirements are significant. The Resulting Issuer anticipates that costs may increase with corporate governance related requirements, including, without limitation, requirements under National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings*, National Instrument 52-110 – *Audit Committees* and National Instrument 58-101 – *Disclosure of Corporate Governance Practices*.

The Resulting Issuer also expects these rules and regulations may make it more difficult and more expensive for it to obtain director and officer liability insurance, and it may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. As a result, it may be more difficult for the Resulting Issuer to attract and retain qualified individuals to serve on its board of directors or as executive officers.

COVID-19 Pandemic

The precise impacts of the global emergence of COVID-19 on the Resulting Issuer are currently unknown. The Resulting Issuer intends to conduct business as normal with modifications to personnel travel and work locations and is currently evaluating what exploration work can be done on its properties. Rules in all jurisdictions are changing rapidly and the Resulting Issuer will need to evaluate and evolve with measures as they are announced. Government restrictions on the movement of people and goods may cause exploration work and analysis being done by the Resulting Issuer and its contractors to slow or cease. Such disruptions in work may cause the Resulting Issuer to miss actual or self-imposed deadlines, push out earlier forecasts, and increase fiscal losses. In addition, the outbreak of COVID-19 has caused considerable disruption to the world economy and financial markets which could have a materially adverse impact on the ability of the Resulting Issuer to raise additional funding in the future and could negatively impact, among other factors, the Resulting Issuer's share price.

18 PROMOTERS

Robert Saltsman, the President, CEO and a director of the Resulting Issuer, is considered a promoter of the Resulting Issuer in connection with the Transaction. Mr. Saltsman directly and indirectly holds or exercises control over 10,173,326 Resulting Issuer Shares through himself, Jencorp Inc., Paige Capital Inc., and close family members, which represents 11.7% of the issued and outstanding Resulting Issuer Shares.

19 LEGAL PROCEEDINGS AND REGULATORY ACTIONS

19.1 Legal Proceedings

There are no legal proceedings material to the Resulting Issuer, to which the Resulting Issuer, or a subsidiary of the Resulting Issuer is a party or of which any of its property is the subject matter and no such proceedings are known to the Resulting Issuer to be contemplated.

19.2 Regulatory actions

a) There have been no penalties or sanctions imposed against the Resulting Issuer, PetroCorp, First Lithium, or QL by a court relating to provincial and territorial securities legislation or by a securities regulatory authority within the three years immediately preceding the date hereof;

b) There have been no other penalties or sanctions imposed by a court or regulatory body against the Resulting Issuer, PetroCorp, First Lithium or QL necessary to contain full, true and plain disclosure of all material facts relating to the securities being listed; and

c) There have been no settlement agreements the Resulting Issuer, PetroCorp, First Lithium or QL entered into before a court relating to provincial and territorial securities legislation or with a securities regulatory authority within the three years immediately preceding the date hereof.

20 INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than services as directors, executive officers and employees of the Resulting Issuer, the Resulting Issuer has not acquired any assets or been provided any services in any material transaction, or in any proposed material transaction, from any director, executive officer, insider or promoter of the Resulting Issuer, or any of their associates or affiliates, the proposed nominees for election as directors of the Resulting Issuer, the proposed executive officers, insiders or promoters of the Resulting Issuer, or their associates and affiliates.

Other than in respect of the Transaction, including with respect to the Acquisition Agreement, no director, executive officer, insider or promoter of the Resulting Issuer or any associate or affiliate of any such person or company has or had any material interest, direct or indirect, in any transaction that has materially affected or will materially affect the Resulting Issuer.

21 AUDITORS, TRANSFER AGENTS AND REGISTRARS

The Resulting Issuer's auditor is Dale Matheson Carr-Hilton Labonte LLP located at 1500 - 1140 West Pender St., Vancouver, BC V6E 4G1.

The Resulting Issuer's transfer agent and registrar is Computershare Investor Services Inc. located at 800, 324 – 8th Avenue SW, Calgary, AB T2P 2Z2.

22 MATERIAL CONTRACTS

The only material contract for PetroCorp, First Lithium and QL is the Acquisition Agreement.

Copies of the material contracts referred to in this Listing Statement may be inspected at the administrative office of the Resulting Issuer located at 77 King Street West, Suite 3000, Toronto, Ontario, M5K 1G8.

22.1 Co-tenancy, Unitholders or Limited Partnership Agreements

Not applicable.

23 INTEREST OF EXPERTS

No person or company whose profession or business gives authority to a statement made by the person or company and who is named as having prepared or certified a part of this Listing Statement or as having prepared or certified a report or valuation described or included in this Listing Statement holds any beneficial interest, direct or indirect, in any securities or property of the Resulting Issuer or of a Related Person of the Resulting Issuer and no such person referred to above and no director, officer, or employee of a person or company referred to above is or is expected to be elected, appointed or employed as a director, officer or employee of the Resulting Issuer or of an associate or affiliate of the Resulting Issuer and no such person or company is a promoter of the Resulting Issuer or of an associate or affiliate of the Resulting Issuer.

24 OTHER MATERIAL FACTS

There are no other material facts about the Resulting Issuer and its securities that are disclosed in the preceding items which are necessary for this Listing Statement to contain full, true and plain disclosure of the all material facts relating to the Resulting Issuer and its securities.

25 FINANCIAL STATEMENTS

Schedule "A" contains the consolidated audited financial statements of PetroCorp for the years ended March 31, 2022 and March 31, 2021.

Schedule "B" contains the audited financial statements of First Lithium for the financial periods ended December 31, 2021, December 31, 2020, and the unaudited interim financial statements of First Lithium for the three-month period ended March 31, 2022.

Schedule "C" contains the audited financial statements of QL since incorporation for the financial period ended March 31, 2022.

Schedule "D" contains PetroCorp's Management's Discussion and Analysis for the years-ended March 31, 2022 and March 31, 2021.

Schedule "E" contains First Lithium's Management's Discussion and Analysis for the year-ended December 31, 2021 and for the three-month period ended March 31, 2022.

Schedule "F" contains QL's Management's Discussion and Analysis for the period-ended March 31, 2022.

Schedule "G" contains the unaudited pro forma consolidated financial statements of the Resulting Issuer as at March 31, 2022, for the year-ended December 31, 2021, and for the three-month period ended March 31, 2022.

SCHEDULE "A"
PETROCORP ANNUAL FINANCIAL STATEMENTS

See attached.

PETROCORP GROUP INC.
AUDITED CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2022 AND 2021

PETROCORP GROUP INC.

CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

CONTENTS

Management's Responsibility

To the Shareholders of PetroCorp Group Inc. (the "**Corporation**"):

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with International Financial Reporting Standards. This responsibility includes selecting appropriate accounting policies and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safe guarded and financial records are properly maintained to provide reliable information for the preparation of the consolidated financial statements.

The Board of Directors is composed of Directors who may be neither management nor employees of the Corporation. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving financial information. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Board is also responsible for recommending the appointment of the Corporation's external auditors.

/s/ "*Andrew Lindzon*"
Andrew Lindzon
Chief Executive Officer and President

Toronto, Ontario
July 14, 2022

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Petrocorp Group Inc.

Opinion

We have audited the consolidated financial statements of Petrocorp Group Inc. (the “Company”), which comprise the consolidated statements of financial position as at March 31, 2022 and 2021, and the consolidated statements of shareholders’ equity (deficiency), operations and comprehensive loss, and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that the Company has incurred continuing losses resulting in an accumulated deficit of $12,902,760 at March 31, 2022. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the information included in Management’s Discussion and Analysis.

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Otto Ehinger.

DMCL.

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC

July 14, 2022

PETROCORP GROUP INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(All Amounts are in Canadian Dollars)

As at March 31,	2022	2021
A S S E T S		
CURRENT		
Cash and cash equivalent	$ 35,402	$ 4,456
Commodity tax receivables	3,022	283
Prepaid expenses	1,765	1,715
	40,189	6,454
Loan receivable (Note 13)	192,635	186,601
	$ 232,824	$ 193,055
L I A B I L I T I E S		
CURRENT		
Accounts payable and accrued liabilities (Note 3 and 8)	$ 224,053	$ 200,588
S H A R E H O L D E R S' EQUITY (DEFICIENCY)		
CAPITAL STOCK (Note 4)		
Issued and Outstanding	4,846,772	4,786,772
CONTRIBUTED SURPLUS (Note 6)	8,064,759	8,064,759
ACCUMULATED DEFICIT	(12,902,760)	(12,859,064)
	8,771	(7,533)
	$ 232,824	$ 193,055

Nature of Organization and Going Concern (Note 1)
Proposed Transaction (Note 13)

APPROVED ON BEHALF OF THE BOARD:

/s/ "*Andrew Lindzon*"
Andrew Lindzon, Director

/s/ "*David Bernholtz*"
David Bernholtz, Director

PETROCORP GROUP INC.
CONSOLIDATED STATEMENTS OF
CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)
(All Amounts are in Canadian Dollars)

	Number of Common Shares	Amount of Common Shares	Contributed Surplus	Accumulated Deficit	Shareholders' Equity (Deficiency)
Balance, April 1, 2020	574,126,529	$ 4,786,772	$ 8,064,759	$(12,811,541)	$ 39,990
Net loss for the year	—	—	—	(47,523)	(47,523)
Balance, March 31, 2021	574,126,529	$ 4, 786,772	$ 8,064,759	$(12,859,064)	$ (7,533)
Balance, April 1, 2021	574,126,529	$ 4,786,772	$ 8,064,759	$(12,859,064)	$ (7,533)
Common shares issued for cash	98,360,657	60,000	—	—	60,000
Net loss for the year	—	—	—	(43,696)	(43,696)
Balance, March 31, 2022	672,487,186	$ 4,846,772	$ 8,064,759	$(12,902,760)	$ 8,771

PETROCORP GROUP INC.
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(All Amounts are in Canadian Dollars)

For the Year Ended March 31,	2022	2021
EXPENSES		
Administrative (Note 7 and 8)	$ 43,696	$ 47,523
NET LOSS FROM OPERATIONS AND COMPREHENSIVE LOSS	$ (43,696)	$ (47,523)
NET LOSS PER COMMON SHARE		
Basic	$ 0.00	$ 0.00
Diluted	$ 0.00	$ 0.00
Weighted Average Common Shares Outstanding	575,024,800	574,126,529

PETROCORP GROUP INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(All Amounts are in Canadian Dollars)

For the Year Ended March 31,	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the year	$ (43,696)	$ (47,523)
Change in non-cash working capital items:		
Commodity tax receivables	(2,739)	428
Prepaid expenses	(50)	379
Accounts payable and accrued liabilities	23,465	33,578
CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES	(23,020)	(13,138)
CASH FLOWS FROM FINANCING ACTIVITIES		
Common shares issued for cash	60,000	—
CASH FLOWS PROVIDED BY FINANCING ACTIVITIES	60,000	—
CASH FLOWS FROM INVESTING ACTIVITIES		
Repayment of (advance of) loans receivable	(6,034)	13,000
CASH FLOWS PROVIDED BY (USED IN) INVESTING ACTIVITIES	(6,034)	13,000
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS FOR THE YEAR	30,946	(138)
CASH AND CASH EQUIVALENTS		
Beginning of the year	4,456	4,594
End of the year	$ 35,402	$ 4,456

1. Nature of Organization and Going Concern

Description of the Business
PetroCorp Group Inc. ("**PCG**" or the "**Corporation**") was incorporated under the Alberta Business Corporations Act on December 31, 2006. Its registered head office is Suite 800 Dome Tower, 333-7th Avenue SW. Calgary, Alberta, T2P 2Z1 . On December 15, 2009, the Corporation sold its operating business through a sale of substantially all of its assets and liabilities, and as a result, the Corporation does not have an operating business at this time and is seeking to identify an operating company to acquire or merge with.

These consolidated financial statements ("**Financial Statements**") of the Corporation were authorized for issue in accordance with a resolution of the directors on July 14, 2022.

Basis of Operations and Going Concern
These Financial Statements have been prepared in accordance with IFRS applied on a going concern basis, which assumes that the Corporation will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. As at March 31, 2022, the Corporation had no sources of operating cash flows. The Corporation therefore may require additional funding which, if not raised, would result in the curtailment of activities and delays in its ability to merge with or acquire an operating entity. As at March 31, 2022, the Corporation had working capital deficit of $183,864 (March 31, 2021 – $194,134), and has incurred losses since inception, resulting in an accumulated deficit of $12,902,760 (March 31, 2021 - $12,859,064). The Corporation's ability to continue as a going concern is uncertain and is dependent upon its ability to continue to raise adequate financing. There can be no assurances that the Corporation will be successful in this regard, and therefore, there is substantial doubt regarding the Corporation's ability to continue as a going concern, and accordingly, the use of accounting principles applicable to a going concern. These financial statements do not reflect adjustments that would be necessary if the "going concern" assumption were not appropriate. If the "going concern" assumption were not appropriate for these Financial Statements, then adjustments to the carrying values of the assets and liabilities, the expenses and the balance sheet classifications, which could be material, would be necessary.

The business of identifying and acquiring an operating entity entails a high degree of risk and capital commitment and there can be no assurance that if successful would provide positive cash flows. Therefore, the Corporation will have to rely on its ability to raise additional funds by way of share issuances from its treasury and short-term advances of capital from its directors and officers.

Since March 2020, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which included the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruptions to business globally in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time.

Statement of Compliance
The Financial Statements of the Corporation as at and for the period ended March 31, 2022 have been prepared in accordance with IFRS as issued by the International Accounting Standards Board ("**IASB**") and interpretations of the International Financial Reporting Interpretations Committee ("**IFRIC**") in effect as of that date.

The accounting policies set out below have been applied consistently to all periods presented in these Financial Statements.

2. Summary of Significant Accounting Policies

Basis of Consolidation
These Financial Statements of the Corporation include the accounts of its wholly owned subsidiaries 1198073 Alberta Ltd. and 1444297 Alberta Ltd. All inter-company transactions have been eliminated.

Basis of Measurement
These Financial Statements have been prepared on an accrual basis of accounting except for cash flow information and are based on historical cost, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Use of Estimates and Judgments
The preparation of these Financial Statements are in conformity with IFRS which requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the Financial Statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates. Areas where estimates are significant to the Financial Statements are disclosed in note 2.

Functional and Presentation Currency
These Financial Statements are presented in Canadian dollars, which is the Corporation's functional currency.

Cash and Cash Equivalents
Cash and cash equivalents may include demand deposits with banks, money market accounts, and other short-term investments with original maturities of 90 days or less.

Transactional Costs
The costs incurred relating to transactional costs are expensed as incurred.

Deferred Financing Costs
Financing costs related to a proposed financing are recorded as deferred financing costs. These costs will be deferred until the financing is completed, at which time the costs will be charged against the proceeds received, however should the financing not close, the costs will be charged to the consolidated statements of operations and comprehensive loss.

Incremental costs incurred in respect of raising capital are charged against equity or debt proceeds raised. Costs associated with the issuance of common shares are charged to capital stock upon the raising of equity. Costs associated with the issuance of debt are amortized using the effective interest method over the life of the debt.

Income Taxes
Income tax expense comprises current and deferred tax. Income tax is recognized in the consolidated statements of operations and comprehensive loss except to the extent it relates to items recognized in other comprehensive income or directly in equity.

Current Income Tax
Current tax is based on the results for the period as adjusted for items that are not taxable or not deductible. Current tax is calculated using tax rates and tax laws that were enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Provisions are established where appropriate on the basis of amounts expected to be paid to the tax authorities.

2. Summary of Significant Accounting Policies - continued

Deferred Tax
Deferred tax is recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated statements of financial position. Deferred tax is calculated using tax rates and laws that have been enacted or substantively enacted at the end of the reporting period, and which are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax liabilities:
- are generally recognized for all taxable temporary differences; and
- are recognized for taxable temporary differences arising on investments in subsidiaries except where the reversal of the temporary difference can be controlled and it is probable that the difference will not reverse in the foreseeable future.

Deferred tax assets:
- are recognized to the extent it is probable that taxable profits will be available against which the deductible temporary differences can be utilized; and
- are reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are not recognized in respect of temporary differences that arise upon initial recognition of goodwill or arise on initial recognition of assets and liabilities acquired other than in a business combination where at the time of transaction effects neither accounting profit or taxable income (tax loss).

Earnings (Loss) Per Share
Earnings (loss) per share is calculated by dividing the net loss applicable to common shares by the weighted average number of shares outstanding during the period. Diluted earnings (loss) per share is computed by dividing the net loss applicable to common shares by the diluted weighted average number of shares which assumes that all outstanding stock options granted with an exercise price below the average market value are exercised during the period. The difference between the number of shares assumed and the number of shares assumed purchased is then included in the denominator of the diluted earnings per share computation.

Financial Instruments
Financial assets
Financial assets are classified as either financial assets at fair value through profit or loss ("**FVTPL**"), fair value through other comprehensive income ("**FVTOCI**") or amortized cost. The Corporation determines the classification of financial assets at initial recognition.

Financial assets at Fair-value through profit or loss
Financial instruments classified as fair value through profit and loss are reported at fair value at each reporting date, and any change in fair value is recognized in the consolidated statement of operations and comprehensive loss in the period during which the change occurs.

2. Summary of Significant Accounting Policies - continued

Financial assets at Fair-value through other comprehensive income
Financial assets carried at FVTOCI are initially recorded at fair value plus transaction costs with all subsequent changes in fair value recognized in other comprehensive income (loss). For investments in equity instruments that are not held for trading, the Corporation can make an irrevocable election (on an instrument-by-instrument bases) at initial recognition to classify them as FVTOCI. On the disposal of the investment, the cumulative change in fair value remains in other comprehensive income (loss) and is not recycled to profit or loss.

Financial assets at amortized cost
Financial assets are classified at amortized cost if the objective of the business model is to hold the financial asset for the collection of contractual cash flows, and the asset's contractual cash flows are comprised solely of payments of principal and interest. The Corporation's loan receivable is recorded at amortized cost as it meet the required criteria. A provision is recorded based on the expected credit losses for the financial asset and reflects changes in the expected credit losses at each reporting period.

Financial liabilities
Financial liabilities are initially recorded at fair value and subsequently measured at amortized cost, unless they are required to be measured at FVTPL (such as derivatives) or the Corporation has elected to measure at FVTPL. The Corporation's financial liabilities include trade and other payables which are classified at amortized cost. As of the date of these Financial Statements, the following are the classifications of financial instruments;

Cash and cash equivalents	FVTPL
Loan receivable	Amortized cost
Accounts payables	Amortized cost

Impairment
IFRS 9 requires an 'expected credit loss' model to be applied which requires a loss allowance to be recognized based on expected credit losses. This applies to financial assets measured at amortized cost. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in initial recognition.

Fair Value Hierarchy
As of the date of these Financial Statements, the carrying value and fair value of financial assets and liabilities are summarized as follows:

Classification	Carrying Value	Fair value
Fair value through profit and loss	$ 35,402	$ 35,402
Amortized cost (loan receivable)	192,635	192,635
Amortized cost (liabilities)	224,053	224,053

The Corporation classifies financial instruments recognized at fair value in accordance with a fair value hierarchy that prioritizes the inputs to valuation technique used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 – Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability; and

2. Summary of Significant Accounting Policies - continued

Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

As of March 31, 2022 and 2021, cash and cash equivalents are measured at fair value and are classified within Level 1 of the fair value hierarchy.

Impairment of non-financial assets
The Corporation's assets are reviewed for indications of impairment at each statement of financial position's date. If indication of impairment exists, the asset's recoverable amount is estimated.

An impairment loss is recognized when the carrying amount of an asset, or cash-generating unit, exceeds its recoverable amount. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that largely independent of the cash inflows from other assets or groups of assets. Impairment losses are recognized in profit and loss for the period. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash generating units and then to reduce the carrying amount of the other assets the unit on a pro-rata basis.

Share-based Payments
Stock options issued by the Corporation are accounted for in accordance with the fair value-based method. The fair value of options issued to directors, officers, employees of and consultants to the Corporation is charged to earnings over the vesting period of each tranche (graded vesting) with the offsetting amount recorded to contributed surplus. The historical forfeiture rate is also factored into the calculations. When options are exercised, the amount received together with the amount previously recorded in contributed surplus, are added to capital stock. The fair value of warrants issued to agents in conjunction with a public offering is charged to share issue costs with an offsetting amount recorded to contributed surplus. Fair value is measured using the Black-Scholes option pricing model.

Equity Instruments
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Corporation are recorded at the proceeds received, net of direct issue costs

Warrants
The Corporation measures the fair value of warrants issued using the Black-Scholes option pricing model. The fair value of each warrant is estimated based on their respective issuance dates taking into account volatility, expected life, the dividend rate, and the risk-free interest rate. The fair value of warrants issued in conjunction with an offering is charged to share issue costs with an offsetting amount recorded to contributed surplus. The fair value of warrants exercised is recorded as share capital, and the fair value of any expired warrants is recorded as contributed surplus general account.

***Critical Judgments and Estimates*:**
The key sources of estimation uncertainty that have a significant risk of causing material adjustment to the amounts recognized in the financial statements are:

Fair Value of Financial Instruments
The estimated fair value of financial assets and liabilities, by their very nature, are subject to measurement uncertainty.

(All Amounts are in Canadian Dollars)

2. Summary of Significant Accounting Policies - continued

Share-Based Payment Transactions
The Corporation measures the cost of share-based payment transactions with employees by reference to the fair value of the equity instruments. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant.

This estimate also requires determining and making assumptions about the most appropriate inputs to the valuation model including the expected life, volatility, dividend yield and forfeiture rate of the share option. The assumptions and models used for estimating fair value for share-based payment transactions are determined at the time of the granting of such share-based compensation.

Income Taxes
Provisions for income taxes are made using the best estimate of the amount that is expected to be paid based on a qualitative assessment of all relevant factors. The Corporation reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determinations are made.

3. Accounts Payable and Accrued Liabilities

As at March 31	2022	2021
Trade payables	$ 198,903	$ 174,666
Accrued expenses	25,150	25,922
	$ 224,053	$ 200,588

4. Capital Stock

The Corporation is authorized to issue an unlimited number of common shares and preferred shares. The preferred shares are issuable in series. As at March 31, 2022 and 2021, there were no preferred shares issued.

During the year ended March 31, 2022, the Corporation issued 98,360,657 common shares for $60,000 in cash.

On June 1, 2017, the Corporation voluntarily delisted its common shares from the TSX Venture Exchange.

5. Stock Option Plan

On August 15, 2006, the Corporation established an incentive stock option plan for certain directors, executive officers, employees and consultants. The number of shares reserved for issuance under the incentive stock option plan is not to exceed 10,500,000 shares and the number of shares reserved for issuance to any one person shall not exceed 5% of the issued and outstanding shares of the Corporation. Each incentive stock option is exercisable into one common share of the Corporation at the price specified in the terms of the option.

As at March 31, 2022 and 2021, there were no incentive stock options outstanding and there was no activity during the fiscal years then ended.

(All Amounts are in Canadian Dollars)

6. Contributed Surplus

The Corporation's contributed surplus consists of the following:

	General	Incentive Stock Option	Warrants	Total
Balance, March 31, 2022 and 2021	$ 8,064,759	$ —	$ —	$ 8,064,759

7. General and Administrative Expenses

For the year ended March 31,	2022	2021
Bank charges	$ 273	$ 228
Interest expense	297	—
Consulting fees (note 8)	18,000	18,000
Professional fees	15,828	16,685
Premises (Note 8)	6,000	6,000
Regulatory and filing fees	3,298	6,600
	$ 43,696	$ 47,523

8. Related Party Transactions

Related party transactions include transactions with parties related by common directors and transactions with other private entities owned or controlled by officers and directors. All transactions are provided in the normal course of business and are measured at exchange amounts agreed upon by the related parties. The following table summarizes the related party transactions occurring the year.

For the year ended March 31,	2022	2021
Expenses		
Consulting fees	$ 18,000	$ 18,000
Premises	6,000	6,000
Included with accounts payable	190,378	165,598

Amounts due to related parties are unsecured, non-interest bearing and without fixed terms of repayment.

9. Commitment

The Corporation has not entered into any contract that requires a minimum payment.

10. Contingencies

From time to time, the Corporation may be exposed to claims and legal actions in the normal course of business, some of which may be initiated by the Corporation. As of March 31, 2022 and 2021, the Corporation is not a party to any material claims that would have a significant impact, either individually or in the aggregate.

11. Financial Instruments and Risk Management

Risk Management
In the normal course of business, the Corporation is exposed to financial risk that arises from its indebtedness, including fluctuations in interest rates and in the credit quality of its customers. Management's involvement in operations helps identify risks and variations from expectations.

The Corporation does not manage risk through the use of hedging transactions. As a part of the overall operation of the Corporation, management takes steps to avoid undue concentrations of risk.

Liquidity Risk
Liquidity risk is the risk that the Corporation cannot meet its financial obligations associated with financial liabilities in full. The primary source of liquidity is debt and equity financing, which is used to fund additional operating and other expenses and retire debt obligations at their maturity. As the Corporation is dependent on debt and equity financing to finance operations, liquidity risk is considered high.

Interest Rate Risk
Interest rate risk is the risk that changes in market interest rates may have an effect on the cash flows associated with some financial instruments, known as interest rate cash flow risk, or on the fair value of other financial instruments, known as interest rate price risk.

Obtaining long-term debt with fixed interest rates minimizes interest rate cash flow risk. The Corporation currently has no financial instruments that are interest bearing and therefore is currently not exposed to interest rate risk.

The Corporation does not trade in financial instruments and is not exposed to any significant interest rate price risk.

Market Risk
Market risk is the risk that changes in market price, such as foreign exchange rates, commodity prices, and interest rates will affect the Corporation's net income or the value of financial instruments. These risks are generally outside the control of the Corporation. The objectives of the Corporation are to mitigate market risk exposure within acceptable limits, while maximizing returns.

Credit Risk
Credit risk related to accounts receivable arises from the possibility that debtors may be unable to fulfill their commitments. For a financial asset, this is typically the gross carrying amount, net of any amounts offset and any impairment losses. The Corporation mitigates this risk by regularly monitoring the financial health and aging of any amounts due from its debtors.

As of the date of these Financial Statements the Corporation's only debtors are the Government of Canada for the harmonized goods and services ("**HST**") receivable and loan receivable related to the proposed transaction (see Note 13). Credit risk associated with the Government of Canada receivable is considered low. The credit risk associated with the loan receivable from First Lithium Minerals Inc. ("**FLM**") is considered high as FLM's current liabilities exceeds its current assets. FLM currently does not have sufficient current assets to repay the loan in full and is in the process of raising capital. The maximum credit risk associated with the loan receivable is $192,635.

Currency Risk
Currency risk is the risk that changes in foreign exchange rates may have an effect on future cash flows associated with financial instruments. At March 31, 2022 and 2021, the Corporation did not have any foreign denominated currencies.

Other Price Risk
Other price risk is the risk that changes in market prices, including commodity or equity prices, will have an effect on future cash flows associated with financial instruments. The cash flows associated with financial instruments of the Corporation are not exposed to any other price risk.

11. Financial Instruments and Risk Management - continued

Fair Values
Financial instruments include cash, loan receivable, and accounts payable and accruals. The carrying values of these financial instruments approximate fair value due to the short-term nature of financial instruments.

12. Capital Management and Liquidity

The Corporation manages its cash and common shares as capital. The Corporation's objectives when managing capital are to safeguard the Corporation's ability to continue as a going concern in order to pursue the exploration of its mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Corporation 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 Corporation may attempt to issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash.

In order to facilitate the management of its capital requirements, the Corporation prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

In order to preserve cash for business acquisitions, the Corporation does not pay out dividends. The Corporation's investment policy, in general, is to invest its short-term excess cash in highly liquid short-term interest-bearing investments with maturities of 365 days or less from the original date of acquisition, selected with regards to the expected timing of expenditures from continuing operations.

The Corporation's strategy is to satisfy its liquidity needs using cash on hand and new debt or equity financings.

The principal liquidity needs for periods beyond the next twelve months are for non-recurring capital expenditures and potential business acquisitions. The Corporation's strategy is to meet these needs with one or more of the following:

- common share and warrants offering;
- debt financing.

The following table presents the contractual maturities of the Corporation's financial liabilities as at March 31, 2022:

		Payments by Periods			
	Total	< 1 Year	1 - 3 Years	4 - 5 Years	After 5 Years
Accounts payable and accrued liabilities	$ 224,053	$ 224,053	$ —	$ —	$ —

(All Amounts are in Canadian Dollars)

13. Proposed Transaction

On January 8, 2018 (amended July 18, 2018), PCG signed a Letter of Intent with FLM ("**FLM**"), where PCG would acquire all of the issued and outstanding shares of FLM, by way of a three-cornered amalgamation or other similar transaction (the "**FLM Transaction**").

The close of the FLM Transaction was further extended to March 15, 2021, October 31, 2021 and to June 30, 2022.

On April 7, 2022, the PCG Transaction was cancelled, and a new Letter of Intent was entered in to between PCG, FLM and QL Minerals Inc. ("**QLM**"), where PCG would acquire all of the issued and outstanding shares of FLM and QLM, by way of a three-corner amalgamation or other similar transaction (the "**Transaction**"). Immediately prior to the Transaction, PCG would consolidate its common shares on a basis of 81.96721311 old common shares for 1 new common share and FLM would consolidate its shares on a basis of 2.5 old common shares for 1 new common share.

PCG is to acquire FLM via the issuance of 1 new common share of PCG for each post consolidated common share of FLM. In addition, FLM is to settle a minimum of $3,200,000 and a maximum of $3,750,000 in liabilities via the issuance of its own common shares at a deemed price of $0.225 per post consolidated common share that would then each be exchanged for 1 post consolidated common share of PCG.

PCG is also to acquire QLM via the issuance of 1 new common share of the Corporation for each common share of QLM, for which there are 3,000,000 outstanding as of that date and 3,101,400 subscription receipts received that would be acquired by PCG on a basis of 1 post consolidated common share for each subscription receipt.

As part of this transaction, FLM has to date raised $5,914,500 via the issuance of subscription receipts that will convert automatically into 23,658,000 post consolidated common shares of FLM immediately prior to the close of the transaction and then converted in to post consolidation common shares of PCG. QLM has raised $795,000 also via the issuance of subscription receipts that will convert automatically into 3,180,000 common shares of QLM immediately prior to the close of the transaction and then converted in to post consolidation common shares of PCG.

The Transaction is subjected to a number of conditions precedent which includes among other things regulatory and shareholder approval.

To date, the PCG has advanced FLM $192,635 (2021 - $186,601), at 0% per annum as an unsecured demand loan.

14. Income Taxes

The Corporation's effective income tax rate differs from the amount that would be computed by applying the combined federal and provincial statutory rate of 26.50% (2021 – 26.50%) to the net loss for the years. The reason for the difference is as follows:

For the year ended March 31,		2022		2021
Statutory Rate		26.50%		26.50%
Loss before income taxes	$	(43,696)	$	(47,523)
Recovery of income taxes based on statutory rate		(11,579)		(12,594)
Share Issuance costs		(1,004)		(1,004)
Change in deferred tax assets not recognized		12,583		13,598
Income tax recovery	$	—	$	—

(All Amounts are in Canadian Dollars)

14. Income Taxes - continued

The Corporation's deferred income tax asset, computed by applying a future federal and provincial statutory rate of 26.50% (2021 – 26.50%), comprises the following:

As at March 31,	2022	2021
Non-capital losses carried forward	$ 240,721	$ 227,135
Deferred tax assets not recognized	(240,721)	(227,135)
	$ —	$ —

Deferred tax assets have not been recognized because at this stage of the Corporation's development, it is not determinable that future taxable profit will be available against which the Corporation can utilize such deferred income tax asset.

At March 31, 2022, the Corporation has a non-capital loss of $918,618 (2021 - $871,135) available for carry-forward. In addition, the Corporation has $450,000 of non-refundable investment tax credits, which may be carried forward to reduce future income taxes payable. The potential benefit of these non-capital loss carry-forwards and non-refundable tax credits have not been recognized in these Financial Statements and will expire as follows:

	Non-Capital Loss Carry-Forward	Federal Investment Tax Credits
2026	$ —	$ 188,000
2027	—	118,000
2028	—	144,000
2033	306,000	—
2034	207,000	—
2035	64,806	—
2036	48,106	—
2037	55,538	—
2038	37,817	—
2039	52,045	—
2040	48,513	—
2041	51,310	—
2042	47,483	—
	$ 918,618	$ 450,000

SCHEDULE "B"
FIRST LITHIUM ANNUAL AND INTERIM FINANCIAL STATEMENTS

See attached.

FIRST LITHIUM MINERALS INC.
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

FIRST LITHIUM MINERAL INC.

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2021

CONTENTS

Management's Responsibility

To the Shareholders of First Lithium Minerals Inc.:

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with International Financial Reporting Standards ("**IFRS**") that have been incorporated into Canadian Generally Accepted Accounting Principles ("**CGAAP**") and ensuring that all information in the management discussion and analysis is consistent with these consolidated financial statements. This responsibility includes selecting appropriate accounting policies and methods and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safe-guarded and financial records are properly maintained to provide reliable information for the preparation of consolidated financial statements.

The Board of Directors ("**Board**") is composed primarily of directors who are neither management nor employees of First Lithium Minerals Inc. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management, and with the external auditor. The Board is also responsible for recommending the appointment of the external auditor of First Lithium Minerals Inc.

Dale Matheson Carr-Hilton LaBonte LLP, an independent firm of Chartered Professional Accountants, has been appointed by the shareholders to audit the consolidated financial statements and report directly to them; their report follows. The external auditor has full and free access to, and meet periodically and separately with, the Board and management to discuss their audit findings.

/s/ "*Robert Saltsman*"
Robert Saltsman
Director and Chief Executive Officer

Toronto
July 14, 2022

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of First Lithium minerals Inc.,

Opinion

We have audited the consolidated financial statements of First Lithium Minerals Inc. (the "**Corporation**"), which comprise the consolidated statements of financial position as at December 31, 2021 and 2020, and the consolidated statements of shareholders' deficit, operations and comprehensive loss and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 to the financial statements, which describes events or conditions that indicate that a material uncertainty exists that may cast significant doubt on the Corporation's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis.

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

DMCL.

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC

July 14, 2022

FIRST LITHIUM MINERALS INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(All Amounts are in Canadian Dollars)

As at December 31,	2021	2020
ASSETS		
Cash	$ 28,616	$ 9,527
Commodity tax receivables	10,185	19,761
Prepaid expenses	—	30,000
Restricted cash (Note 8)	280,000	—
	318,801	59,288
Exploration and evaluation assets (Note 5)	160,393	123,004
	$ 479,194	$ 182,292
LIABILITIES		
Accounts payable and accrued liabilities (Notes 6 and 9)	$ 771,365	$ 528,365
Debt obligations, short-term (Notes 7 and 14)	2,843,064	739,601
Due to Related parties (Note 9)	620,084	2,241,968
Subscription receipts (Note 8)	280,000	—
	4,514,513	3,509,934
SHAREHOLDERS' DEFICIT		
Share capital (Note 8)	1,563,386	1,563,386
Accumulated deficit	(5,598,705)	(4,891,028)
	(4,035,319)	(3,327,642)
	$ 479,194	$ 182,292

Nature of Organization (Note 1)
Proposed Transaction (Note 14)

Approved on behalf of the board of directors:

/s/ "*Rob Saltsman*"
Rob Saltsman, Director

FIRST LITHIUM MINERALS INC.
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' DEFICIT
(All Amounts are in Canadian Dollars)

	Number of Common Shares	Amount of Common Shares	Accumulated Deficit	Shareholders' Equity
Balance, January 1, 2021	74,109,279	$ 1,563,386	$ (4,181,770)	$ (2,618,384)
Comprehensive loss	—	—	(709,258)	(709,258)
Balance, December 31, 2020	74,109,279	1,563,386	(4,891,028)	(3,327,642)
Comprehensive loss	—	—	(707,677)	(707,677)
Balance, December 31, 2021	74,109,279	$ 1,563,386	$ (5,598,705)	$ (4,035,319)

FIRST LITHIUM MINERALS INC.
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(All Amounts are in Canadian Dollars)

For the year ended December 31,	2021	2020
EXPENSES		
General and administrative	$ 1,818	$ 1,902
Mineral exploration expensed	90,981	93,360
Operating expenditures	152,518	102,500
Professional fees (Note 9)	250,572	200,173
	495,889	397,935
OPERATING LOSS	(495,889)	(397,935)
Foreign exchange gain (loss)	24,615	(30,802)
Interest expense (Note 7)	(236,403)	(280,521)
Net loss and Comprehensive loss for the year	$ (707,677)	$ (709,258)
Net loss per common share	$ (0.01)	$ (0.01)
Weighted average number of common shares outstanding (Note 13)	74,109,279	74,109,279

FIRST LITHIUM MINERALS INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(All Amounts are in Canadian Dollars)

For the year ended December 31,	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the year	$ (707,677)	$ (709,258)
Non-cash expenses:		
Accrued interest expense	236,403	194,025
Non-cash interest expense	—	23,476
Net change in operating assets and liabilities		
Commodity sales tax	9,576	18,113
Prepaid expenses	30,000	(30,000)
Accounts payable and accrued liabilities	243,000	295,142
CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES	(188,698)	(208,502)
CASH FLOWS FROM FINANCING ACTIVITIES		
Due to related parties	245,176	199,744
Repayment of debt obligations	—	(10,000)
Increase in Restricted cash	(280,000)	—
Increase in Subscription receipts	280,000	—
CASH FLOWS USED IN FINANCING ACTIVITIES	245,176	189,744
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment in exploration and evaluation assets, net	(37,389)	(26,400)
CASH FLOWS USED IN INVESTING ACTIVITIES	(37,389)	(26,400)
NET DECREASE IN CASH	19,089	(45,158)
CASH - Beginning of the year	9,527	54,685
CASH - End of the year	$ 28,616	$ 9,527

1. Nature of Organization

Description of the Business

First Lithium Minerals Inc. ("**FLM**" or "**Corporation**") was incorporated under the Business Corporations Act (Ontario) on February 14, 2017. The Corporation is domiciled in Canada and its principal offices are located at 77 King Street West, Suite 3000, Toronto, Ontario. The principal business is the exploration of mineral properties located in Chile (Note 5).

These consolidated financial statements ("**Financial Statements**") of the Corporation were authorized for issue in accordance with a resolution of the directors on July 14, 2021.

2. Basis of Presentation and Going Concern

Going Concern of Operations
These Financial Statements have been prepared in accordance with IFRS applied on a going concern basis, which assumes that the Corporation will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. As at December 31, 2021, the Corporation had no sources of operating cash flows. The Corporation therefore will require additional funding which, if not raised, would result in the curtailment of activities and delays in its ability to merge with or acquire an operating entity. As at December 31, 2021, the Corporation had working capital deficit of $4,195,712 (December 31, 2020 – $3,450,646), and has incurred losses since inception, resulting in an accumulated deficit of $5,598,705 (December 31, 2020 - $4,891,028). The Corporation's ability to continue as a going concern is uncertain and is dependent upon its ability to continue to raise adequate financing. There can be no assurances that the Corporation will be successful in this regard, and therefore, there is doubt regarding the Corporation's ability to continue as a going concern, and accordingly, the use of accounting principles applicable to a going concern. These financial statements do not reflect adjustments that would be necessary if the "going concern" assumption were not appropriate. If the "going concern" assumption were not appropriate for these Financial Statements, then adjustments to the carrying values of the assets and liabilities, the expenses and the balance sheet classifications, which could be material, would be necessary.

As an entity with no operations, funding to meet its operating expenses as well as working capital is dependent on the Corporation's ability to issue common shares or borrow funds. There is no certainty that the Corporation will be able to raise sufficient funds beyond this period.

Since March 2020, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which included the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruptions to business globally in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is currently unknown.

2. Basis of Presentation – continued

Statement of Compliance to International Financial Reporting Standards
These Financial Statements of the Corporation have been prepared by management in accordance with International Financial Reporting Standards ("**IFRS**"), as issued by the International Accounting Standards Board ("**IASB**").

Basis of Presentation
These Financial Statements have been prepared on a going concern basis, which assumes that the Corporation will be able to realize its assets and discharge its liabilities in the normal course of business.

Principles of Consolidation
These Financial Statements of the Corporation include the accounts of First Lithium Mineral Inc. ("**FLM**") and its wholly-owned subsidiary, First Lithium Mineral SpA. ("**FLM SpA**") incorporated in Chile, collectively these entities are referred to as the Corporation.

Basis of Measurement
These Financial Statements have been prepared under the historical cost convention, modified, where applicable, by the measurement at fair value of selected financial assets and financial liabilities.

Functional and Presentation Currency
These Financial Statements are presented in Canadian dollars, which is the Corporation's and subsidiary's functional currency. Transactions during the years were converted at the then average exchange rate for the period and year-end balance sheet amounts were converted at the exchange rate as at that date.

***Critical Judgments and Estimates*:**
The preparation of the financial statements requires management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosure of contingent assets and liabilities at the dates of these Financial Statements and the reported amounts of income and expenses during the year. Actual results may differ from these estimates.

In making estimates, the Corporation relies on external information and observable conditions where possible, supplemented by internal analysis as required. Those estimates and judgments have been applied in a manner consistent with the prior year and there are no known trends, commitments, events or uncertainties that the Corporation believes will materially affect the methodology or assumptions utilized in making those estimates and judgments in the Financial Statements. The areas involving greater judgment or complexity, or areas where assumptions and estimates are significant to these Financial Statements are disclosed separately.

Changes to estimates and assumptions may affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of these Financial Statements and the reported amounts of revenue and expenses during the years. Actual results could also differ from those estimates under different assumptions and conditions.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected.

Critical judgements and estimates are disclosed in Note 4.

The accounting policies set out below have been applied consistently to all periods presented in accordance with IFRS.

3. Summary of Significant Accounting Policies

Cash and Cash Equivalents
Cash and cash equivalents include cash on hand, deposits held with banks, and other short-term highly liquid investments with original maturities of three months or less.

Exploration and Evaluation Assets
Pre-exploration Costs
Pre-exploration costs are expensed in the year in which they are incurred.

Acquisition Costs
The fair value of all consideration paid to acquire an exploration and evaluation asset is capitalized, including amounts paid under option agreements. Consideration may include cash, loans or other financial liabilities, and equity instruments including common shares and share purchase warrants.

Exploration and Evaluation Expenditures
The Company capitalises land costs, staking and maintenance fees. All other costs directly related to exploration and evaluation expenditures ("**E&E**") are expensed as incurred. These direct expenditures include such costs as materials used, surveying costs, drilling costs, payments made to contractors and depreciation on plant and equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the year in which they occur.

The Corporation may occasionally enter into farm-out arrangements, whereby the Corporation will transfer part of a mineral interest, as consideration, for an agreement by the transferee to meet certain exploration and evaluation expenditures which would have otherwise been undertaken by the Corporation. The Corporation does not record any expenditures made by the farmee on its behalf. Any cash consideration received from the agreement is credited against the costs previously capitalized to the mineral interest given up by the Corporation, with any excess cash accounted for as a gain on disposal.

When a project is deemed to no longer have commercially viable prospects, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditures, in excess of estimated recoveries, are written off in the consolidated statement of operations and comprehensive loss.

The Corporation assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use.

As the Corporation currently has no operational income, any incidental revenues earned in connection with exploration activities are applied as a reduction to capitalized exploration costs.

Disposal of Interest in Connection with Option Agreement
On the disposal of an interest in connection with the option agreement, the Corporation does not recognize expenses related to the exploration and evaluation performed on the property by the acquirer. In addition, the cash consideration received directly from the acquirer is credited against the costs previously capitalized to the property, and the surplus is recognized as a gain on the disposal of exploration and evaluation assets in the consolidated statement of operations and comprehensive loss.

3. Summary of Significant Accounting Policies – continued

Financial assets and liabilities
Classification
The Corporation classifies its financial instruments in the following categories: at fair value through profit and loss ("**FVTPL**"), at fair value through other comprehensive income (loss) ("**FVTOCI**") or at amortized cost. The Corporation determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Corporation's business model for managing the financial assets and their contractual cash flow characteristics.

Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Corporation can make an irrevocable election (on an instrument-by-instrument basis) to designate them at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Corporation has opted to measure them at FVTPL.

The following table summarizes the classification under IFRS 9 for each financial instrument:

Financial assets/liabilities	Classification
Cash	FVTPL
Restricted cash	FVTPL
Accounts payable	Amortized cost
Debt obligations	Amortized cost
Due to related parties	Amortized cost
Subscription receipts	Amortized costs

Measurement
<u>Financial assets at FVTOCI</u>
Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses recognized in other comprehensive income (loss). There are no financial assets classified in this category as at December 31, 2021 and 2020.

<u>Financial assets and liabilities at amortized cost</u>
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment. Accounts payable, debt obligations, related party debt, subscription receipt and due to related parties are classified in this category.

<u>Financial assets and liabilities at FVTPL</u>
Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the consolidated statements of operations and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the consolidated statements of operations and comprehensive loss in the period in which they arise. Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Corporation's own credit risk will be recognized in other comprehensive income (loss). Cash is recorded at FVTPL.

Impairment of financial assets at amortized cost
The Corporation recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost.

3. Summary of Significant Accounting Policies – continued

At each reporting date, the Corporation measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Corporation measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Corporation shall recognize in the consolidated statements of operations and comprehensive loss as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition
The Corporation derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the consolidated statements of operations and comprehensive loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income (loss).

The Corporation derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the consolidated statements of operations and comprehensive loss.

Rehabilitation Provision
The Corporation is subject to various government laws and regulations relating to environmental disturbances caused by exploration and evaluation activities. The Corporation records the present value of the estimated costs of legal and constructive obligations required to restore the exploration sites in the year in which the obligation is incurred. The nature of the rehabilitation activities include restoration, reclamation and revegetation of the affected exploration sites.

The rehabilitation provision generally arises when the environmental disturbance is subject to government laws and regulations. When the liability is recognized, the present value of the estimated costs is capitalized by increasing the carrying amount of the related exploration properties. Over time, the discounted liability is increased for the changes in present value based on current market discount rates and liability specific risks.

Additional environment disturbances or changes in rehabilitation costs will be recognized as additions to the corresponding assets and rehabilitation liability in the year in which they occur.

Other Provisions
Provisions for legal claims, where applicable, are recognized in other liabilities when the Corporation has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting year and are discounted to present value where the effect is material.

Convertible debentures
Convertible debentures issued for cash are recorded at amortized cost and accounted for as a hybrid financial instrument with separate debt and derivative liability components, if a derivative exists. The derivative liability is recorded at fair value and deducted from the face value of the debt to arrive at the liability component which will be accreted to face value over the life of the debenture. The derivative liability is remeasured at fair value at each period subsequent to initial recognition.

3. Summary of Significant Accounting Policies – continued

Share Capital
Share capital, common shares and an equity instrument in any contract that evidence of a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Corporation are recorded at the proceeds received, net of direct issue costs.

Contributed Surplus
The Corporation measures the fair value of options and warrants issued using the Black-Scholes option-pricing model. The fair value of each option or warrant is estimated based on their respective issuance dates taking into account volatility, expected life, the dividend rate, and the risk-free interest rate. The fair value of warrants issued in conjunction with an offering is charged to share issue costs with an offsetting amount recorded to contributed surplus. The fair value of warrants exercised is recorded as share capital, and the fair value of any expired warrants is recorded as contributed surplus general account.

Equity-settled Share-based Payments
The Corporation operates equity-settled share-based payment plans for its eligible directors, employees and consultants. None of the Corporation's current plans feature any options for a cash settlement.

Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined that the fair value of the goods or services cannot be reliably measured and are recorded at the date the goods or services are received. The corresponding amount is recorded to the share-based payment reserve. The fair value of options is determined using the Black-Scholes Option Pricing Model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

All equity-settled share-based payments, except warrants, are ultimately recognized as an expense in the profit or loss with a corresponding credit to contributed surplus, within shareholders' equity. Equity-settled share-based payments to brokers, in respect of an equity financing are recognized as issuance costs of the equity instruments with a corresponding credit to stock options and or warrants respectively, within shareholders' equity.

If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognized in the current period. No adjustment is made to any expense recognized in prior period if share options ultimately exercised are different to that estimated on vesting.

Upon exercise of share options, the proceeds received net of any directly attributable transaction costs, as well as the related compensation cost previously recorded as contributed surplus, are credited to share capital.

Earnings / (Loss) per Share
Basic earnings (loss) per share is calculated by dividing the net income (loss) attributable to shareholders of the Corporation by the weighted average number of shares outstanding during the year.

3. Summary of Significant Accounting Policies – continued

Diluted earnings per share is determined by adjusting the net income attributable to shareholders and the weighted average number of shares outstanding, adjusted for the dilutive effects of all convertible securities and granted incentive stock options and warrants, issued and outstanding, if any. No effect has is given to the potential exercise of stock options and warrants in the calculation of diluted net earnings (loss) per share if the effect would be anti-dilutive. Stock options and warrants have a dilutive effect only when the average market price per common share during the period exceeds the exercise price.

Deferred Financing Costs
Financing costs related to the Corporation's financings are recorded as deferred financing costs. These costs will be deferred until the financing is completed; at which time the costs will be charged against the proceeds received. If the financing does not close, the costs will be charged to the consolidated statements of operations and comprehensive loss.

Incremental costs incurred in respect of raising capital are charged against equity or debt proceeds raised. Costs associated with the issuance of common shares are charged to share capital upon the raising of equity. Costs associated with the issuance of debt are amortized using the effective interest method over the life of the debt.

Income Tax
Income tax comprises current and deferred taxes. Income tax is recognized in the statements of loss and comprehensive loss, except to the extent that it relates to items recognized directly in equity, in which case, the income tax is also recognized directly in equity.

Current tax is the expected tax payable on the taxable income for the reporting year, using tax rates enacted, or substantively enacted, at the end of the reporting year.

Deferred tax is determined based on the temporary differences between the carrying value and the tax basis of the assets and liabilities. Any change in the net amount of deferred income tax assets and liabilities is included in the statement of loss and comprehensive loss. Deferred income tax assets and liabilities are determined based on enacted or substantively enacted tax rates and laws which are expected to apply to the Corporation's taxable income for the year in which the assets and liabilities will be recovered or settled. Deferred income tax assets are recognized when it is probable that there will be sufficient taxable income against which to utilize the benefits of the temporary differences.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Impairment of non-financial assets
The Company's assets are reviewed for indications of impairment at each statement of financial position's date. If indication of impairment exists, the asset's recoverable amount is estimated. An impairment loss is recognized when the carrying amount of an asset, or cash-generating unit, exceeds its recoverable amount. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that largely independent of the cash inflows from other assets or groups of assets. Impairment losses are recognized in profit and loss for the period. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash generating units and then to reduce the carrying amount of the other assets the unit on a pro-rata basis.

4. Significant Accounting Policies, Judgements and Estimation Uncertainty

The key sources of estimation uncertainty that have a significant risk of causing material adjustment to the amounts recognized in the financial statements are:

Fair Value of Financial Instruments
The estimated fair value of financial assets and liabilities, by their very nature, are subject to measurement uncertainty.

Recoverability of exploration and evaluation assets
The application of the Corporation's accounting policy for exploration and evaluation assets requires judgment in determining whether it is likely that future economic benefits will flow to the Corporation, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the consolidated statement of operations and comprehensive loss when the new information becomes available.

Environmental cleanup costs
Management has made an estimate of the amount of fees required related to remediation activities at its exploration properties. Management will also request third party service providers to provide estimates for cleanup activities and will record any adjustment to the amount accrued as the adjustments become known.

Income Taxes
Provisions for income taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Corporation reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determinations are made.

Going Concern
Management has made an assessment of the Corporation's ability to continue as a going concern and is satisfied that the Corporation has the resources to continue in business for the foreseeable future. The findings considered by management are disclosed in Note 2.

(Expressed in Canadian Dollars)

5. Exploration and Evaluation assets

The Corporation interest in its exploration and evaluation assets is as follows:

Property	Interest	Date Acquired
Jenna	100%	2018
Paige	100%	2019

The Corporation's project in Chile is comprised of 8,900 ha mineral exploration concessions that form, the OCA Prospect located in the salars of Ollague, Carcote and Ascotan in Northern Chile, bordering Bolivia.

	Jenna	Paige	Total
Balance, January 1, 2020	$ 96,489	$ 115	$ 96,604
Acquisitions of mining rights:			
Staking and maintenance fees	25,758	642	26,400
Balance, December 31, 2020	$ 122,247	$ 757	$ 123,004
Balance, January 1, 2021	$ 122,247	$ 757	$ 123,004
Acquisitions of mining rights:			
Staking and maintenance fees	37,389	—	37,389
Balance, December 31, 2021	$ 159,636	$ 757	$ 160,393

6. Accounts payable and accrued liabilities

As at December 31,	2021	2020
Trade payables	$ 10,059	$ 11,076
Accrued expenses (Note 9)	761,306	517,289
	$ 771,365	$ 528,365

(Expressed in Canadian Dollars)

7. Debt obligations

As at December 31,		2021		2020
Advance from Petrocorp Group Inc. at 0%, loan is due on demand (Note 14).	$	192,635	$	199,601
Private loan of $500,000 that is convertible into common shares immediately prior to a going public transaction at a 10% discount to the deemed price per share of a concurrent financing (due on demand)		500,000		500,000
Private loan of $50,000 that is convertible into common shares immediately prior to a going public transaction at a 10% discount to the deemed price per share of a concurrent financing (due on demand).		50,000		50,000
Private loan for $1,670,000, initially due on August 31, 2021, and extended to August 31, 2022, convertible into common shares immediately prior to a going public transaction at a 10% discount to the deemed price per share of a concurrent financing (Note 9)		2,100,429		—
		2,843,064		739,601
Less: current portion		2,843,064		739,601
Long-term debt	$	—	$	—

During the year ended December 31, 2021, the Corporation recorded interest expense of $236,403 (2020: $280,521) for debt obligations.

In January 2020, a private loan of US$1,000,000 was assigned to a company to whom a director of the Corporation was a officer. Based on the revised terms in February 2020, the face value of the loan of $1,670,000 maturing August 31, 2021 accruing interest at 12% per annum and convertible into common shares of the Corporation at a 10% discount to the deemed price at the date of the completion of the transaction for going public. The carrying value of the loan as at December 31, 2021 including accrued interest, is $2,100,429 (December 31, 2021 - $1,864,025). For the year ended December 31, 2021, the Corporation recorded interest expenses for this loan of $236,403 (December 31, 2020 - $217,490). On September 30, 2021, the director resigned as an officer of the lender and the loan was reclassified as debt obligation (the loan was previously presented as due to related party in consolidated statements of financial position, Note 9). The terms of this private loan were amended during the year ended December 31, 2021, extending the maturity date to August 31, 2022. The loan extension was recorded as a debt modification as the change in fair value was less then 10% as all other terms remained the same.

The debt of $500,000 and the debt of $2,100,429 (Note 9) rank in priority to other obligations of the Corporation and $500,000 of each principal balance of these obligations shall be treated on a pro rata basis to all repayments made with respect to the principal balance.

(Expressed in Canadian Dollars)

8. Share capital

The Corporation is authorized to issue an unlimited number of common shares.

During the year ended December 31, 2021, the Corporation completed a subscription financing of 1,120,000 post consolidated common shares at a price of $0.25 per common share which shall be released from trust upon closing the transaction described in Note 14. If the transaction does not close the proceeds are to be returned to the subscribers.

9. Transactions with related parties and payments to key management

Related party transactions include transactions with parties related by common directors and transactions with other private entities owned or controlled by officers and directors. All transactions are provided in the normal course of business and are measured at exchange amounts agreed upon by the related parties. The following table summarizes the related party transactions occurring during the fiscal period.

Year ended December 31,		2021	2020
Expenses			
Professional Fees		$ 36,000	$ 36,000

As at December 31,		2021	2020
Amount included with accounts payable and accrued liabilities (Note 6)		$ 109,878	$ 70,000
Due to Related Parties	- Loan (Note 7)	—	1,864,025
	- Advances	620,084	377,943
Total related party balances		$ 726,084	$ 2,311,968

During the year ended December 31, 2021 and 2020, no key management personnel were indebted to the Corporation.

The key management personnel of the Corporation include the Chief Executive Officer, Chief Financial Officer and the Board of Directors. Compensation to key management was $36,000 (2021 - $36,000) and recorded as professional fees.

In addition, as at December 31, 2021, the Corporation owes $620,084 (2020 - $377,943) to companies controlled by the CEO as well as the CEO himself. The amount is due on demand and bears no interest.

10. Commitments and contingencies

The Corporation, from time to time, may be involved in various claims, legal and tax proceedings and complaints arising in the ordinary course of business. The Corporation is not aware of any pending or threatened proceedings that would have a material adverse effect on the financial condition or future results of the Corporation.

(Expressed in Canadian Dollars)

11. Capital management

The Corporation manages its common shares, stock options, warrants and accumulated deficit as capital. The Corporation's objectives when managing capital are to safeguard the Corporation's ability to continue and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk, as there are no external restrictions on it.

The Corporation 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 Corporation may attempt to issue new shares, issue new debt, acquire or dispose of assets in order at adjust the amount of cash it holds.

To facilitate the management of its capital requirements, the Corporation prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry and market conditions.

Management reviews its approach on an ongoing basis and believes that this approach, given the relative size of the Corporation, is reasonable.

The following table presents the contractual maturities of the Corporation's financial liabilities as at December 31, 2021:

				Payments by Periods	
	Total	< 1 Year	1 - 3 Years	4 - 5 Years	After 5 Years
Accounts payable and accrued liabilities	$ 771,365	$ 771,365	$ —	$ —	$ —
Debt obligations	2,843,064	2,843,064	—	—	—
Due to related parties	620,084	620,084	—	—	—
Subscription receipts	280,000	280,000	—	—	—

12. Financial Instruments and Risk Management

(a) Fair value
Financial instruments that are measured subsequent to initial recognition at fair value are grouped in Level 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for asset or liability, either directly or indirectly; and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the assets or liabilities that are not based on observable market date.

As at December 31, 2021 and 2020, the estimated fair values of accounts payable and subscription receipts approximate its respective carrying values due to their short-term nature.

(Expressed in Canadian Dollars)

12. Financial Instruments and Risk Management – continued

As at December 31, 2021 and 2020, the fair value of the debt obligations and due to related party approximates to their face values of these loans. The fair value of the cash was determined as at December 31, 2021 and 2020 using level 1 inputs.

(b) Interest rate risk
Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Corporation is not exposed to interest rate risk as it does not have any assets or liabilities that are affected by changes in interest rates.

(c) Credit risk
Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Corporation's exposure to credit risk is on its cash held in bank accounts and restricted cash held in trust with legal counsel. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies and by holding funds in trust with a reputable legal counsel. Credit risk is assessed as low.

(d) Liquidity risk
Liquidity risk is the risk the Corporation will encounter difficulty in meeting obligations associated with its financial liabilities. The Corporation's objective for liquidity risk management is to maintain sufficient liquid financial resources to fund operations and to meet commitments and obligations in the most cost-effective manner possible. The Corporation achieves this by maintaining sufficient cash and cash equivalents and managing working capital. The Corporation monitors its financial resources on a regular basis and updates its expected use of cash resources based on the latest available data. The Liquidity Risk is assessed as high.

13. Loss Per Share

In calculating the diluted loss per share, issued and outstanding incentive stock options and warrants were not considered as they would have been anti-dilutive.

December 31,	2021	2020
Denominator basic and diluted loss per share		
Weighted average number of Common shares outstanding	74,109,279	74,109,279

14. Proposed Transaction

On January 8, 2018 (amended July 18, 2018), Petrocorp Group Inc. ("**PCG**") signed a Letter of Intent with FLM, where PCG would acquire all of the issued and outstanding shares of FLM, by way of a three-corner amalgamation or other similar transaction (the "**PCG Transaction**").

The close of the PCG Transaction was further extended to March 15, 2021, October 31, 2021 and to June 30, 2022.

On April 7, 2022, the PCG Transaction was cancelled, and a new Letter of Intent was entered in to between PCG, FLM and QL Minerals Inc. ("**QLM**"), where PCG would acquire all of the issued and outstanding shares of FLM and QLM, by way of a three-corner amalgamation or other similar transaction (the "**Transaction**"). Immediately prior to the Transaction, PCG would consolidate its common shares on a basis of 81.96721311 old common shares for 1 new common share and FLM would consolidate its shares on a basis of 2.5 old common shares for 1 new common share.

(Expressed in Canadian Dollars)

14. Proposed Transaction – continued

PCG is to acquire FLM via the issuance of 1 new common share of PCG for each post consolidated common share of FLM. In addition, FLM is to settle a minimum of $3,200,000 and a maximum of $3,750,000 in liabilities via the issuance of its own common shares at a deemed price of $0.225 per post consolidated common share that would then each be exchanged for 1 post consolidated common share of PCG.

PCG is also to acquire QLM via the issuance of 1 new common share of the Corporation for each common share of QLM, for which there are 3,000,000 outstanding as of that date and 3,101,400 subscription receipts received that would be acquired by PCG on a basis of 1 post consolidated common share for each subscription receipt.

As part of this transaction, FLM has to date raised $5,914,500 via the issuance of subscription receipts that will convert automatically into 23,658,000 post consolidated common shares of FLM immediately prior to the close of the transaction and then converted in to post consolidation common shares of PCG. QLM has raised $795,000 also via the issuance of subscription receipts that will convert automatically into 3,180,000 common shares of QLM immediately prior to the close of the transaction and then converted in to post consolidation common shares of PCG.

The Transaction is subjected to a number of conditions precedent which includes among other things regulatory and shareholder approval.

FLM and QLM are related by common director and officer.

To date, the PCG has advanced FLM $192,635 (2021 - $199,601), at 0% per annum as an unsecured demand loan and FLM advanced $3,798 to QLM.

15. Income taxes

The Corporation's income tax rate differs from the statutory rate of approximately 26.5% (2020 - 26.5%) as follows:

For the year ended December 31,	2021	2020
Pre-tax loss for the period before income taxes	$ (707,677)	$ (709,258)
Expected income tax benefit based on statutory rate	(187,534)	(187,953)
Permanent timing differences	(1,000)	(7,000)
Income tax recovery	(188,534)	(194,853)
Valuation Allowance	188,534	194,853
Income tax recovery	$ —	$ —

As at December 31, 2021, the Corporation had accumulated income tax losses for income tax purposes of approximately $4,281,858 (December 31, 2020 - $3,570,666). These loss carry-forwards may be used to offset future years' income and commence expiring in 2041.

Expiry	Canadian	Foreign	Total
2037	$ 124,252	$ 23,848	$ 148,100
2038	553,576	1,348,747	1,882,323
2039	353,704	456,016	809,720
2040	444,563	285,959	730,522
2041	114,647	596,545	711,192
	$ 1,570,742	$ 2,711,115	$ 4,281,858

First Lithium

FIRST LITHIUM MINERALS INC.
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2022 AND 2021

FIRST LITHIUM MINERAL INC.

UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

CONTENTS

FIRST LITHIUM MINERALS INC.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(All Amounts are in Canadian Dollars)

As at	March 31, 2022	December 31, 2021
ASSETS		
Cash	$ 36,710	$ 28,616
Commodity tax receivables	7,769	10,185
Prepaid expenses	15,000	—
Restricted cash (Note 12)	2,301,300	280,000
	2,360,779	318,801
Exploration and evaluation assets (Note 3)	173,067	160,393
	$ 2,533,846	$ 479,194
LIABILITIES		
Accounts payable and accrued liabilities (Notes 4 and 7)	$ 929,258	$ 771,365
Debt obligations, short-term (Note 5)	2,905,838	2,843,064
Due to Related parties (Note 7)	653,984	620,084
Subscription receipts (Note 12)	2,234,875	280,000
	6,723,955	4,514,513
SHAREHOLDERS' EQUITY(DEFICIT)		
Share capital (Note 6)	1,563,386	1,563,386
Accumulated deficit	(5,753,495)	(5,598,705)
	(4,190,109)	(4,035,319)
	$ 2,533,846	$ 479,194

Nature of Organization (Note 1)
Proposed Transaction (Note 13)

Approved on behalf of the board of directors:

/s/ "*Rob Saltsman*"
Rob Saltsman, Director

FIRST LITHIUM MINERALS INC.
UNAUDITED CONDENSED INTERIM CONSOLIDATED STATEMENTS OF SHAREHOLDERS' DEFICIT
(All Amounts are in Canadian Dollars)

	Number of Common Shares	Amount of Common Shares	Accumulated Deficit	Shareholders' Equity
Balance, January 1, 2021	74,109,279	$ 1,563,386	$ (4,891,028)	$ (3,327,642)
Comprehensive loss	—	—	(232,275)	(232,275)
Balance, March 31, 2021	74,109,279	$ 1,563,386	$ (5,123,303)	$ (3,559,917)
Balance, January 1, 2022	74,109,279	$ 1,563,386	$ (5,598,705)	$ (4,035,319)
Comprehensive loss	—	—	(154,790)	(154,790)
Balance, March 31, 2022	74,109,279	$ 1,563,386	$ (5,753,495)	$ (4,190,109)

FIRST LITHIUM MINERALS INC.
UNAUDITED CONDENSED INTERIM
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(All Amounts are in Canadian Dollars)

For the Period Ended March 31,	2022	2021
EXPENSES		
General and administrative	$ 1,804	$ 827
Mineral exploration expensed	19,713	32,781
Operating expenditures	15,475	45,000
Professional fees (Note 7)	81,265	76,843
	118,257	155,451
OPERATING LOSS	(118,257)	(155,451)
Foreign exchange gain (loss)	26,241	(21,124)
Interest expense (Note 5)	(62,774)	(55,700)
Net loss and Comprehensive loss for the year	$ (154,790)	$ (232,275)
Net loss per common share	$ 0.00	$ 0.00
Weighted average number of common shares outstanding (Note 11)	74,109,279	74,109,279

FIRST LITHIUM MINERALS INC.
UNAUDITED CONDENSED INTERIM
CONSOLIDATED STATEMENTS OF CASH FLOWS
(All Amounts are in Canadian Dollars)

For the Period Ended March 31,	**2022**	**2021**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (loss) income for the period	$ (154,790)	$ (232,275)
Interest expense	62,774	55,700
Non-cash expenses:		
Net change in operating assets and liabilities		
Commodity tax receivable	2,416	7,185
Prepaid expenses	(15,000)	15,000
Accounts payable and accrued liabilities	157,893	90,309
CASH FLOWS PROVIDED BY OPERATING ACTIVITIES	53,293	(60,081)
CASH FLOWS FROM FINANCING ACTIVITIES		
Due to related parties	33,900	114,356
Increase in Restricted cash	(2,021,300)	—
Subscription receipts, net of commissions	1,954,875	—
CASH FLOWS USED IN FINANCING ACTIVITIES	(32,525)	114,356
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment in exploration and evaluation assets, net	(12,674)	(7,516)
CASH FLOWS USED IN INVESTING ACTIVITIES	(12,674)	(7,516)
NET DECREASE IN CASH	8,094	42,759
CASH - Beginning of the period	28,616	9,527
CASH - End of the period	$ 36,710	$ 52,286

1. Nature of Organization

Description of the Business

First Lithium Minerals Inc. ("**FLM**" or "**Corporation**") was incorporated under the Business Corporations Act (Ontario) on February 14, 2017. The Corporation is domiciled in Canada and its principal offices are located at 77 King Street West, Suite 3000, Toronto, Ontario. The principal business is the exploration of mineral properties located in Chile (Note 3).

These unaudited condensed interim consolidated financial statements ("**Financial Statements**") of the Corporation were authorized for issue in accordance with a resolution of the directors on July 14, 2022 and reviewed by the Corporation's external independent auditor.

2. Basis of Presentation and Going Concern

Going Concern of Operations

These Financial Statements have been prepared in accordance with IFRS applied on a going concern basis, which assumes that the Corporation will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. As at March 31, 2022, the Corporation had no sources of operating cash flows. The Corporation therefore will require additional funding which, if not raised, would result in the curtailment of activities and delays in its ability to merge with or acquire an operating entity. As at March 31, 2022, the Corporation had working capital deficit of $4,363,176 (December 31, 2021 – $4,195,712), and has incurred losses since inception, resulting in an accumulated deficit of $5,753,495 (December 31, 2021 - $5,598,705). The Corporation's ability to continue as a going concern is uncertain and is dependent upon its ability to continue to raise adequate financing. There can be no assurances that the Corporation will be successful in this regard, and therefore, there is doubt regarding the Corporation's ability to continue as a going concern, and accordingly, the use of accounting principles applicable to a going concern. These financial statements do not reflect adjustments that would be necessary if the "going concern" assumption were not appropriate. If the "going concern" assumption were not appropriate for these Financial Statements, then adjustments to the carrying values of the assets and liabilities, the expenses and the balance sheet classifications, which could be material, would be necessary.

Since March 2020, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which included the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruptions to business globally in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is currently unknown.

2. Basis of Presentation – continued

Statement of Compliance
The Financial Statements, including comparatives, have been prepared in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting. The accounting policies applied in the Financial Statements are consistent with those used in the Company's audited consolidated financial statements for the year ended December 31, 2021. There have been no changes from the accounting policies applied in the December 31, 2021 consolidated financial statements. The preparation of interim consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the related amounts of assets and liabilities, revenues and expenses. In management's opinion, all adjustments considered necessary for fair presentation have been included in the Financial Statements. Interim results are not necessarily indicative of the results expected for the financial year. Annual results may differ from interim estimates. The significant judgments made by management applied in the preparation of the Financial Statements are consistent with those applied and disclosed in the Company's audited consolidated financial statements for the year ended December 31, 2021.

For a description of the critical accounting estimates and assumptions, please refer to the Company's audited consolidated financial statements for the year ended December 31, 2021.

Basis of Presentation
These Financial Statements have been prepared on a going concern basis, which assumes that the Corporation will be able to realize its assets and discharge its liabilities in the normal course of business.

Principles of Consolidation
These Financial Statements of the Corporation include the accounts of First Lithium Mineral Inc. ("**FLM**") and its wholly-owned subsidiary, First Lithium Mineral SpA. ("**FLM SpA**") incorporated in Chile, collectively these entities are referred to as the Corporation.

Basis of Measurement
These Financial Statements have been prepared under the historical cost convention, modified, where applicable, by the measurement at fair value of selected financial assets and financial liabilities.

(Expressed in Canadian Dollars)

3. Exploration and Evaluation assets

The Corporation interest in its exploration and evaluation assets is as follows:

Property	Interest	Date Acquired	Date Impaired
Jenna	100%	2018	N/A
Paige	100%	2019	N/A

The Corporation's project in Chile is comprised of 8,900 ha of mineral exploration concessions that form, the OCA Prospect located in the salars of Ollague, Carcote and Ascotan in Northern Chile, bordering Bolivia.

	Jenna	Paige	Total
Balance, January 1, 2021	$ 122,247	$ 757	$ 123,004
Acquisitions of mining rights:			
Staking and maintenance fees	37,389	—	37,389
Balance, December 31, 2021	$ 159,636	$ 757	$ 160,393
Balance, January 1, 2022	$ 159,636	$ 757	$ 160,393
Acquisitions of mining rights:			
Staking and maintenance fees	12,674	—	12,674
Balance, March 31, 2022	$ 172,310	$ 757	$ 173,067

4. Accounts payable and accrued liabilities

As at	March 31, 2022	December 31, 2021
Trade payables	$ 5,925	$ 6,181
Accrued expenses	803,919	655,306
Related party (Note 7)	119,414	109,878
	$ 929,258	$ 771,365

(Expressed in Canadian Dollars)

5. Debt obligations

As at	March 31, 2022	December 31, 2021
Advance from Petrocorp Group Inc. at 0%, loan is due on demand (Note 13).	$ 192,635	$ 192,635
Private loan of $500,000 that is convertible into common shares immediately prior to a going public transaction at a 10% discount to the deemed price per share of a concurrent financing (due on demand)	500,000	500,000
Private loan of $50,000 that is convertible into common shares immediately prior to a going public transaction at a 10% discount to the deemed price per share of a concurrent financing (due on demand).	50,000	50,000
Private loan for $1,670,000 initially due on August 31, 2021, extended to August 31, 2022, convertible into common shares immediately prior to a going public transaction at a 10% discount to the deemed price per share of a concurrent financing	2,163,203	2,100,429
	2,905,838	2,843,064
Less: current portion	2,905,838	2,843,064
Long-term debt	$ —	$ —

During the year ended December 31, 2021, the Corporation recorded interest expense of $62,774 (March 31, 2021 - $55,700) for the private loan assigned to a related party (Note 7).

In January 2020, a private loan of US$1,000,000 was assigned to a company to whom a director of the Corporation was a officer. Based on the revised terms in February 2020, the face value of the loan of $1,670,000 maturing August 31, 2021 accruing interest at 12% per annum and convertible into common shares of the Corporation at a 10% discount to the deemed price at the date of the completion of the transaction for going public (Note 13). The carrying value of the loan as at March 31, 2022 including accrued interest, is $2,163,203 (December 31, 2021 - $2,100,429). For the period ended March 31, 2021, the Corporation recorded interest expenses for this loan of $62,774 (March 31, 20210 - $55,700). The terms private loan was amended during the year ended December 31, 2021, extending the maturity date to August 31, 2022. The loan extension was recorded as a debt modification as the change in fair value was less then 10% as all other terms remained the same.

The debt of $500,000 and the debt of $2,163,203 (note 7) rank in priority to other obligations of the Corporation and $500,000 of each principal balance of these obligations shall be treated on a pro rata basis to all repayments made with respect to the principal balance.

(Expressed in Canadian Dollars)

6. Share capital

The Corporation is authorized to issue an unlimited number of common shares.

Up to March 31, 2022, the Corporation has completed a subscription financing of 23,013,000 common shares at a price of $0.10 per common share which shall be released from trust upon closing the transaction described in Note 13. If the transaction does not close the proceeds are to be returned to the subscribers.

7. Transactions with related parties and payments to key management

Related party transactions include transactions with parties related by common directors and transactions with other private entities owned or controlled by officers and directors. All transactions are provided in the normal course of business and are measured at exchange amounts agreed upon by the related parties. The following table summarizes the related party transactions occurring during the fiscal period.

Period ended March 31,	2022	2021
Expenses		
Professional Fees	$ 9,000	$ 9,000

	March 31, 2022	December 31, 2021
Amount included with accounts payable and accrued liabilities (Note 4)	$ 119,414	$ 109,878
Due to Related Parties - Advances	$ 653,984	$ 620,084
Total related party balances	$ 773,398	$ 729,962

During the period ended March 31, 2022 and December 31, 2021, no key management personnel were indebted to the Corporation.

The key management personnel of the Corporation include the Chief Executive Officer, Chief Financial Officer and the Board of Directors.

In addition, as at March 31, 2022, the Corporation owes 653,984 (December 31, 2021 - $620,084) to a companies controlled by the CEO as well as the CEO himself. The amount is due on demand and bears no interest.

8. Commitments and contingencies

The Corporation, from time to time, may be involved in various claims, legal and tax proceedings and complaints arising in the ordinary course of business. The Corporation is not aware of any pending or threatened proceedings that would have a material adverse effect on the financial condition or future results of the Corporation.

(Expressed in Canadian Dollars)

9. Capital management

The Corporation manages its common shares, stock options, warrants and accumulated deficit as capital. The Corporation's objectives when managing capital are to safeguard the Corporation's ability to continue and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk, as there are no external restrictions on it.

The Corporation 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 Corporation may attempt to issue new shares, issue new debt, acquire or dispose of assets in order at adjust the amount of cash it holds.

To facilitate the management of its capital requirements, the Corporation prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry and market conditions.

Management reviews its approach on an ongoing basis and believes that this approach, given the relative size of the Corporation, is reasonable.

The following table presents the contractual maturities of the Corporation's financial liabilities as at March 31, 2022:

				Payments by Periods	
	Total	< 1 Year	1 - 3 Years	4 - 5 Years	After 5 Years
Accounts payable and accrued liabilities	$ 929,258	$ 929,258	$ —	$ —	$ —
Debt obligations	2,905,838	2,905,838	—	—	—
Due to related parties	653,984	653,984	—	—	—
Subscription receipts	2,234,875	2,234,875	—	—	—

10. Financial Instruments and Risk Management

(a) Fair value
Financial instruments that are measured subsequent to initial recognition at fair value are grouped in Level 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for asset or liability, either directly or indirectly; and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the assets or liabilities that are not based on observable market date.

As at March 31, 2022 and December 31, 2021, the estimated fair values of accounts payable approximate its respective carrying values due to their short-term nature.

(Expressed in Canadian Dollars)

10. Financial Instruments and Risk Management – continued

As at March 31, 2022 and December 31, 2021, the fair value of the debt obligations and due to related party approximates to their face values of these loans. The fair value of the cash was determined as at March 31, 2022 and December 31, 2021 using level 1 inputs.

(b) Interest rate risk
Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Corporation is not exposed to interest rate risk as it does not have any assets or liabilities that are affected by changes in interest rates.

(c) Credit risk
Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Corporation's exposure to credit risk is on its cash held in bank accounts and Restricted cash held in trust with legal counsel. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies and by holding funds in trust with a reputable legal counsel. Credit risk is assessed as low

(d) Liquidity risk
Liquidity risk is the risk the Corporation will encounter difficulty in meeting obligations associated with its financial liabilities. The Corporation's objective for liquidity risk management is to maintain sufficient liquid financial resources to fund operations and to meet commitments and obligations in the most cost-effective manner possible. The Corporation achieves this by maintaining sufficient cash and cash equivalents and managing working capital. The Corporation monitors its financial resources on a regular basis and updates its expected use of cash resources based on the latest available data. The Liquidity Risk is assessed as high.

11. Loss Per Share

In calculating the diluted loss per share, issued and outstanding incentive stock options and warrants were not considered as they would have been anti-dilutive.

March 31,	2022	2021
Denominator basic and diluted loss per share		
Weighted average number of Common shares outstanding	74,109,279	74,109,279

12. Restricted cash and Subscription Receipts

Restricted cash represents that cash raised via a subscription receipt financing of $2,301,300 (December 31, 2021 - $280,000), that will automatically convert into common shares less issuance costs for a net amount of $2,234,875 (December 31,2021 – $280,000) upon the closing of the transaction (Note 13). Should the transaction not close the funds are to be returned to the investors.

13. Significant Proposed Transaction

On January 8, 2018 (amended July 18, 2018), Petrocorp Group Inc. ("**PCG**") signed a Letter of Intent with FLM, where PCG would acquire all of the issued and outstanding shares of FLM, by way of a three-cornered amalgamation or other similar transaction (the "**PCG Transaction**").

The close of the PCG Transaction was further extended to March 15, 2021, October 31, 2021 and to June 30, 2022.

On April 7, 2022, the PCG Transaction was cancelled, and a new Letter of Intent was entered in to between PCG, FLM and QL Minerals Inc. ("**QLM**"), where PCG would acquire all of the issued and outstanding shares of FLM and QLM, by way of a three-corner amalgamation or other similar transaction (the "**Transaction**"). Immediately prior to the Transaction, PCG would consolidate its common shares on a basis of 81.96721311 old common shares for 1 new common share and FLM would consolidate its shares on a basis of 2.5 old common shares for 1 new common share.

PCG is to acquire FLM via the issuance of 1 new common share of PCG for each post consolidated common share of FLM. In addition, FLM is to settle a minimum of $3,200,000 and a maximum of $3,750,000 in liabilities via the issuance of its own common shares at a deemed price of $0.225 per post consolidated common share that would then each be exchanged for 1 post consolidated common share of PCG.

PCG is also to acquire QLM via the issuance of 1 new common share of the Corporation for each common share of QLM, for which there are 3,000,000 outstanding as of that date.

As part of this transaction, FLM has to date raised $5,914,500 via the issuance of subscription receipts that will convert automatically into 23,658,000 post consolidated common shares of FLM immediately prior to the close of the transaction and then converted in to post consolidation common shares of PCG. QLM has raised $795,000 also via the issuance of subscription receipts that will convert automatically into 3,180,000 common shares of QLM immediately prior to the close of the transaction and then converted in to post consolidation common shares of PCG.

The Transaction is subjected to a number of conditions precedent which includes among other things regulatory and shareholder approval.

To date, the PCG has advanced FLM $192,635, at 0% per annum as an unsecured demand loan and FLM advanced $3,798 to QLM.

SCHEDULE "C"
QL ANNUAL FINANCIAL STATEMENTS

See attached.

QL MINERIAL INC.

FINANCIAL STATEMENTS

PERIOD FROM NOVEMBER 18, 2021 (DATE OF INCORPORATION) TO MARCH 31, 2022

QL MINERIALS INC.

FINANCIAL STATEMENTS

NOVEMBER 18, 2021 (DATE OF INCORPORATION) TO MARCH 31, 2022

CONTENTS

Management's Responsibility

To the Shareholders of QL Minerals Inc. (the "**Company**"):

Management is responsible for the preparation and presentation of the accompanying financial statements, including the responsibility for significant accounting judgments and estimates in accordance with International Financial Reporting Standards. This responsibility includes selecting appropriate accounting policies and methods and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safe guarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors is composed of Directors who may be neither management nor employees of the Company. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving financial information. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Board is also responsible for recommending the appointment of the Company's external auditors.

Dale Matheson Carr-Hilton labonte, LLP, an independent firm of Chartered Professional Accountants, is appointed by the shareholders to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Board and management to discuss their audit findings.

/s/ *Robbie Saltsman*
Robbie Saltsman
Chief Executive Officer and Chief Financial Officer

Toronto, Ontario
July 14, 2022

Independent Auditors' Report

To the Shareholders of QL Minerals Inc.

Opinion
We have audited the financial statements of QL Minerals Inc. (the "**Company**"), which comprise the statement of financial position as at March 31, 2022, and the statements of operations and comprehensive loss, cash flows and changes in shareholders' equity from November 18, 2021 (date of incorporation) to March 31, 2022, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the financial statements).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2022 and its financial performance and its cash flows for the period from November 18, 2021 (date of incorporation) to March 31, 2022, in accordance with International Financial Reporting Standards.

Basis for Opinion
We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Relating to Going Concern
We draw your attention to Note 1 in the financial statements, which indicates that the Company incurred a comprehensive loss of $57,281 for the period ended March 31, 2022. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Information Other
Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis.

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

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

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

DMCL.

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC

July 14, 2022

QL MINERALS INC.
STATEMENT OF FINANCIAL POSITION
(All Amounts are in Canadian Dollars)

As at	**March 31, 2022**

A S S E T S

CURRENT	
Cash	$ 91,884
Restricted cash (Note 12)	477,100
	568,984
Evaluation and Exploration Property	20,000
	$ 588,984

L I A B I L I T I E S

CURRENT	
Accounts payable and accrued liabilities	$ 43,323
Subscription receipts (Note 12)	449,144
Due to related party – First Lithium Minerals Inc.	3,798
	496,265

S H A R E H O L D E R S' EQUITY

CAPITAL STOCK (Note 4)	150,000
ACCUMULATED DEFICIT	(57,281)
	92,719
	$ 588,984

Nature of Organization and Going Concern (Note 1)
Commitment (Note 6)
Contingency (Note 8)
Subsequent Event (Note 13)

APPROVED ON BEHALF OF THE BOARD:

/s/ "*Rob Saltsman*"
Rob Saltsman, Director

QL MINERALS INC.
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
(All Amounts are in Canadian Dollars)

	Number of Common Shares	Amount of Common Shares	Accumulated Deficit	Shareholders' Equity
Date of Incorporation, November 18, 2021	—	$ —	$ —	$ —
Common shares issued for cash	2,400,000	120,000	—	120,000
Common shares issued for services	200,000	10,000	—	10,000
Common shares issued for evaluation and exploration property	400,000	20,000	—	20,000
Net loss for the period	—	—	(57,281)	(57,281)
Balance, March 31, 2022	3,000,000	$ 150,000	$ (57,281)	$ 92,719

QL MINERALS INC.
STATEMENT OF OPERATIONS AND COMPREHENSIVE LOSS
(All Amounts are in Canadian Dollars)

	For the Period from Incorporation on November 18, 2021 to March 31, 2022
EXPENSES	
Administrative expenses	$ 132
Consulting fees	10,000
Professional fees	15,367
Wages & Benefits (Note 5)	2,557
OPERATING INCOME (LOSS)	(28,056)
OTHER EXPENSES	
Realised loss on sale of securities	(29,225)
NET LOSS FROM OPERATIONS AND COMPREHENSIVE LOSS	$ (57,281)
NET LOSS PER COMMON SHARE	
Basic and Diluted	$ (0.043)
Weighted Average Common Shares Outstanding	1,329,323

QL MINERALS INC.
STATEMENT OF CASH FLOWS
(All Amounts are in Canadian Dollars)

	For the Period from Incorporation on November 18, 2021 to March 31, 2022
CASH FLOWS FROM OPERATING ACTIVITIES	
Net income (loss) for the period	$ (57,281)
Items not effecting cash:	
Shares issued for consulting services	10,000
Change in working capital items:	
Accounts payable and accrued liabilities	43,323
CASH FLOWS USED IN OPERATING ACTIVITIES	(3,958)
CASH FLOWS FROM FINANCING ACTIVITIES	
Restricted cash	(477,100)
Due to related party - First Lithium Minerals Inc.	3,798
Common shares issued for cash	120,000
Subscription receipts - payable	495,000
Issuance costs	(45,856)
CASH FLOWS PROVIDED FROM FINANCING ACTIVITIES	95,842
INCREASE IN CASH AND CASH EQUIVALENTS FOR THE PERIOD	91,884
CASH	
Beginning of the period	—
End of the period	$ 91,884
SUPPLEMENTAL CASH FLOW INFORMATION	
Shares issued for evaluation and exploration property	$ 20,000

1. Nature of Organization

Description of the Business
QL Minerals Inc. ("**Company**" or "**QLM**") was incorporated under the Ontario Business Corporations Act on November 18, 2021. Its registered head office is 77 King Street West, Suite 3000, Toronto, Ontario, M5K 1G8. The principal business of the Company is mineral evaluation and exploration. These audited financial statements ("**Financial Statements**") of the Company were authorized for issue in accordance with a resolution of the directors on July 14, 2022.

The Company had no commercial operations, has earned no revenues, and incurred a net loss and comprehensive loss of $57,281 for the for the period of November 18, 2021 ("**date of incorporation**") to March 31, 2022, the Company's accumulated deficit as at March 31, 2022 was $57,281. These circumstances indicate that material uncertainties exist that may cast significant doubt about the Company's ability to continue as a going concern and, accordingly, the ultimate use of accounting principles applicable to a going concern. The Company's ability to continue as a going concern is dependent upon raising additional capital to meet its present and future commitments, the continued support of certain shareholders and trade creditors, and on achieving profitable commercial operations. If additional financing is arranged through the issuance of shares, control of the Company may change, and shareholders may suffer significant dilution. To meet this cash flow needs, the Company has raised $495,000 via subscription receipts that will automatically convert to common shares and the associated restricted cash of $477,100 will become unrestricted.

These financial statements been prepared on a going concern basis which assumes that the Company will continue in operations for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. Realization values may be substantially different from carrying values as shown and the financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. These adjustments could be material.

The precise impacts of the global emergence of COVID-19 on the Company are currently unknown. The Company intends to conduct business as normal with modifications to personnel travel and work locations and is currently evaluating what exploration work can be done on its properties. Rules in all jurisdictions are changing rapidly and the Company will need to evaluate and evolve with measures as they are announced. Government restrictions on the movement of people and goods may cause exploration work and analysis being done by the Company and its contractors to slow or cease. Such disruptions in work may cause the Company to miss actual or self-imposed deadlines, push out earlier forecasts, and increase fiscal losses. In addition, the outbreak of COVID-19 has caused considerable disruption to the world economy and financial markets which could have a materially adverse impact on the ability of the Company to raise additional funding in the future and could negatively impact, among other factors, the Company's financial position.

Statement of Compliance
These audited financial statements (the "**Financial Statements**") of the Company as at March 31, 2022 and for the period from November 18, 2021 ("**date of incorporation**") to March 31, 2022 have been prepared in accordance with IFRS as issued by the International Accounting Standards Board ("**IASB**") and interpretations of the International Financial Reporting Interpretations Committee ("**IFRIC**") in effect as of that date.

2. Summary of Significant Accounting Policies

The accounting policies set out below have been applied consistently.

Basis of Measurement
These Financial Statements have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Functional and presentation currency
These Financial Statements are presented in Canadian dollars, which is the Company's functional currency.

Rehabilitation Provision
The Company is subject to various government laws and regulations relating to environmental disturbances caused by exploration and evaluation activities. The Company records the present value of the estimated costs of legal and constructive obligations required to restore the exploration sites in the year in which the obligation is incurred. The nature of the rehabilitation activities include restoration, reclamation and revegetation of the affected exploration sites.

The rehabilitation provision generally arises when the environmental disturbance is subject to government laws and regulations. When the liability is recognized, the present value of the estimated costs is capitalized by increasing the carrying amount of the related exploration properties. Over time, the discounted liability is increased for the changes in present value based on current market discount rates and liability specific risks.

Additional environment disturbances or changes in rehabilitation costs will be recognized as additions to the corresponding assets and rehabilitation liability in the year in which they occur.

Use of Estimates and Judgments
The preparation of these financial statements requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Such estimates primarily relate to unsettled transactions and events as at the date of the financial statements. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities, revenues, and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions. Significant estimates and judgments made by management in the preparation of these financial statements are outlined below:

Recoverability of exploration and evaluation assets
The application of the Company's accounting policy for exploration and evaluation assets requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the statement of operations and comprehensive loss when the new information becomes available.

2. Summary of Significant Accounting Policies - continued

Environmental cleanup costs
Management has made an estimate of the amount of fees required related to remediation activities at its exploration properties. Management will also request third party service providers to provide estimates for cleanup activities and will record any adjustment to the amount accrued as the adjustments become known.

Income Taxes
The calculation of income taxes requires judgment in interpreting tax rules and regulations. There are transactions and calculations for which the ultimate tax determination is uncertain. The Company's tax filings also are subject to audits, the outcome of which could change the amount of current and deferred tax assets and liabilities. Management believes that it has sufficient amounts accrued for outstanding tax matters based on information that currently is available.

Management judgment is used to determine the amounts of deferred tax assets and liabilities and future tax liabilities to be recognized. In particular, judgment is required when assessing the timing of the reversal of temporary differences to which future income tax rates are applied.

Going Concern
Management assessment of going concern and uncertainties of the Company's ability to raise additional capital and/or obtain financing to meet its commitments, requires judgement.

Cash and Cash Equivalents
Cash and cash equivalents may include demand deposits with banks, money market accounts, and other short-term investments with original maturities of 90 days or less.

Transactional Costs
The costs incurred relating to transactional costs are expensed as incurred.

Deferred Financing Costs
Financing costs related to the Company's proposed financing are recorded as deferred financing costs. These costs will be deferred until the financing is completed, at which time the costs will be charged against the proceeds received. If the financing does not close, the costs will be charged to statements of operations and comprehensive loss.

Incremental costs incurred in respect of raising capital are charged against equity or debt proceeds raised. Costs associated with the issuance of common share are charged to capital stock upon the raising of equity. Costs associated with the issuance of debt are amortized using the effective interest method over the life of the debt.

Income Taxes
Income tax expense consists of current and deferred tax expense. Current and deferred tax are recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive loss. Current tax is recognized and measured at the amount expected to be recovered from or payable to the taxation authorities based on the income tax rates enacted or substantively enacted at the end of the reporting period and includes any adjustment to taxes payable in respect of previous years.

Deferred tax is recognized on any temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable earnings. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized and the liability is settled. The effect of a change in the enacted or substantively enacted tax rates is recognized in net earnings and comprehensive income or in equity depending on the item to which the adjustment relates.

Deferred tax assets are recognized to the extent future recovery is probable. At each reporting period end, deferred tax assets are reduced to the extent that it is no longer probable that sufficient taxable earnings will be available to allow all or part of the asset to be recovered.

2. Summary of Significant Accounting Policies - continued

Provision

Provisions are recognized when the Company has a present obligation (legal or constructive) that has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pretax rate that reflects current market assessments of the time value of money and the risk specific to the obligation.

Loss Per Share

Loss per common share has been determined by dividing net loss attributable to common shareholders by the weighted average number of common shares outstanding during the period, excluding shares securing employee share purchase loans and shares in escrow, if any. The Company follows the "treasury stock" method in the calculation of diluted earnings per share. Under this method, the calculation of diluted earnings per share assumes that outstanding options and warrants that are dilutive to earnings per share are exercised and the proceeds are used to repurchase shares of the Company at the average market price of the shares for the period. The treasury stock method is not used to calculate diluted loss per share because the result would be anti- dilutive.

Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Exploration and Evaluation Expenditures

The Company capitalises acquisition costs, staking and maintenance fees. All other costs directly related to exploration and evaluation expenditures ("**E&E**") are expensed as incurred. These direct expenditures include such costs as materials used, surveying costs, drilling costs, payments made to contractors and depreciation on plant and equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the year in which they occur.

The Company may occasionally enter into farm-out arrangements, whereby the Company will transfer part of a mineral interest, as consideration, for an agreement by the transferee to meet certain exploration and evaluation expenditures which would have otherwise been undertaken by the Company. The Company does not record any expenditures made by the farmee on its behalf. Any cash consideration received from the agreement is credited against the costs previously capitalized to the mineral interest given up by the Company, with any excess cash accounted for as a gain on disposal.

When a project is deemed to no longer have commercially viable prospects, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditure costs, in excess of estimated recoveries, are written off in the statement of operations and comprehensive loss.

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use.

As the Company currently has no operational income, any incidental revenues earned in connection with exploration activities are applied as a reduction to capitalized exploration costs.

2. Summary of Significant Accounting Policies - continued

Disposal of Interest in Connection with Option Agreement
On the disposal of an interest in connection with the option agreement, the Company does not recognize expenses related to the exploration and evaluation performed on the property by the acquirer. In addition, the cash consideration received directly from the acquirer is credited against the costs previously capitalized to the property, and the surplus is recognized as a gain on the disposal of exploration and evaluation assets in the statement of operations and comprehensive loss.

Financial assets and liabilities
Classification
The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("**FVTPL**"), at fair value through other comprehensive income (loss) ("**FVTOCI**") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics.

Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

Measurement
Financial assets at FVTOCI
Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses recognized in other comprehensive income (loss). There are no financial assets classified in this category as at March 31, 2022.

Financial assets and liabilities at amortized cost
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment. Accounts payable and due to related parties are classified in this category.

Financial assets and liabilities at FVTPL
Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of operations and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of operations and comprehensive loss in the period in which they arise. Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive income (loss). Cash and restricted cash are recorded at FVTPL.

Impairment of financial assets at amortized cost
The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost.

At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the credit risk on the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of operations and comprehensive loss as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

(All Amounts are in Canadian Dollars)

2. Summary of Significant Accounting Policies – continued

As of the date of these Financial Statements, the carrying value and fair value of financial assets and liabilities are summarized as follows:

Classification	Carrying Value	Fair value
Fair value through profit and loss	$ 568,984	$ 568,984
Amortized cost (liabilities)	496,265	496,265

Impairment of non-financial assets

The Company's assets are reviewed for indications of impairment at each statement of financial position's date. If indication of impairment exists, the asset's recoverable amount is estimated.

An impairment loss is recognized when the carrying amount of an asset, or cash-generating unit, exceeds its recoverable amount. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that largely independent of the cash inflows from other assets or groups of assets. Impairment losses are recognized in profit and loss for the period. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash generating units and then to reduce the carrying amount of the other assets the unit on a pro-rata basis.

Derecognition

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the statements of operations and comprehensive loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income (loss).

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the statements of operations and comprehensive loss.

3. Evaluation and Exploration Property

The Company holds a 100% interest in 39 mineral claims over a contiguous land package of over 2,000 hectares in Senneville, Quebec approximately 30 KM north of Val-d'Or, Quebec which it acquired through the issuance of 400,000 common shares in November 2021 ('**Senneville Property**").

4. Capital Stock

The Company is authorized to issue an unlimited number of common shares and preferred shares.

During the period, the Company:

1. Issued 2,400,000 common shares for cash of $120,000.
2. Issued 400,000 common shares at a fair value of $20,000 to acquire a mineral exploration property.
3. Issued 200,000 common shares at a fair value of $10,000 for consulting services.

(All Amounts are in Canadian Dollars)

5. Related Party Transactions

Related party transactions include transactions with parties related by common directors and transactions with other private entities owned or controlled by officers and directors. All transactions are provided in the normal course of business and are measured at exchange amounts agreed upon by the related parties. For the period from November 18, 2021 (date of incorporation) to March 31, 2022, the Company paid wages and benefits to a director, family members related to the director, and the chief financial officer in the aggregate amount of $2,557.

6. Commitment

The Company has not entered into any contract that requires a minimum payment.

7. Income Taxes

The Company's effective income tax rate differs from the amount that would be computed by applying the combined federal and provincial statutory rate of 26.50% to the net loss for the period. The reason for the difference is as follows:

		2022
Statutory Rate		26.50%
Loss before income taxes	$	(57,281)
Recovery of income taxes based on statutory rate		(15,200)
Capital loss		7,700
Change in deferred tax assets not recognized		7,500
Income tax recovery	$	—

The Company's deferred income tax asset, computed by applying a future federal and provincial statutory rate of 26.50%, comprises the following:

		2022
Non-capital losses carried forward	$	28,056
Deferred tax assets not recognized		(28,056)
	$	—

Deferred tax assets have not been recognized because at this stage of the Company's development, it is not probable that future taxable profit will be available against which the Company can utilize such deferred income tax asset.

At March 31, 2022, the Company has a non-capital loss of $28,056 available for carry-forward. The potential benefit of these non-capital loss carry-forwards have not been recognized in these Financial Statements and will expire as follows:

Expiry	Non-Capital Loss Carry-Forward
2042	$ 28,056
	$ 28,056

In addition to the non-capital losses, the Company has $29,225 in capital losses that can be offset against future capital gains.

8. Contingency

From time to time, the Company may be exposed to claims and legal actions in the normal course of business, some of which may be initiated by the Company. As of March 31, 2022, the Company is not a party to any material claims that would have a significant impact, either individually or in the aggregate.

9. Financial Instruments and Risk Management

Risk Management
In the normal course of business, the Company is exposed to a number of risks that can affect its operating performance. These risks, and the actions taken to manage them, are as follows:

Fair Values
The Company has designated its cash and restricted cash as FVTPL which are measured at fair value. Fair value of cash and restricted cash is determined based on transaction value and is categorized as a Level One measurement.

- Level One - includes quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level Two - includes inputs that are observable other than quoted prices included in Level One.
- Level Three - includes inputs that are not based on observable market data.

As at March 31, 2022, the carrying and fair value amounts of the Company's accounts payable is approximately equivalent due to its short term nature.

Credit Risk
Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's exposure to credit risk is on its cash held in bank accounts and restricted cash held in lawyer's trust account. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. Credit risk is assessed as low.

Liquidity Risk
Liquidity risk is the risk the Company will encounter difficulty in meeting obligations associated with its financial liabilities. The Company's objective for liquidity risk management is to maintain sufficient liquid financial resources to fund operations and to meet commitments and obligations in the most cost-effective manner possible. The Company achieves this by maintaining sufficient cash and cash equivalents and managing working capital. The Company monitors its financial resources on a regular basis and updates its expected use of cash resources based on the latest available data. The Liquidity Risk is assessed as high.

10. Capital management

The Company manages its common shares, stock options, warrants and accumulated deficit as capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk, as there are no external restrictions on it.

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, issue new debt, acquire or dispose of assets in order at adjust the amount of cash it holds.

To facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry and market conditions.

(All Amounts are in Canadian Dollars)

10. Capital management - continued

Management reviews its approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

The following table presents the contractual maturities of the Company's financial liabilities as at March 31, 2022:

	Total	< 1 Year	1 - 3 Years	Payments by Periods 4 - 5 Years	After 5 Years
Accounts payable and accrued liabilities	$ 43,323	$ 43,323	$ —	$ —	$ —
Due to related parties	3,798	3,798	—	—	—
Subscription receipts	449,144	449,144	—	—	—

11. Net Loss Per Common Share

The calculation of basic and diluted loss per share for the period ended March 31, 2022 was based on the loss attributable to common shareholders of $57,281 and the weighted average number of common shares outstanding of 1,329,323.

12. Restricted Cash and Subscription Receipts

Restricted cash represents that cash raised via a subscription receipt financing of $477,100, that will automatically convert into common shares less issuance costs for a net amount of $449,144 upon the closing of the transaction (Note 13). Should the transaction not close the funds are to be returned to the investors.

13. Subsequent Event

On April 7, 2022, Petrocorp Group Inc. ("**PCG**") signed a Letter of Intent between PCG, First Lithium Minerals Inc. ("**FLM**") and QLM where PCG would acquire all of the issued and outstanding shares of FLM and QLM, by way of a three-corner amalgamation or other similar transaction (the "**Transaction**"). Immediately prior to the Transaction, PCG would consolidate its common shares on a basis of 81.96721311 old common shares for 1 new common share and FLM would consolidate its shares on a basis of 2.5 old common shares for 1 new common share.

PCG is to acquire FLM via the issuance of 1 new common share of PCG for each post consolidated common share of FLM. In addition, FLM is to settle a minimum of $3,200,000 and a maximum of $3,750,000 in liabilities via the issuance of its own common shares at a deemed price of $0.225 per post consolidated common share that would then each be exchanged for 1 post consolidated common share of PCG.

PCG is also to acquire QLM via the issuance of 1 new common share of the Company for each common share of QLM, for which there are 3,000,000 outstanding as of that date.

As part of this transaction, FLM has to date raised $5,914,500 via the issuance of subscription receipts that will convert automatically into 23,658,000 post consolidated common shares of FLM immediately prior to the close of the transaction and then converted into post consolidation common shares of PCG. QLM has raised $795,000 via the issuance of subscription receipts that will convert automatically into 3,180,000 common shares of QLM immediately prior to the close of the transaction and then converted into post consolidation common shares of PCG.

The Transaction is subjected to a number of conditions precedent which includes among other things regulatory and shareholder approval.

SCHEDULE "D"
PETROCORP MANAGEMENT'S DISCUSSION AND ANALYSIS

See attached.

PETROCORP GROUP INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED MARCH 31, 2022

DATED JULY 14, 2022

Disclosure Regarding Forward-Looking Statements

This Management's Discussion and Analysis contains forward-looking statements that include risks and uncertainties that are disclosed under the section Risk Factors. Other factors that could affect actual results are uncertainties pertaining to government regulations, both domestic as well as foreign, and the changes within the capital markets. Other risks may be disclosed from time to time in PetroCorp Group Inc.'s public disclosures.

PetroCorp Group Inc.
Management's Discussion and Analysis
Table of Content

Unless otherwise indicated, in this Management's Discussion and Analysis ("**MD&A**") all references to "**dollar**" or the use of the symbol "**$**" are to the Canadian Dollar.

The preparation of the financial statements are in conformity International Financial Reporting Standards ("**IFRS**") and requires management to make assumptions that affect the reported amounts of assets, liabilities and expenses in addition to the disclosure of contingent liabilities at the date of the financial statements. PetroCorp Group Inc. (the "**Corporation**" or "**PCG**") bases its estimates on historical experience, current trends and various other assumptions that are believed to be reasonable under the circumstances. Actual results could differ and will most likely differ from those estimates.

ITEM 1 - <u>Overview</u>

On October 21, 2009, the Corporation signed an agreement to sell substantially all of the assets of the Corporation and its affiliates to Powell (as defined herein) for total cash consideration of up to $33.5 million. On December 15, 2009, the shareholders of the Corporation approved the Transaction (as defined herein) which closed with an effective date of that same date. The Corporation entered into three (3) Asset Purchase Agreements (collectively the "**APAs**"), with three subsidiaries of Powell Industries Inc. (collectively, "**Powell**") of Houston, Texas. The APAs provided for the sale of substantially all of the Corporation's assets (the "**Transaction**"), including, but not limited to, the operating business units, trade names, inventory, leases, most liabilities, and personnel.

Powell acquired substantially all of the assets of the Corporation and its affiliates for cash consideration of up to $33.5 million subject to adjustments, with $19.6 million received by the Corporation upon closing, an additional $5.9 million dollars paid by Powell into escrow to be released after specific time periods were met and conditions satisfied ($2.5 million held in escrow payable upon the closing of the sale of the Corporation's interest in the PCKO JV, $3.0 million held in escrow payable over a period of twenty-five months, and $0.4 million held in escrow as security on credit cards during a transitional period), and up to $8.0 million payable contingent on the operations of Powell achieving specified performance thresholds for the twelve months ending March 31, 2010. Powell also assumed certain liabilities of the Corporation including bank debt, accounts payable and obligations under capital leases of approximately $26.4 million.

Subsequent to the year ended March 31, 2010, only specific adjustments settled as per the terms of the APAs were disclosed within discontinued operations. All other professional fees and ongoing costs, including those incurred as a direct or indirect result of settling the APAs were, and continue to be disclosed in the operating results of the Corporation.

On May 13, 2010, the Corporation entered into a stand-by purchase agreement (the "**Stand-By Agreement**") in connection with a rights offering (the "**Offering**") of Petrowest Energy Services Trust (the "**Trust**"). Pursuant to the Stand-By Agreement, the Corporation had agreed to purchase a minimum of $1,500,000 of units of the Trust (the "**Units**") and up to a maximum of $2,500,000 of Units. The Corporation was acting as part of a total stand-by commitment for $7,500,000 of Units not otherwise subscribed for under the Offering. On June 29, 2010, the Offering closed, with the Corporation fully subscribing for its $2,500,000 commitment, being a subscription for 17,857,143 Units.

Discussions regarding the potential for a transaction to combine the business of the Trust and the Corporation through a plan of arrangement or other similar transaction (a "**Follow-on Transaction**") ended without an agreement, and accordingly the Units were distributed to the Corporation's shareholders of record as at December 15, 2010, as a return of capital distribution.

In addition to the Units, and as consideration for participating in a Stand-By Purchase Agreement, the Corporation was issued 1,903,452 warrants in the Trust, allowing the Corporation to acquire one Unit for each warrant held. The warrants were exercisable at a price of $0.1879 per warrant, with an expiry date at the end of business on June 29, 2011.

During the year ended March 31, 2012, the Corporation exercised all 1,903,452 warrants for an exercise price of $357,659. The Corporation accounted for its investment in the Trust as an available-for-sale financial asset and was remeasured at fair value each reporting period. During the year ended March 31, 2013, the Corporation disposed of its investment in the Trust for $723,407, for a net gain of $356,748.

While it is unfortunate that the Follow-on Transaction did not take place between the Corporation and the Trust, it is positive to note that the investment itself was accretive for the shareholders of the Corporation. In summary, the invested funds have provided the following estimated total return up to March 31, 2013:

Units purchased as part of the Offering on May 13, 2010, and ultimately distributed to shareholders by way of return of capital on December 15, 2010:

Funds invested in the Offering	$	2,500,000
Trust Units acquired		17,857,143
Subscription price (cost base)	$	0.14
Trust (PRW) trading price as at March 31, 2013	$	0.74
Value held by Corporation shareholders as at March 31, 2013	$	13,214,285

Warrants in the Trust exercised on June 24, 2010, and disposed during the year ended March 31, 2013:

Funds invested	$	357,659
Warrant exercise price (cost base)	$	0.1879
Trust Units acquired		1,903,452
Disposal proceeds per Trust Unit	$	0.38
Crystallized proceeds on disposal of Trust Units	$	723,407

In summary, $2,857,659 ($0.04 per share) of the Corporation funds have been invested in the Trust: $2,500,000 in the initial Offering, and $357,659 on the exercise of warrants. Assuming shareholders have continued to hold Trust Units (later converted to a Corporation) as at the year ended March 31, 2013, there are total potential holdings of $13,937,692 ($0.19 per share), for a total combined realized and unrealized gain of $11,080,033 ($0.15 per share) as a result of the original investment.

Resolution of Powell Claim

During the year ended March 31, 2012, the Corporation received a claims notice and an indemnity notice from Powell, claiming a total of approximately $8,500,000 in damages related to the APAs (the "**Powell Claim**"). After reviewing the Powell Claim, the Corporation filed a dispute notice, and an objection to the claims notice, in dispute of the entire amount of the Powell Claim. As part of the Powell Claim, Powell has issued a claim against the escrow funds of $1,000,000. On July 11, 2011, a statement of claim was filed in relation to the Powell Claim, claiming damages of $9,000,000. On August 17, 2011, the Corporation filed a statement of defense in dispute of the entire amount of the claim.

During the year ended March 31, 2013, the Corporation settled the Powell Claim for $1,750,000. This claim was settled by the Corporation, by return of the $1,000,000 in proceeds remaining in escrow, and a one-time payment of $750,000 to the claimant. The Corporation received a full release of the Powell Claim, as well as any and all remaining terms, conditions and covenants of the APAs, with the exception of any Non-Competition Agreements which may still be in force. The Corporation does not and has not made any admission of liability relating to the lawsuit and has reached this settlement with Powell to avoid any further ongoing costs with respect to the Powell Claim and related APAs.

Return of Capital

During the fiscal year ending March 31, 2014, the Corporation returned to shareholders a total of $5,388,083 via a capital distribution in two transactions; $4,339,395 in May 2013 and $1,048,6878 in August 2013. Following these distributions, the Corporation does not anticipate making any further capital distribution relation to the APAs and will now focus on the identification of an operating business that it can acquire and or merge with. Until such time it is not anticipate that the Corporation will have any operating business.

Since the significant return of capital to shareholders, Management has been seeking to identify a new operating company to acquire or merge with in order to create wealth for shareholders.

Recapitalization
On April 9, 2015, the Corporation's common shares were halted from trading due to non-payment of exchange fees, as Management could not justify the cash disbursement until such time as it has identified a suitable project that would enhance shareholders' value, given that the volume being traded of the Corporation's common shares was extremely low.

On June 1, 2017, the Corporation voluntarily had its common shares delisted from trading on the TSX Venture Exchange (the "**Exchange**").

On December 1, 2017, the Corporation completed a non-brokered private placement of 491,803,275 common shares of the Corporation at a price of $0.00061 per share for aggregate gross proceeds of $300,000.

First Lithium
On January 8, 2018 (amended July 18, 2018), PCG signed a Letter of Intent with First Lithium Minerals Inc. ("**FLM**"), where PCG would acquire all of the issued and outstanding shares of FLM, by way of a three-cornered amalgamation or other similar transaction (the "**FLM Transaction**").

The close of the FLM Transaction was further extended to March 15, 2021, October 31, 2021 and to June 30, 2022.

On April 7, 2022, the PCG Transaction was cancelled, and a new Letter of Intent was entered in to between PCG, FLM and QL Minerals Inc. ("**QLM**"), where PCG would acquire all of the issued and outstanding shares of FLM and QLM, by way of a three-corner amalgamation or other similar transaction (the "**Transaction**"). Immediately prior to the Transaction, PCG would consolidate its common shares on a basis of 81.96721311 old common shares for 1 new common share and FLM would consolidate its shares on a basis of 2.5 old common shares for 1 new common share.

PCG is to acquire FLM via the issuance of 1 new common share of PCG for each post consolidated common share of FLM. In addition, FLM is to settle a minimum of $3,200,000 and a maximum of $3,750,000 in liabilities via the issuance of its own common shares at a deemed price of $0.225 per post consolidated common share that would then each be exchanged for 1 post consolidated common share of PCG.

PCG is also to acquire QLM via the issuance of 1 new common share of the Corporation for each common share of QLM, for which there are 3,000,000 outstanding as of that date and 3,101,400 subscription receipts received that would be acquired by PCG on a basis of 1 post consolidated common share for each subscription receipt.

As part of this transaction, FLM has to date raised $5,914,500 via the issuance of subscription receipts that will convert automatically into 23,658,000 post consolidated common shares of FLM immediately prior to the close of the transaction and then converted in to post consolidation common shares of PCG. QLM has raised $795,000 also via the issuance of subscription receipts that will convert automatically into 3,180,000 common shares of QLM immediately prior to the close of the transaction and then converted into post consolidation common shares of PCG.

The Transaction is subjected to a number of conditions precedent which includes among other things regulatory and shareholder approval.

To date, the PCG has advanced FLM $192,635 at 0% per annum as an unsecured demand loan and FLM advanced $3,798 to QLM.

ITEM 2 - <u>Selected Annual Information</u>

The following is selected annual information for the preceding three fiscal years:

March 31	2022	2021	2020
Net revenues	$ nil	$ nil	$ nil
Net loss	43,696	47,523	44,726
Total assets	232,824	193,055	207,000
Long term liabilities	Nil	Nil	Nil
Loss per share	0.00	0.00	0.00
Cash dividends per share	0.00	0.00	0.00

For further audited financial information, please refer to the Corporation's audited financial statements that have been filed on SEDAR.

ITEM 3 - <u>Results of Operations</u>

<u>For the year ended March 31, 2022 versus March 31, 2021</u>

The Corporation has no revenue at this stage, as it is currently seeking various ways to enhance shareholders' value.

For the year ended March 31, 2022, the Corporation had general and administrative expenditures of $43,696 versus $47,523 the year earlier, for a positive variance of $3,827 or 8.1%. Management believes that the costs for the current year are in line with operating costs for a reporting issuer in search of an operating business to acquire or merge with.

For the year ended March 31, 2022, the Corporation had an operating loss of $43,696 versus $47,523 the year earlier, for a positive variance of $3,827 or 8.1%. Investors can anticipate this amount to be relatively consistent as Management seeks to finalize its acquisition of FLM.

The net loss for the year ended March 31, 2022 was $43,696 for a loss per share of $0.00 based on 575,024,800 weighted average common shares outstanding for the year versus $47,523 for a loss per share of $0.00 based on 574,126,529 weighted average common shares outstanding for the previous year.

During the year ended March 31, 2022, the Corporation advanced $6,034 to FLM. During the year ended March 31, 2021, the Corporation was reimbursed $13,000 by FLM.

During the year ended March 31, 2022, the Corporation raised $60,000 via the issuance of common shares.

The Corporation's cash and cash equivalents balance as at March 31, 2022 was $35,402 (2021 - $4,456), with a working capital deficit of $183,864 (2021 - $194,134).

ITEM 4 - Summary of Quarterly Results

The following table sets forth, for each quarter ended on the date indicated since incorporation, information relating to the Corporation's revenue, net loss and loss per common share as prepared under Canadian GAAP.

	Revenues	Net income (loss)	Loss/share: basic and diluted
March 31, 2022	$ —	$ (9,210)	$ 0.00
December 31, 2021	—	(9,187)	0.00
September 30, 2021	—	(14,527)	0.00
June 30, 2021	—	(10,772)	0.00
March 31, 2021	—	(10,520)	0.00
December 31, 2020	—	(10,322)	0.00
September 30, 2020	—	(15,671)	0.00
June 30, 2020	—	(11,010)	0.00

For the three months ended March 31, 2022 versus March 31, 2021

The Corporation has no revenue at this stage, as it is currently seeking various ways to enhance shareholders' value.

For the three months ended March 31, 2022, the Corporation had administrative expenditures of $9,210 versus $10,520 the year earlier, for a positive variance of $1,310 or 12.5%. These expenses include regulatory fees, legal accounting, premises, and management fees. Management believes that the costs are going to average between $40-50,000 annually with some quarterly fluctuation until the Corporation has completed its acquisition of FLM and QLM, excluding costs related to the Transaction.

For the three months ended March 31, 2021, the Corporation had operating loss of $9,210 versus $10,520 the year earlier, for a positive variance of $1,310 or 12.5%. Management is seeking to keep quarterly operating losses, excluding costs related to FLM and QLM, to average between $40,000 to $50,000 annually with some quarterly fluctuations until the Corporation completes its acquisition of FLM and QLM, excluding costs related to the Transaction.

The net loss for the three months ended March 31, 2022 was $9,210 for a loss per share of $0.00 based on 585,178,288 weighted average shares outstanding for the period versus $10,520 for loss per share of $0.00 based on 574,126,529 weighted average shares outstanding for the previous period.

During the three months period ending March 31, 2022, the Corporation raised $60,000 via the issuance of common shares.

ITEM 5 - Liquidity

As at March 31, 2022, the Corporation had a cash balance of $35,402 (March 31, 2021 - $4,456) with working capital deficit of $183,864 (March 31, 2021 – $194,134).

ITEM 6 - Capital Resources

In order to finance the future merger and /or acquisition of an operating business, the Corporation may seek to raise additional funds as well as subsequently until such time as cash flow from its potential acquisition is sufficient to fund internal growth, which is not currently anticipated to be in the short term. The timing and ability of the Corporation to fulfill this objective will depend on the liquidity of the financial markets as well as the willingness of investors to finance such a business. Such future financing may be completed by the issuance of the Corporation's securities as previously.

ITEM 7 - Off-Balance Sheet Arrangements

As of the date of this MD&A, the Corporation does not have any off-balance sheet arrangements that have, or are reasonably-likely to have, a current or future effect on the results of operations or financial condition of the Corporation including, without limitation, such considerations as liquidity and capital resources that have not previously been discussed.

ITEM 8 - Transactions With Related Parties

Related party transactions include transactions with parties related by common directors and transactions with other private entities owned or controlled by officers and directors. All transactions are provided in the normal course of business and are measured at exchange amounts agreed upon by the related parties. The following table summarizes the related party transactions occurring during the period as follows.

For the year ended March 31,	2022	2021
Expenses		
Consulting fees	$ 18,000	$ 18,000
Premises	6,000	6,000
Included with accounts payable	190,378	165,598

ITEM 9 - Proposed Transactions

As of the date of this document, there is no proposed transaction that management of the Corporation believes would require the intervention or approval of the Board of Directors of the Corporation as well as the shareholders of the Corporation with the exception of the proposed transaction with FLM and QLM and the share consolidation.

ITEM 10 - Risk Factors

Investment in the Corporation must be considered highly speculative due to the nature of the Corporation's business, its formative stage of development, its current financial position and its lack of an earnings record. An investment in any securities of the Corporation should only be considered by those individuals who can afford a total loss of their investment. The following is a summary of the risk factors to be considered:

- While the Corporation has been incorporated for some time, it has recently gone through a restructuring in which it divested itself of its operations and is now seeking to identify and acquire or merge with an operating entity;
- investment in the common shares of the Corporation is highly speculative given the unknown nature of the Corporation's business and its present stage;
- directors and officers of the Corporation will only devote a portion of their time to the business and affairs of the Corporation and some of them are or will be engaged in other projects or businesses such that conflicts of interest may arise from time to time;
- there can be no assurance that an active and liquid market for the Corporation's common shares will develop and an investor may find it difficult to resell its common shares;

- until identification and acquisition or merge with an operating entity, the Corporation is not anticipated to generate any cash flow to meet its ongoing operating costs;

- the Corporation has only limited funds with which to identify and evaluate potential targets and there can be no assurance that the Corporation will be able to identify a suitable target;

- even if a proposed target is identified, there can be no assurance that the Corporation will be able to successfully complete the transaction;

- completion of a target is subject to a number of conditions including acceptance by the Exchange and, in the case of a non-arm's length transaction, majority of the minority approval;

- unless the shareholder has the right to dissent and be paid fair value in accordance with applicable corporate or other law, a shareholder who votes against a proposed non-arm's length transaction for which majority of the minority approval by shareholders has been given, will have no rights of dissent and no entitlement to payment by the Corporation of the fair value for the shareholder's common shares;

- upon public announcement of a proposed target, trading in the common shares of the Corporation may be halted and may remain halted for an indefinite period of time, typically until a Sponsor (as defined in the policies of the Exchange) has been retained and certain preliminary reviews have been conducted. The common shares of the Corporation will not be reinstated to trading before the Exchange has reviewed the transaction and before the Sponsor has completed its full review. Reinstatement to trading provides no assurance with respect to the merits of the transaction or the likelihood of the Corporation completing the proposed transaction;

- trading in the common shares of the Corporation may be halted at other times for other reasons, including for failure by the Corporation to submit documents to the Exchange in the time periods required;

- neither the Exchange nor any securities regulatory authority passes upon the merits of the proposed Qualifying Transaction;

- in the event that management of the Corporation resides outside of Canada or the Corporation identifies a foreign business or assets as a proposed target, investors may find it difficult or impossible to effect service or notice to commence legal proceedings upon any management resident outside of Canada or upon the foreign business and may find it difficult or impossible to enforce against such persons, judgments obtained in Canadian courts predicated upon the civil liability provisions applicable to securities laws in Canada;

- the target may be financed in all or part by the issuance of additional securities by the Corporation and this may result in further dilution of share value which dilution may be significant and which may also result in a change of control of the Corporation; and

- *Governmental Regulation and Policy Risks*: failure to comply with applicable laws, regulations and permit requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions.

- *Price Volatility of Publicly Traded Securities*: in recent years and especially in the recent months, the securities markets in Canada and the United States have experienced a high level of price and volume volatility, and the market price of securities of many companies, particularly those considered to be development stage companies, have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies.

- *Issuance of Debt*: from time to time the Corporation may enter into transactions to acquire assets or shares of other corporations. These transactions may be financed partially or wholly through debt, which may increase debt levels above industry standards.

- *Dilution*: the Corporation’s common shares, including incentive stock options, rights, warrants, special warrants, subscription receipts and other securities to purchase, to convert into or to exchange into common shares of the Corporation, may be created, issued, sold and delivered on such terms and conditions and at such times as the board of the Corporation may determine.

- *Net Asset Value*: the Corporation’s net asset value will vary dependent upon a number of factors beyond the control of the Corporation’s management, including commodity.

- *Reliance on Management*: Shareholders of the Corporation will be dependent on the management of the Corporation in respect of the administration and management of all matters relating to the Corporation and its properties and operations.

- *No Dividends*: while the Corporation has paid dividends in the past, there is no expectations that the Corporation will pay any dividends in the near future.

- *Health Risks & Economic Conditions*: The Corporation’s operations could be significantly adversely affected by the effects of a widespread global outbreak of a contagious disease, including the recent outbreak of respiratory illness caused by COVID-19. The Corporation cannot accurately predict the impact COVID-19 will have on its operations and the ability of others to meet their obligations with the Corporation, including uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. In addition, a significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could further affect the Corporation’s operations and ability to finance its operations.

ITEM 11 - Critical Accounting Estimates

The Corporation’s financial statements are impacted by the accounting policies used, as well as the estimates and assumptions made by management during their preparation. The Corporation’s accounting policies are described within the financial statements. The accounting estimates considered to be significant to the Corporation include the computations of convertible debentures, value of warrants issued, charitable stock option and share-based compensation expense and recovery of deferred income tax assets.

ITEM 12 - Changes in Accounting Policies

The Corporation would like to direct readers to its audited financial statements for the year ending March 31, 2022, which is incorporated by reference and can be found on the regulator’s web site at www.sedar.com.

ITEM 13 - Financial Instruments and Other Instruments

The Corporation would like to direct readers to its audited financial statements for the year ending March 31, 2022, which are incorporated by reference and can be found at www.sedar.com

ITEM 14 - Capital Structure

The Corporation is authorized to issue an unlimited number of common shares, where each common share provides the holder with one vote. As of the date of this MD&A, there were 672,487,186 common shares issued and outstanding.

SCHEDULE "E"
FIRST LITHIUM MANAGEMENT DISCUSSION AND ANALYSIS

See attached.

FIRST LITHIUM MINERALS INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2022

DATED JULY 14, 2022

First Lithium Minerals Inc.
Management's Discussion and Analysis
Table of Content

Unless otherwise indicated, in this Management’s Discussion and Analysis (“**MD&A**”) all references to “**dollar**” or the use of the symbol “**$**” are to the Canadian Dollar.

The preparation of the financial statements are in conformity with International Financial Reporting Standards (“**IFRS**”) and requires management to make assumptions that affect the reported amounts of assets, liabilities and expenses in addition to the disclosure of contingent liabilities at the date of the financial statements. First Lithium Minerals Inc. (the “**Corporation**” or “**FLM**”) bases its estimates on historical experience, current trends and various other assumptions that are believed to be reasonable under the circumstances. Actual results could differ and will most likely differ from those estimates.

ITEM 1 - Overview

On February 14, 2009, the Corporation was incorporated was incorporated under the Business Corporations Act (Ontario).

In 2018, the Corporation successfully started staking mineral claims in the Antofagasta Region of Chile, approximately 215 kilometers Northeast from the city of Calam. The mineral exploration concessions that form the OCA Property is located in the salars of Ollague, Carcote, Ascotán (“**OCA Property**” or “**Jenna**”), within the cordilleran sector, bordering Bolivia. The OCA Property has a total area of 8,900 hectares and is divided into three groups of concessions.

In 2019, the Corporation successfully identified a second potential prospect (“**Paige**”).

Prior to the Jenna project, the Corporation acquired other properties but unfortunately they did not merit the additional investment nor the ability to attract investors interest. To date, the Corporation has invested in excess of $1,125,433 in mineral exploration and mining operations as well as written down $2,121,099 previously invested in the acquisition and maintenance of properties.

Going Public Transaction
On January 8, 2018 (amended July 18, 2018), Petrocorp Group Inc. (“**PCG**”) signed a Letter of Intent with FLM, where PCG would acquire all of the issued and outstanding shares of FLM, by way of a three-cornered amalgamation or other similar transaction (the “**PCG Transaction**”).

The close of the Transaction was further extended to March 15, 2021, October 31, 2021 and to June 30, 2022.

On April 7, 2022, the PCG Transaction was cancelled, and a new Letter of Intent was entered into between PCG, FLM and QL Minerals Inc. (“**QLM**”), where PCG would acquire all of the issued and outstanding shares of FLM and QLM, by way of a three-cornered amalgamation or other similar transaction (the “**Transaction**”). Immediately prior to the Transaction, PCG would consolidate its common shares on a basis of 81.96721311 old common shares for 1 new common share and FLM would consolidate its shares on a basis of 2.5 old common shares for 1 new common share.

PCG is to acquire FLM via the issuance of 1 new common share of PCG for each post consolidated common share of FLM. In addition, FLM is to settle a minimum of $3,200,000 and a maximum of $3,750,000 in liabilities via the issuance of its own common shares at a deemed price of $0.225 per post consolidated common share that would then each be exchanged for 1 post consolidated common share of PCG.

PCG is also to acquire QLM via the issuance of 1 new common share of the Corporation for each common share of QLM, for which there are 3,000,000 outstanding as of that date.

As part of this transaction, FLM has to date raised $5,914,500 via the issuance of subscription receipts that will convert automatically into 23,658,000 post consolidated common shares of FLM immediately prior to the close of the transaction and then converted into post consolidation common shares of PCG. QLM has raised $795,000 also via the issuance of subscription receipts that will convert automatically into 3,180,000 common shares of QLM immediately prior to the close of the transaction and then converted in to post consolidation common shares of PCG.

The Transaction is subject to a number of conditions precedent which includes among other things regulatory and shareholder approval

To date, the PCG has advanced FLM $192,635, at 0% per annum as an unsecured demand loan and FLM advanced $3,798 to QLM.

ITEM 2 - <u>Selected Annual Information</u>

The following is selected annual information for the preceding three fiscal years:

December 31	2021	2020	2019
Net revenues	$ nil	$ nil	$ nil
Net loss	707,677	709,258	866,255
Total assets	479,194	182,292	189,163
Long term liabilities	Nil	Nil	Nil
Loss per share	0.01	0.01	0.00
Cash dividends per share	0.00	0.00	0.00

For further audited financial information, please refer to the Corporation's audited financial statements .

ITEM 3 - <u>Results of Operations</u>

<u>For the year ended December 31, 2021 versus December 31, 2020</u>

The Corporation has no revenue at this stage, as it is currently seeking various ways to enhance shareholders' value by exploring its mineral assets.

For the year ended December 31, 2021, the Corporation had general and administrative expenditures of $1,818 versus $1,902 the year earlier, for a positive variance of $84 or 4.4%. Management believes that the costs for the current year are in line with operating costs for a private company focused on its operations and mineral exploration.

For the year ended December 31, 2021, the Corporation had mineral exploration expenditures of $90,981 versus $93,360 the year earlier, for a positive variance of $2,379 or 2.6%. Management believes that these costs will increase once it has completed its listing process and is properly funded to further its exploration and evaluation programs.

For the year ended December 31, 2021, the Corporation had operating expenditures of $152,518 versus $102,500 the year earlier, for a negative variance of $50,018 or 48.8%. Management believes that these costs will increase once it has completed its listing process and is properly funded to further its exploration and evaluation programs.

For the year ended December 31, 2021, the Corporation had professional expenditures of $250,572 versus $200,173 the year earlier, for a negative variance of $50,399 or 25.2%. Management believes that this expense shall decrease significantly once it has completed its listing.

For the year ended December 31, 2021, the Corporation had an operating loss of $495,889 versus $397,935 the year earlier, for a negative variance of $97,954 or 24.6%. Management anticipates that the operating loss will significantly increase once its listing application is completed and it carries out the proposed exploration and evaluation of mineral properties.

For the year ended December 31, 2021, the Corporation had foreign exchange gains of $24,615 versus a loss of $30,802 the year earlier, for a positive variance of $55,417 or 179.9%, which relates to the value of its Chilian operations as a non-cash item.

For the year ended December 31, 2021, the Corporation had an interest expense of $236,403 versus $280,521 a year earlier. Management believes that this expense shall decrease significantly once it has completed its listing and is funded via equity.

The net loss for the year ended December 31, 2021 was $707,677 for a loss per share of $0.01 based on 74,109,279 weighted average common shares outstanding for the year versus $709,258 for a loss per share of $0.01 based 74,109,279 weighted average common shares outstanding for the previous year.

During the year ended December 31, 2021, the Corporation invested an additional $37,389 versus $26,400 the year earlier to continue to maintain its mineral claims in Chile.

During the year ended December 31, 2021, the Corporation raised $280,000 via subscription receipts which will convert to common shares upon closing the transaction with PCG and listing its common shares on the Exchange.

The Corporation's cash and cash equivalents balance as at December 31, 2021 was $28,616 (2020 - $9,527), with a working capital deficit of $4,195,712 (2020 - $3,450,646).

ITEM 4 - <u>Summary of Quarterly Results</u>

The following table sets forth, for each quarter ended on the date indicated since incorporation, information relating to the Corporation's revenue, net loss and loss per common share as prepared under Canadian GAAP.

	Revenues	Net income (loss)	Loss/share: basic and diluted
December 31, 2021	$ —	$ (85,850)	$ 0.00
September 30, 2021	—	(226,047)	0.00
June 30, 2021	—	(163,505)	0.00
March 31, 2021	—	(232,275)	0.00
December 31, 2020	—	(148,369)	0.00
September 30, 2020	—	(79,869)	0.00
June 30, 2020	—	(157,914)	0.00
March 31, 2020	—	(323,106)	0.00

<u>For the three months December 31, 2021 versus December 31, 2020</u>

The Corporation has no producing revenues assets at this stage, as it's mineral properties are all at the exploration and valuation stage of development.

For the three months ended December 31, 2021, the Corporation had general and administrative expenditures of $307 versus $396 the year earlier, for a positive variance of $89 or 22.5%. Management believes that the expense is in line with a private exploration company as it focuses its investment on the property itself.

For the three months ended December 31, 2021, the Corporation had Mineral exploration expenditures of ($2,328) versus $17,360 the year earlier, for a positive variance of $19,688 or 113.4%. Management believes that these costs will increase once it has completed its listing process and is properly funded to further its exploration and evaluation programs.

For the three months ended December 31, 2021, the Corporation had operating expenditures of $16,064 versus $30,000 the year earlier, for a positive variance of $13,936 or 46.5%. Management believes that these costs will increase once it has completed its listing process and is properly funded to further its exploration and evaluation programs.

For the three months ended December 31, 2021, the Corporation had professional expenditures of $43,013 versus $34,394 the year earlier, for a negative variance of $8,619 or 25.1%. Management believes that this expense shall decrease significantly once it has completed its listing.

For the three months ended December 31, 2021, the Corporation had operating loss of $57,056 versus $82,150 the year earlier, for a positive variance of $35,094 or 38%. Management anticipates that the operating loss will significantly increase once its listing application is completed, and it carries out the proposed exploration and evaluation of mineral properties as recommended in the 43-101.

For the three months ended December 31, 2021, the Corporation had foreign exchange gains of $33,477 versus a loss of $10,957 the year earlier, for a positive variance of $44,434 or 505.5%, which relates to the Chilian operations as a non-cash item it has very little impact on the Corporations financial position on the short term.

For the three months ended December 31, 2021, the Corporation had interest expense of $62,271 versus $55,262 the year earlier, for a negative variance of $7,009 or 12.7%. Management believes that this expense shall decrease significantly once it has completed its listing and is funded via equity.

The net loss for the three months ended December 31, 2021 was $85,850 for a loss per share of $0.00 based on 74,109,279 weighted average shares outstanding for the period versus $148,369 for loss per share of $0.00 based on 74,109,279 weighted average shares outstanding for the previous period.

During the three months period ending December 31, 2021, the Corporation invested an additional $10,285 to continue to maintain its mineral claims in Chile.

During the three months period ending December 31, 2021, the Corporation raised $280,00 via subscription receipts which will convert to common shares upon closing the transaction with PCG and listing its common shares on the Exchange.

ITEM 5 - <u>Liquidity</u>

As at December 31, 2021, the Corporation had a cash balance of $28,616 (December 31, 2020 - $9,527) with working capital deficit of $4,195,712 (December 31, 2021 – $3,450,646).

The Corporation raised a total of $280,000 in subscription receipts which will convert to common shares upon closing the transaction with PCG and listing its common shares on the Exchange.

ITEM 6 - <u>Capital Resources</u>

To date the Corporation has invested in maintaining the OCA Property which includes the completion of a 43-101 that suggested that certain work should be completed on the property to better evaluate the economic prospect of the property. To finance this work, the Corporation entered into a proposed transaction as discussed in Item 1 above, which would see the Corporation be listed on the Exchange. Once listed, approximately $5.4 million will be released from escrow and these funds will be used to finance the initial exploration work on the OCA Property over two phases.

Phase I, at an estimated cost of $375,000, is expected to be carried out over the 3rd and 4th quarter of 2022 and to include the following: electromagnetic survey, shallow brine sampling, logistics and site preparation and lab and technical analysis.

Phase II, at an estimated cost of $1,995,000, is expected to be carried out over the 1st and 2nd quarter of 2023 and to include the following: Shallow drilling, deep drilling and coring, lab analysis sediment, lab analysis brine, well completion, pumping testing and supervision and reporting.

In addition, the CEO has been providing his services at no cost to the Corporation and the CFO at a significant discount, therefore, post-closing the Corporation will be incurring some expenses for them as well as the additional costs of becoming a reporting issuer that includes continuous financial disclosures as required by the regulators and increase shareholder communication to keep shareholders and investors current on the Corporation's exploration activities, increased audit costs due to increased volume of activity, costs related to being a reporting issuer on an exchange such as the exchange fees and transfer agent fees, among other costs such as office and communication expenses, which have been mostly borne by the CEO and CFO personally. Management anticipates this amount to be approximately $550-575,000 over the following twelve months.

Upon completing the above, should the analysis of the work suggest further investment which may include additional exploration and evaluation, the Corporation may seek to raise additional funds. The timing and ability of the Corporation to fulfill this objective will depend on the liquidity of the financial markets as well as the willingness of investors to finance such a business. Such future financing may be completed by the issuance of the Corporation's securities.

While inflation has spiked considerable in recent months, Management does not anticipate it to be an issue as the cost estimates have recently been obtained and inflation was already increasing, furthermore, it is anticipated that the rise in interest rates will help to slow down the increase in prices. This said, should costs do rise, the Corporation is able and willing to expand the above-mentioned budgets for phase I & II as it anticipates having the liquidity on hand.

ITEM 7 - Off-Balance Sheet Arrangements

As of the date of this MD&A, the Corporation does not have any off-balance sheet arrangements that have, or are reasonably-likely to have, a current or future effect on the results of operations or financial condition of the Corporation including, without limitation, such considerations as liquidity and capital resources that have not previously been discussed.

ITEM 8 - Transactions With Related Parties

Related party transactions include transactions with parties related by common directors and transactions with other private entities owned or controlled by officers and directors. All transactions are provided in the normal course of business and are measured at exchange amounts agreed upon by the related parties. The following table summarizes the related party transactions occurring during the fiscal period.

Year Ended December 31,	2021	2020
Expenses		
Professional Fees	$ 36,000	$ 36,000

Year Ended December 31,	2021	2020
Amount included with accounts payable and accrued liabilities	$ 109,878	$ 70,000
Due to Related parties - loans	—	1,864,025
- Advances	620,084	377,943
	$ 620,084	$ 2,241,968

During the period ended December 31, 2021 and 2020, no key management personnel were indebted to the Corporation.

The key management personnel of the Corporation include the Chief Executive Officer, Chief Financial Officer and the Board of Directors.

In addition, as at December 31, 2021, the Corporation owes 620,084 (2020 - $377,943) to a companies controlled by the CEO as well as the CEO himself. These amounts are due on demand and bears no interest.

ITEM 9 - Proposed Transactions

As of the date of this document, there is no proposed transaction that management of the Corporation believes would require the intervention or approval of the Board of Directors of the Corporation as well as the shareholders of the Corporation with the exception of the proposed transaction with FLM and PCG.

ITEM 10 - Risk Factors

Investment in the Corporation must be considered highly speculative due to the nature of the Corporation's business, its formative stage of development, its current financial position and its lack of an earnings record. An investment in any securities of the Corporation should only be considered by those individuals who can afford a total loss of their investment. The following is a summary of the risk factors to be considered:

Exploration and Development
Exploration for minerals is a speculative venture involving substantial risk. There is no certainty that the expenditures made by the Corporation will result in discoveries of commercial mineral reserves.

Mining and development risks always accompany anticipated rewards, and uncertainties always exist where mineral properties are concerned. Uncertainties include the size, grade and recovery of naturally occurring mineral deposits. Although exploration and development efforts can outline a mineral deposit with a degree of certainty, ultimate grade and tonnages are never fully known until mining has been completed. Mineral prices are also a significant factor in the development decision for a mineral property, as a mine may not be economically feasible in a period of depressed prices. Factors beyond the control of the Corporation may affect the marketability of any minerals discovered. Pricing is affected by numerous factors such as international economic and political trends, global or regional consumption and demand patterns, and increased production by current producers.

Title Risks
Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral properties. The Corporation has investigated title to its mineral property and, to the best of its knowledge, title to its property is in good standing.

No Earnings and History of Losses
The business of developing and exploring resource properties involves a high degree of risk and, therefore, there is no assurance that current exploration programs will result in profitable operations. The Corporation has not determined whether any of its properties contain economically recoverable reserves of minerals and currently has not earned any revenue from its mining properties; therefore, the Corporation does not generate cash flow from its operations. There can be no assurance that significant additional losses will not occur in the future. The Corporation's operating expenses and capital expenditures may increase in future years with advancing exploration, development and/or production from the Corporation's properties. The Corporation does not expect to receive revenues from operations in the foreseeable future and expects to incur losses until such time as one or more of its properties enters into commercial production and generates sufficient revenue to fund continuing operations. There is no assurance that any of the properties will eventually enter commercial operation. There is also no assurance that new capital will become available, and if it does not, the Corporation may be forced to substantially curtail or cease operations.

Environmental Regulations, Permits and Licenses
The Corporation's operations are subject to various laws and regulations governing the protection of the environment, exploration, development, production, taxes, labour standards, occupational health and safety, waste disposal, and other matters. Environmental legislation provides for restrictions and

prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in impositions of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a direction of stricter standards, and enforcement, and higher fines and penalties for non-responsibility for companies including its directors, officers and employees. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability for the Corporation and its directors, officers and employees. The Corporation intends to fully comply with all environmental regulations.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Corporation and cause increases in capital expenditures or productions costs or reduction in levels of productions at producing properties, or requirements abandonment, or delays in development of new mining properties.

Lithium Market Prices
Lithium is not a traded commodity like base and precious metals. Sales agreements are negotiated on an individual and private basis with end-users or intermediaries. In addition, there are a limited number of producers of lithium compounds, and it is possible that these existing producers will try to prevent newcomers from entering the chain of supply by increasing their production capacity and lowering sales prices. Other factors, such as supply and demand of lithium-based end-products (such as lithium hydroxide), pricing characteristics of alternative sources of energy, industrial disruption and actual lithium market sale prices, could have an adverse impact on the market price of lithium and as such render the OCA Property uneconomic. There can be no assurance that such prices will remain at current levels or that such prices will improve.

Lithium Market Growth Uncertainty
Factors beyond the Corporation's control may affect the marketability of metals discovered, if any. The development of lithium operations at the OCA Property is highly dependent on projected demand for and uses of lithium-based end products. This includes lithium-ion batteries for electric vehicles and other large format batteries that currently have limited market share and whose projected adoption rates are not assured. To the extent that such markets do not develop in the manner contemplated by the Corporation, then the long-term growth in the market for lithium products will be adversely affected, which would inhibit the potential for development of the projects, their potential commercial viability and would otherwise have a negative effect on the business and financial condition of the Corporation. In addition, as a commodity, lithium market demand is subject to the substitution effect in which end-users adopt an alternate commodity as a response to supply constraints or increases in market pricing. To the extent that these factors arise in the market for lithium, it could have a negative impact on overall prospects for growth of the lithium market and pricing, which in turn could have a negative effect on the Corporation and its projects.

Risks Relating to Changes in Technology
Lithium and its derivatives are preferred raw materials for certain industrial applications, such as rechargeable batteries and liquid crystal displays (LCDs). Many materials and technologies are being researched and developed with the goal of making batteries lighter, more efficient, faster charging and less expensive. Some of these technologies could be successful and could adversely affect demand for lithium batteries in personal electronics, electric and hybrid vehicles and other applications. The Corporation cannot predict which new technologies may ultimately prove to be commercially viable and on what time horizon. In addition, alternatives to such products may become more economically attractive as global

commodity prices shift. Any of these events could adversely affect demand for and market prices of lithium, thereby resulting in a material adverse effect on the economic feasibility of extracting any mineralization the Corporation discovers and reducing or eliminating any reserves it identifies.

Credit risk
Credit risk is the risk of loss due to the counterparty's inability to meet its obligations. The Corporation's exposure to credit risk is on its cash. Risk associated with cash is managed through the use of major banks which are high credit quality financial institutions as determined by rating agencies.

Liquidity risk
Liquidity risk is the risk that the Corporation will encounter difficulties in meeting obligations when they become due. The Corporation endeavors to ensure that there is sufficient capital in order to meet short-term operating requirements, after taking into account the Corporation's holdings of cash. The Corporation's cash is held in corporate bank accounts available on demand. The Corporation's accounts payable and accrued expenses generally have contractual maturities of less than 30 days and are subject to normal trade terms.

Market Risk
Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and price risk.

Currency Risk
The Corporation is subject to normal market risks including fluctuations in foreign exchange rates and interest rates. While the Corporation manages its operations in order to minimize exposure to these risks, the Corporation has not entered into any derivatives or contracts to hedge or otherwise mitigate this exposure. The Corporation is not exposed to significant currency risk.

Interest Rate Risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Corporation is not exposed to significant interest rate risk as it has no interest-bearing debt.

Price Risk
The Corporation is exposed to price risk with respect to equity prices. Price risk as it relates to the Corporation is defined as the potential adverse impact on the Corporation's ability to raise financing due to movements in individual equity prices or general movements in the level of the stock market. The Corporation closely monitors individual equity movements and the stock market to determine the appropriate course of action to be taken by the Corporation.

No Known Economic Deposits
The Corporation is an exploration stage company and cannot give assurance that a commercially viable deposit, or "reserve," exists on any properties for which the Corporation currently has or may have (through potential future joint venture agreements or acquisitions) an interest. Therefore, determination of the existence of a reserve depends on appropriate and sufficient exploration work and the evaluation of legal, economic, and environmental factors. If the Corporation fails to find a commercially viable deposit on any of its properties, its financial condition and results of operations will be materially adversely affected.

Operating Hazards and Risks
Mining operations involve many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. In the course of exploration, development and production of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions including rock bursts, cave-ins, fires, flooding and earthquakes may occur. Operations in which the Corporation has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of metals, any of which could result in damage to or destruction of mines and other producing facilities, damage to life and property, environmental damage and possible legal liability for any or all damage.

Influence of Third-Party Stakeholders
The OCA Property, as well as other mineral properties of the Corporation, or the roads or other means of access which the Corporation intends to utilize in carrying out its work programs or general business mandates on the OCA Property or its other properties may be subject to interests or claims by third party individuals, groups or companies. In the event that such third parties assert any claims, the Corporation's work programs may be delayed even if such claims are not meritorious. Such delays may result in significant financial loss and loss of opportunity for the Corporation.

Uninsurable Risks
Exploration, development and production of mineral properties is subject to certain risks, and in particular, unexpected or unusual geological operating conditions including rock bursts, cave- ins, fires, flooding and earthquakes may occur. It is not always possible to insure fully against such risks and we may decide not to take out insurance against such risks as a result of high premiums or for other reasons. Should such liabilities arise, they could have an adverse impact on our operations and could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of the Corporation.

Competition and Agreements with Other Parties
The mining industry is intensely competitive in all its phases. The Corporation competes with other companies that have greater financial resources and technical capacity. Competition could adversely affect the Corporation's ability to acquire suitable properties or prospects in the future.

The Corporation may, in the future, be unable to meet its share of costs incurred under agreements to which it is a party, and it may have its interest in the properties subject to such agreements reduced as a result. Also, if other parties to such agreements do not meet their share of such costs, the Corporation may not be able to finance the expenditures required to complete recommended programs.

Dependence on Management
The Corporation is very dependent upon the personal efforts and commitment of its existing management. To the extent that management's services would be unavailable for any reason, a disruption to the operations of the Corporation could result, and other persons would be required to manage and operate the Corporation.

Price Volatility of Public Stock
In recent years, securities markets have experienced extremes in price and volume volatility. The market price of securities of many early stage companies, among others, have experienced fluctuations in price which may not necessarily be related to the operating performance, underlying asset values or prospects of such companies. It may be anticipated that any market for the Corporation Shares will be subject to market trends generally and the value of the Corporation's shares on a stock exchange may be affected by such volatility.

The Corporation has an unlimited number of common shares that may be issued by the board of directors without further action or approval of the Corporation Shareholders. While the board is required to fulfil its fiduciary obligations in connection with the issuance of such shares, the shares may be issued in transactions with which not all shareholders agree, and the issuance of such shares will cause dilution to the ownership interests of the Corporation Shareholders.

Conflicts of Interest
The Corporation's directors and officers may serve as directors and officers, or may be associated with other reporting companies or have significant shareholdings in other public companies. To the extent that such other companies may participate in business or asset acquisitions, dispositions, or ventures in which the Corporation may participate, the directors and officers of the Corporation may have a conflict of interest in negotiating and concluding terms respecting the transaction. If a conflict of interest arises, the Corporation will follow the provisions of the OBCA in dealing with conflicts of interest. These provisions state, where a director/officer has such a conflict, that the director/officer must at a meeting of the board, disclose his interest and refrain from voting on the matter unless otherwise permitted by the OBCA. In

accordance with the laws of the Province of Ontario the directors and officers of the Corporation are required to act honestly, in good faith and in the best interests of the Corporation.

Dividends
The Corporation has not declared or paid any dividends on its common shares and does not currently have a policy on the payment of dividends. For the foreseeable future, the Corporation anticipates that it will retain future earnings and other cash resources for the operation and developments of its business. The payment of any future dividends will depend upon earnings and the Corporation's financial condition, current and anticipated cash needs and such other factors as the directors of the Corporation consider appropriate.

Estimates and Assumptions
Preparation of its financial statements requires the Corporation to use estimates and assumptions. Accounting for estimates requires the Corporation to use its judgment to determine the amount to be recorded on its financial statements in connection with these estimates. If the estimates and assumptions are inaccurate, the Corporation could be required to write down its recorded values. On an ongoing basis, the Corporation re-evaluates its estimates and assumptions. However, the actual amounts could differ from those based on estimates and assumptions.

COVID-19 Pandemic
The precise impacts of the global emergence of COVID-19 on the Corporation are currently unknown. The Corporation intends to conduct business as normal with modifications to personnel travel and work locations and is currently evaluating what exploration work can be done on its properties. Rules in all jurisdictions are changing rapidly and the Corporation will need to evaluate and evolve with measures as they are announced. Government restrictions on the movement of people and goods may cause exploration work and analysis being done by the Corporation and its contractors to slow or cease. Such disruptions in work may cause the Corporation to miss actual or self-imposed deadlines, push out earlier forecasts, and increase fiscal losses. In addition, the outbreak of COVID-19 has caused considerable disruption to the world economy and financial markets which could have a materially adverse impact on the ability of the Corporation to raise additional funding in the future and could negatively impact, among other factors, the Corporation's share price.

ITEM 11 - Critical Accounting Estimates

The Corporation's financial statements are impacted by the accounting policies used, as well as the estimates and assumptions made by management during their preparation. The Corporation's accounting policies are described within the financial statements. The accounting estimates considered to be significant to the Corporation include the computations of convertible debentures, and share-based compensation expense and recovery of deferred income tax assets.

ITEM 12 - Changes in Accounting Policies

The Corporation would like to direct readers to its audited financial statements for the year ending December 31, 2021.

ITEM 13 - Financial Instruments and Other Instruments

The Corporation would like to direct readers to its audited financial statements for the year ending December 31, 2021.

ITEM 14 - Capital Structure

The Corporation is authorized to issue an unlimited number of common shares, where each common share provides the holder with one vote. As of the date of this MD&A, there were 74,109,279 common shares issued and outstanding.

FIRST LITHIUM MINERALS INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE PERIOD ENDED MARCH 31, 2022

DATED JULY 14, 2022

Disclosure Regarding Forward-Looking Statements

This Management's Discussion and Analysis contains forward-looking statements that include risks and uncertainties that are disclosed under the section Risk Factors. Other factors that could affect actual results are uncertainties pertaining to government regulations, both domestic as well as foreign, and the changes within the capital markets. Other risks may be disclosed from time to time in First Lithium Minerals Inc.'s public disclosures.

First Lithium Minerals Inc.
Management's Discussion and Analysis
Table of Content

Unless otherwise indicated, in this Management's Discussion and Analysis ("**MD&A**") all references to "**dollar**" or the use of the symbol "**$**" are to the Canadian Dollar.

The preparation of the financial statements are in conformity with International Financial Reporting Standards ("**IFRS**") and requires management to make assumptions that affect the reported amounts of assets, liabilities and expenses in addition to the disclosure of contingent liabilities at the date of the financial statements. First Lithium Minerals Inc. (the "**Corporation**" or "**FLM**") bases its estimates on historical experience, current trends and various other assumptions that are believed to be reasonable under the circumstances. Actual results could differ and will most likely differ from those estimates.

ITEM 1 - <u>Overview</u>

On February 14, 2009, the Corporation was incorporated was incorporated under the Business Corporations Act (Ontario).

In 2018, the Corporation successfully started staking mineral claims in the Antofagasta Region of Chile, approximately 215 kilometers Northeast from the city of Calam. The mineral exploration concessions that form the OCA Prospect are located in the salars of Ollague, Carcote, Ascotán ("**OCA Prospect**" or "**Jenna**"), within the cordilleran sector, bordering Bolivia. The OCA Prospect has a total area of 8,900 hectares and is divided into three groups of concessions.

In 2019, the Corporation successfully identified a second potential prospect ("**Paige**").

Prior to the Jenna project, the Corporation acquired other properties but unfortunately they did not merit the additional investment nor the ability to attract investors interest. To date, the Corporation has invested in excess of $1,125,433 in mineral exploration and mining operations as well as written down $2,121,099 previously invested in the acquisition and maintenance of properties.

Going Public Transaction
On January 8, 2018 (amended July 18, 2018), Petrocorp Group Inc. ("**PCG**") signed a Letter of Intent with FLM, where PCG would acquire all of the issued and outstanding shares of FLM, by way of a three-cornered amalgamation or other similar transaction (the "**PCG Transaction**").

The close of the Transaction was further extended to March 15, 2021, October 31, 2021 and to June 30, 2022.

On April 7, 2022, the PCG Transaction was cancelled, and a new Letter of Intent was entered into between PCG, FLM and QL Minerals Inc. ("**QLM**"), where PCG would acquire all of the issued and outstanding shares of FLM and QLM, by way of a three-cornered amalgamation or other similar transaction (the "**Transaction**"). Immediately prior to the Transaction, PCG would consolidate its common shares on a basis of 81.96721311 old common shares for 1 new common share and FLM would consolidate its shares on a basis of 2.5 old common shares for 1 new common share.

PCG is to acquire FLM via the issuance of 1 new common share of PCG for each post consolidated common share of FLM. In addition, FLM is to settle a minimum of $3,200,000 and a maximum of $3,750,000 in liabilities via the issuance of its own common shares at a deemed price of $0.225 per post consolidated common share that would then each be exchanged for 1 post consolidated common share of PCG.

PCG is also to acquire QLM via the issuance of 1 new common share of the Corporation for each common share of QLM, for which there are 3,000,000 outstanding as of that date.

As part of this transaction, FLM has to date raised $5,914,500 via the issuance of subscription receipts that will convert automatically into 23,658,000 post consolidated common shares of FLM immediately prior to the close of the transaction and then converted into post consolidation common shares of PCG. QLM has raised $795,000 also via the issuance of subscription receipts that will convert automatically into 3,180,000 common shares of QLM immediately prior to the close of the transaction and then converted in to post consolidation common shares of PCG.

The Transaction is subject to a number of conditions precedent which includes among other things regulatory and shareholder approval

To date, the PCG has advanced FLM $192,635, at 0% per annum as an unsecured demand loan and FLM advanced $3,798 to QLM.

ITEM 2 - <u>Selected Annual Information</u>

The following is selected annual information for the preceding three fiscal years:

December 31	2021	2020	2019
Net revenues	$ nil	$ nil	$ nil
Net loss	707,677	709,258	866,255
Total assets	479,194	182,292	189,163
Long term liabilities	Nil	Nil	Nil
Loss per share	0.01	0.01	0.00
Cash dividends per share	0.00	0.00	0.00

For further audited financial information, please refer to the Corporation's audited financial statements.

ITEM 3 - <u>Results of Operations</u>

<u>For the year ended December 31, 2021 versus December 31, 2020</u>

The Corporation has no revenue at this stage, as it is currently seeking various ways to enhance shareholders' value by exploring its mineral assets.

For the year ended December 31, 2021, the Corporation had general and administrative expenditures of $1,818 versus $1,902 the year earlier, for a positive variance of $84 or 4.4%. Management believes that the costs for the current year are in line with operating costs for a private company focused on its operations and mineral exploration.

For the year ended December 31, 2021, the Corporation had mineral exploration expenditures of $90,981 versus $93,360 the year earlier, for a positive variance of $2,379 or 2.6%. Management believes that these costs will increase once it has completed its listing process and is properly funded to further its exploration and evaluation programs.

For the year ended December 31, 2021, the Corporation had operating expenditures of $152,518 versus $102,500 the year earlier, for a negative variance of $50,018 or 48.8%. Management believes that these costs will increase once it has completed its listing process and is properly funded to further its exploration and evaluation programs.

For the year ended December 31, 2021, the Corporation had professional expenditures of $250,572 versus $200,173 the year earlier, for a negative variance of $50,399 or 25.2%. Management believes that this expense shall decrease significantly once it has completed its listing.

For the year ended December 31, 2021, the Corporation had an operating loss of $495,889 versus $397,935 the year earlier, for a negative variance of $97,954 or 24.6%. Management anticipates that the operating loss will significantly increase once its listing application is completed and it carries out the proposed exploration and evaluation of mineral properties.

For the year ended December 31, 2021, the Corporation had foreign exchange gains of $24,615 versus a loss of $30,802 the year earlier, for a positive variance of $55,417 or 179.9%, which relates to the value of its Chilian operations as a non-cash item.

For the year ended December 31, 2021, the Corporation had an interest expense of $236,403 versus $280,521 a year earlier. Management believes that this expense shall decrease significantly once it has completed its listing and is funded via equity.

The net loss for the year ended December 31, 2021, was $707,677 for a loss per share of $0.01 based on 74,109,279 weighted average common shares outstanding for the year versus $709,258 for a loss per share of $0.01 based 74,109,279 weighted average common shares outstanding for the previous year.

During the year ended December 31, 2021, the Corporation invested an additional $37,389 versus $26,400 the year earlier to continue to maintain its mineral claims in Chile.

During the year ended December 31, 2021, the Corporation raised $280,000 via subscription receipts which will convert to common shares upon closing the transaction with PCG and listing its common shares on the Exchange.

The Corporation's cash and cash equivalents balance as at December 31, 2021 was $28,616 (2020 - $9,527), with a working capital deficit of $4,195,712 (2020 - $3,450,646).

ITEM 4 - Summary of Quarterly Results

The following table sets forth, for each quarter ended on the date indicated since incorporation, information relating to the Corporation's revenue, net loss and loss per common share as prepared under IFRS.

	Revenues	Net income (loss)	Loss/share: basic and diluted
March 31, 2022	$ —	$(154,790)	$ 0.00
December 31, 2021	—	(85,850)	0.00
September 30, 2021	—	(226,047)	0.00
June 30, 2021	—	(163,505)	0.00
March 31, 2021	—	(232,275)	0.00
December 31, 2020	—	(148,369)	0.00
September 30, 2020	—	(79,869)	0.00
June 30, 2020	—	(157,914)	0.00

For the three months March 31, 2022 versus March 31, 2021

The Corporation has no producing revenues assets at this stage, as it's mineral properties are all at the exploration and valuation stage of development.

For the three months ended March 31, 2022, the Corporation had general and administrative expenditures of $1,804 versus $827 the year earlier, for a negative variance of $977 or 118.1%. Management believes that the costs in line with a private exploration company as it focuses its investment on the property itself.

For the three months ended March 31, 2022, the Corporation had Mineral exploration expenditures of $19,713 versus $32,781 the year earlier, for a positive variance of $13,068 or 39.9%. Management believes that these costs will increase once it has completed its listing process and is properly funded to further its exploration and evaluation programs.

For the three months ended March 31, 2022, the Corporation had operating expenditures of $15,475 versus $45,000 the year earlier, for a positive variance of $29,525 or 65.6%. Management believes that these costs will increase once it has completed its listing process and is properly funded to further its exploration and evaluation programs.

For the three months ended March 31, 2022, the Corporation had professional expenditures of $81,265 versus $76,843 the year earlier, for a negative variance of $4,422 or 5.8%. Management believes that this expense shall decrease significantly once it has completed its listing.

For the three months ended March 31, 2022, the Corporation had operating loss of $118,257 versus $155,451 the year earlier, for a positive variance of $37,194 or 23.9%. Management anticipates that the operating loss will significantly increase once its listing application is completed, and it carries out the proposed exploration and evaluation of mineral properties as recommended in the 43-101.

For the three months ended March 31, 2022, the Corporation had foreign exchange gains of $26,241 versus a loss of $21,124 the year earlier, for a positive variance of $47,365 or 224.2%, which relates to the Chilian operations as a non-cash item.

For the three months ended March 31, 2022, the Corporation had interest expense of $62,774 versus $55,700 the year earlier, for a negative variance of $7,074 or 12.7%. Management believes that this expense shall decrease significantly once it has completed its listing and is funded via equity.

The net loss for the three months ended March 31, 2022 was $154,790 for a loss per share of $0.00 based on 74,109,279 weighted average shares outstanding for the period versus $232,275 for loss per share of $0.00 based on 574,126,529 weighted average shares outstanding for the previous period.

During the three months period ending March 31, 2022, the Corporation invested an additional $12,674 to continue to maintain its mineral claims in Chile.

During the three months period ending March 31, 2022, the Corporation raised $2,021,300 via subscription receipts which will convert to common shares upon closing the transaction with PCG and listing its common shares on the Exchange.

ITEM 5 - Liquidity

As at March 31, 2022, the Corporation had a cash balance of $36,710 (December 31, 2021 - $28,616) with working capital deficit of $4,363,176 (December 31, 2021 – $4,195,712).

The Corporation raised a total of $2,301,300 in subscription receipts, $2,021,300 during the 3 months ended March 31, 2022, which will convert to common shares upon closing the transaction with PCG and listing its common shares on the Exchange.

ITEM 6 - Capital Resources

To date the Corporation has invested in maintaining the OCA Property which includes the completion of a 43-101 that suggested that certain work should be completed on the property to better evaluate the economic prospect of the property. To finance this work, the Corporation entered into a proposed transaction as discussed in Item 1 above, which would see the Corporation be listed on the Exchange. Once listed, approximately $5.4 million will be released from escrow and these funds will be used to finance the initial exploration work on the OCA Property over two phases.

Phase I, at an estimated cost of $375,000, is expected to be carried out over the 3rd and 4th quarter of 2022 and to include the following: electromagnetic survey, shallow brine sampling, logistics and site preparation and lab and technical analysis.

Phase II, at an estimated cost of $1,995,000, is expected to be carried out over the 1st and 2nd quarter of 2023 and to include the following: Shallow drilling, deep drilling and coring, lab analysis sediment, lab analysis brine, well completion, pumping testing and supervision and reporting.

In addition, the CEO has been providing his services at no cost to the Corporation and the CFO at a significant discount, therefore, post-closing the Corporation will be incurring some expenses for them as well as the additional costs of becoming a reporting issuer that includes continuous financial disclosures as required by the regulators and increase shareholder communication to keep shareholders and investors current on the Corporation's exploration activities, increased audit costs due to increased volume of activity, costs related to being a reporting issuer on an exchange such as the exchange fees and transfer agent fees, among other costs such as office and communication expenses, which have been mostly borne by the CEO and CFO personally. Management anticipates this amount to be approximately $550-575,000 over the following twelve months.

Upon completing the above, should the analysis of the work suggest further investment which may include additional exploration and evaluation, the Corporation may seek to raise additional funds. The timing and ability of the Corporation to fulfill this objective will depend on the liquidity of the financial markets as well as the willingness of investors to finance such a business. Such future financing may be completed by the issuance of the Corporation's securities.

While inflation has spiked considerable in recent months, Management does not anticipate it to be an issue as the cost estimates have recently been obtained and inflation was already increasing, furthermore, it is anticipated that the rise in interest rates will help to slow down the increase in prices. This said, should costs do rise, the Corporation is able and willing to expand the above-mentioned budgets for phase I & II as it anticipates having the liquidity on hand.

ITEM 7 - <u>Off-Balance Sheet Arrangements</u>

As of the date of this MD&A, the Corporation does not have any off-balance sheet arrangements that have, or are reasonably-likely to have, a current or future effect on the results of operations or financial condition of the Corporation including, without limitation, such considerations as liquidity and capital resources that have not previously been discussed.

ITEM 8 - <u>Transactions With Related Parties</u>

Related party transactions include transactions with parties related by common directors and transactions with other private entities owned or controlled by officers and directors. All transactions are provided in the normal course of business and are measured at exchange amounts agreed upon by the related parties. The following table summarizes the related party transactions occurring during the fiscal period.

Period ended March 31,	2022	2021
Expenses		
Professional Fees	$ 9,000	$ 9,000

As at	March 31, 2022	December 31, 2021
Amount included with accounts payable and accrued liabilities	$ 119,414	$ 109,878
Due to Related parties	653,984	620,084
	$ 773,398	$ 729,962

During the period ended March 31, 2022 and December 31, 2021, no key management personnel were indebted to the Corporation.

The key management personnel of the Corporation include the Chief Executive Officer, Chief Financial Officer and the Board of Directors.

In addition, as at March 31, 2022, the Corporation owes 653,984 to a companies controlled by the CEO as well as the CEO himself. These amounts are due on demand and bears no interest.

ITEM 9 - <u>Proposed Transactions</u>

As of the date of this document, there is no proposed transaction that management of the Corporation believes would require the intervention or approval of the Board of Directors of the Corporation as well as the shareholders of the Corporation with the exception of the proposed transaction with FLM and PCG.

ITEM 10 - <u>Risk Factors</u>

Investment in the Corporation must be considered highly speculative due to the nature of the Corporation's business, its formative stage of development, its current financial position and its lack of an earnings record. An investment in any securities of the Corporation should only be considered by those individuals who can afford a total loss of their investment. The following is a summary of the risk factors to be considered:

Exploration and Development
Exploration for minerals is a speculative venture involving substantial risk. There is no certainty that the expenditures made by the Corporation will result in discoveries of commercial mineral reserves.

Mining and development risks always accompany anticipated rewards, and uncertainties always exist where mineral properties are concerned. Uncertainties include the size, grade and recovery of naturally occurring mineral deposits. Although exploration and development efforts can outline a mineral deposit with a degree of certainty, ultimate grade and tonnages are never fully known until mining has been completed. Mineral prices are also a significant factor in the development decision for a mineral property, as a mine may not be economically feasible in a period of depressed prices. Factors beyond the control of the Corporation may affect the marketability of any minerals discovered. Pricing is affected by numerous factors such as international economic and political trends, global or regional consumption and demand patterns, and increased production by current producers.

Title Risks
Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral properties. The Corporation has investigated title to its mineral property and, to the best of its knowledge, title to its property is in good standing.

No Earnings and History of Losses
The business of developing and exploring resource properties involves a high degree of risk and, therefore, there is no assurance that current exploration programs will result in profitable operations. The Corporation has not determined whether any of its properties contain economically recoverable reserves of minerals and currently has not earned any revenue from its mining properties; therefore, the Corporation does not generate cash flow from its operations. There can be no assurance that significant additional losses will not occur in the future. The Corporation's operating expenses and capital expenditures may increase in future years with advancing exploration, development and/or production from the Corporation's properties. The Corporation does not expect to receive revenues from operations in the foreseeable future and expects to incur losses until such time as one or more of its properties enters into commercial production and generates sufficient revenue to fund continuing operations. There is no assurance that any of the properties will eventually enter commercial operation. There is also no assurance that new capital will become available, and if it does not, the Corporation may be forced to substantially curtail or cease operations.

Environmental Regulations, Permits and Licenses
The Corporation's operations are subject to various laws and regulations governing the protection of the environment, exploration, development, production, taxes, labour standards, occupational health and safety, waste disposal, and other matters. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in impositions of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a direction of stricter standards, and enforcement,

and higher fines and penalties for non-responsibility for companies including its directors, officers and employees. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability for the Corporation and its directors, officers and employees. The Corporation intends to fully comply with all environmental regulations.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Corporation and cause increases in capital expenditures or productions costs or reduction in levels of productions at producing properties, or requirements abandonment, or delays in development of new mining properties.

Lithium Market Prices
Lithium is not a traded commodity like base and precious metals. Sales agreements are negotiated on an individual and private basis with end-users or intermediaries. In addition, there are a limited number of producers of lithium compounds, and it is possible that these existing producers will try to prevent newcomers from entering the chain of supply by increasing their production capacity and lowering sales prices. Other factors, such as supply and demand of lithium-based end-products (such as lithium hydroxide), pricing characteristics of alternative sources of energy, industrial disruption and actual lithium market sale prices, could have an adverse impact on the market price of lithium and as such render the OCA Prospect uneconomic. There can be no assurance that such prices will remain at current levels or that such prices will improve.

Lithium Market Growth Uncertainty
Factors beyond the Corporation's control may affect the marketability of metals discovered, if any. The development of lithium operations at the OCA Prospect is highly dependent on projected demand for and uses of lithium-based end products. This includes lithium-ion batteries for electric vehicles and other large format batteries that currently have limited market share and whose projected adoption rates are not assured. To the extent that such markets do not develop in the manner contemplated by the Corporation, then the long-term growth in the market for lithium products will be adversely affected, which would inhibit the potential for development of the projects, their potential commercial viability and would otherwise have a negative effect on the business and financial condition of the Corporation. In addition, as a commodity, lithium market demand is subject to the substitution effect in which end-users adopt an alternate commodity as a response to supply constraints or increases in market pricing. To the extent that these factors arise in the market for lithium, it could have a negative impact on overall prospects for growth of the lithium market and pricing, which in turn could have a negative effect on the Corporation and its projects.

Risks Relating to Changes in Technology
Lithium and its derivatives are preferred raw materials for certain industrial applications, such as rechargeable batteries and liquid crystal displays (LCDs). Many materials and technologies are being researched and developed with the goal of making batteries lighter, more efficient, faster charging and less expensive. Some of these technologies could be successful and could adversely affect demand for lithium batteries in personal electronics, electric and hybrid vehicles and other applications. The Corporation cannot predict which new technologies may ultimately prove to be commercially viable and on what time horizon. In addition, alternatives to such products may become more economically attractive as global commodity prices shift. Any of these events could adversely affect demand for and market prices of lithium, thereby resulting in a material adverse effect on the economic feasibility of extracting any mineralization the Corporation discovers and reducing or eliminating any reserves it identifies.

Credit risk

Credit risk is the risk of loss due to the counterparty's inability to meet its obligations. The Corporation's exposure to credit risk is on its cash. Risk associated with cash is managed through the use of major banks which are high credit quality financial institutions as determined by rating agencies.

Liquidity risk
Liquidity risk is the risk that the Corporation will encounter difficulties in meeting obligations when they become due. The Corporation endeavors to ensure that there is sufficient capital in order to meet short-term operating requirements, after taking into account the Corporation's holdings of cash. The Corporation's cash is held in corporate bank accounts available on demand. The Corporation's accounts payable and accrued expenses generally have contractual maturities of less than 30 days and are subject to normal trade terms.

Market Risk
Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and price risk.

Currency Risk
The Corporation is subject to normal market risks including fluctuations in foreign exchange rates and interest rates. While the Corporation manages its operations in order to minimize exposure to these risks, the Corporation has not entered into any derivatives or contracts to hedge or otherwise mitigate this exposure. The Corporation is not exposed to significant currency risk.

Interest Rate Risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Corporation is not exposed to significant interest rate risk as it has no interest-bearing debt.

Price Risk
The Corporation is exposed to price risk with respect to equity prices. Price risk as it relates to the Corporation is defined as the potential adverse impact on the Corporation's ability to raise financing due to movements in individual equity prices or general movements in the level of the stock market. The Corporation closely monitors individual equity movements and the stock market to determine the appropriate course of action to be taken by the Corporation.

No Known Economic Deposits
The Corporation is an exploration stage company and cannot give assurance that a commercially viable deposit, or "reserve," exists on any properties for which the Corporation currently has or may have (through potential future joint venture agreements or acquisitions) an interest. Therefore, determination of the existence of a reserve depends on appropriate and sufficient exploration work and the evaluation of legal, economic, and environmental factors. If the Corporation fails to find a commercially viable deposit on any of its properties, its financial condition and results of operations will be materially adversely affected.

Operating Hazards and Risks
Mining operations involve many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. In the course of exploration, development and production of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions including rock bursts, cave-ins, fires, flooding and earthquakes may occur. Operations in which the Corporation has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of metals, any of which could result in damage to or destruction of mines and other producing facilities, damage to life and property, environmental damage and possible legal liability for any or all damage.

Influence of Third-Party Stakeholders
The OCA Prospect, as well as other mineral properties of the Corporation, or the roads or other means of access which the Corporation intends to utilize in carrying out its work programs or general business mandates on the OCA Prospect or its other properties may be subject to interests or claims by third party

individuals, groups or companies. In the event that such third parties assert any claims, the Corporation's work programs may be delayed even if such claims are not meritorious. Such delays may result in significant financial loss and loss of opportunity for the Corporation.

Uninsurable Risks
Exploration, development and production of mineral properties is subject to certain risks, and in particular, unexpected or unusual geological operating conditions including rock bursts, cave- ins, fires, flooding and earthquakes may occur. It is not always possible to insure fully against such risks and we may decide not to take out insurance against such risks as a result of high premiums or for other reasons. Should such liabilities arise, they could have an adverse impact on our operations and could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of the Corporation.

Competition and Agreements with Other Parties
The mining industry is intensely competitive in all its phases. The Corporation competes with other companies that have greater financial resources and technical capacity. Competition could adversely affect the Corporation's ability to acquire suitable properties or prospects in the future.

The Corporation may, in the future, be unable to meet its share of costs incurred under agreements to which it is a party, and it may have its interest in the properties subject to such agreements reduced as a result. Also, if other parties to such agreements do not meet their share of such costs, the Corporation may not be able to finance the expenditures required to complete recommended programs.

Dependence on Management
The Corporation is very dependent upon the personal efforts and commitment of its existing management. To the extent that management's services would be unavailable for any reason, a disruption to the operations of the Corporation could result, and other persons would be required to manage and operate the Corporation.

Price Volatility of Public Stock
In recent years, securities markets have experienced extremes in price and volume volatility. The market price of securities of many early stage companies, among others, have experienced fluctuations in price which may not necessarily be related to the operating performance, underlying asset values or prospects of such companies. It may be anticipated that any market for the Corporation Shares will be subject to market trends generally and the value of the Corporation's shares on a stock exchange may be affected by such volatility.

The Corporation has an unlimited number of common shares that may be issued by the board of directors without further action or approval of the Corporation Shareholders. While the board is required to fulfil its fiduciary obligations in connection with the issuance of such shares, the shares may be issued in transactions with which not all shareholders agree, and the issuance of such shares will cause dilution to the ownership interests of the Corporation Shareholders.

Conflicts of Interest
The Corporation's directors and officers may serve as directors and officers, or may be associated with other reporting companies or have significant shareholdings in other public companies. To the extent that such other companies may participate in business or asset acquisitions, dispositions, or ventures in which the Corporation may participate, the directors and officers of the Corporation may have a conflict of interest in negotiating and concluding terms respecting the transaction. If a conflict of interest arises, the Corporation will follow the provisions of the OBCA in dealing with conflicts of interest. These provisions state, where a director/officer has such a conflict, that the director/officer must at a meeting of the board, disclose his interest and refrain from voting on the matter unless otherwise permitted by the OBCA. In accordance with the laws of the Province of Ontario the directors and officers of the Corporation are required to act honestly, in good faith and in the best interests of the Corporation.

Dividends
The Corporation has not declared or paid any dividends on its common shares and does not currently have

a policy on the payment of dividends. For the foreseeable future, the Corporation anticipates that it will retain future earnings and other cash resources for the operation and developments of its business. The payment of any future dividends will depend upon earnings and the Corporation's financial condition, current and anticipated cash needs and such other factors as the directors of the Corporation consider appropriate.

Estimates and Assumptions
Preparation of its financial statements requires the Corporation to use estimates and assumptions. Accounting for estimates requires the Corporation to use its judgment to determine the amount to be recorded on its financial statements in connection with these estimates. If the estimates and assumptions are inaccurate, the Corporation could be required to write down its recorded values. On an ongoing basis, the Corporation re-evaluates its estimates and assumptions. However, the actual amounts could differ from those based on estimates and assumptions.

COVID-19 Pandemic
The precise impacts of the global emergence of COVID-19 on the Corporation are currently unknown. The Corporation intends to conduct business as normal with modifications to personnel travel and work locations and is currently evaluating what exploration work can be done on its properties. Rules in all jurisdictions are changing rapidly and the Corporation will need to evaluate and evolve with measures as they are announced. Government restrictions on the movement of people and goods may cause exploration work and analysis being done by the Corporation and its contractors to slow or cease. Such disruptions in work may cause the Corporation to miss actual or self-imposed deadlines, push out earlier forecasts, and increase fiscal losses. In addition, the outbreak of COVID-19 has caused considerable disruption to the world economy and financial markets which could have a materially adverse impact on the ability of the Corporation to raise additional funding in the future and could negatively impact, among other factors, the Corporation's share price.

ITEM 11 - Critical Accounting Estimates

The Corporation's financial statements are impacted by the accounting policies used, as well as the estimates and assumptions made by management during their preparation. The Corporation's accounting policies are described within the financial statements. The accounting estimates considered to be significant to the Corporation include the computations of convertible debentures, and recovery of deferred income tax assets.

ITEM 12 - Changes in Accounting Policies

The Corporation would like to direct readers to its audited financial statements for the year ending December 31, 2021, and unaudited condensed interim consolidated financial statements for the period ending March 31, 2022.

ITEM 13 - Financial Instruments and Other Instruments

The Corporation would like to direct readers to its audited financial statements for the year ending December 31, 2021, and unaudited condensed interim financial statements for the period ending March 31, 2022.

ITEM 14 - Capital Structure

The Corporation is authorized to issue an unlimited number of common shares, where each common share provides the holder with one vote. As of the date of this MD&A, there were 74,109,279 common shares issued and outstanding.

SCHEDULE "F"
QL MANAGEMENT DISCUSSION AND ANALYSIS

See attached.

QL MINERALS INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE PERIOD ENDED MARCH 31, 2022

DATED JULY 14, 2022

Disclosure Regarding Forward-Looking Statements

This Management's Discussion and Analysis contains forward-looking statements that include risks and uncertainties that are disclosed under the section Risk Factors. Other factors that could affect actual results are uncertainties pertaining to government regulations, both domestic as well as foreign, and the changes within the capital markets. Other risks may be disclosed from time to time in QL Minerals Inc.'s public disclosures.

QL Minerals Inc.
Management's Discussion and Analysis
Table of Contents

Unless otherwise indicated, in this Management's Discussion and Analysis ("**MD&A**") all references to "**dollar**" or the use of the symbol "**$**" are to the Canadian Dollar.

The preparation of the financial statements are in conformity with International Financial Reporting Standards ("**IFRS**") and requires management to make assumptions that affect the reported amounts of assets, liabilities and expenses in addition to the disclosure of contingent liabilities at the date of the financial statements. QL Minerals Inc. (the "**Company**") bases its estimates on historical experience, current trends and various other assumptions that are believed to be reasonable under the circumstances. Actual results could differ and will most likely differ from those estimates.

ITEM 1 - **<u>Overview</u>**

On November 18, 2021, the Company was incorporated under the Business Corporations Act (Ontario).

On November 23, 2021, the Company acquired a 100% interest in 39 mineral claims over a contiguous land package of over 2,000 hectares in Senneville, Quebec approximately 30 KM north of Val-d'Or, Quebec via the issuance of 400,000 common shares ("**Senneville Property**").

Going Public Transaction
On April 7, 2022, Petrocorp Group Inc. ("**PCG**") signed a Letter of Intent between the PCG, First Lithium Minerals Inc. ("**FLM**") and QLM where PCG would acquire all of the issued and outstanding shares of FLM and QLM, by way of a three-corner amalgamation or other similar transaction (the "**Transaction**"). Immediately prior to the Transaction, PCG would consolidate its common shares on a basis of 81.96721311 old common shares for 1 new common share and FLM would consolidate its shares on a basis of 2.5 old common shares for 1 new common share.

PCG is to acquire FLM via the issuance of 1 new common share of PCG for each post consolidated common share of FLM. In addition, FLM is to settle a minimum of $3,200,000 and a maximum of $3,750,000 in liabilities via the issuance of its own common shares at a deemed price of $0.225 per post consolidated common share that would then each be exchanged for 1 post consolidated common share of PCG.

PCG is also to acquire QLM via the issuance of 1 new common share of the Company for each common share of QLM, for which there are 3,000,000 outstanding as of that date.

As part of this transaction, FLM has to date raised $5,914,500 via the issuance of subscription receipts that will convert automatically into 23,658,000 post consolidated common shares of FLM immediately prior to the close of the transaction and then converted into post consolidation common shares of PCG. QLM has raised $795,000 also via the issuance of subscription receipts that will convert automatically into 3,180,000 common shares of QLM immediately prior to the close of the transaction and then converted into post consolidation common shares of PCG.

The Transaction is subjected to a number of conditions precedent which includes among other things regulatory and shareholder approval

ITEM 2 - <u>Selected Annual Information</u>

While the following section is required to present selected annual information for the preceding three fiscal years, the Company only started operating in November 2021 and has a March 31, fiscal year end:

March 31	2022
Net revenues	$ nil
Net loss	57,281
Total assets	588,984
Long term liabilities	Nil
Loss per share	0.00
Cash dividends per share	0.00

For further audited financial information, please refer to the Company's audited financial statements.

ITEM 3 - <u>Results of Operations</u>

<u>For the period ended March 31, 2022</u>

The Company has no revenue at this stage, as it is currently seeking various ways to enhance shareholders' value by exploring its mineral assets.

For the period ended March 31, 2022, the Company had administrative expenditures of $132. Management believes that the costs for the current period are in line with operating costs for a private company focused on its operations and mineral exploration.

For the period ended March 31, 2022, the Company had consulting expenditures of $10,000. These costs related to organizing the business of the Company and are not expected to repeat.

For the period ended March 31, 2022, the Company had professional fees of $15,367. These costs related to organizing the business of the Company as well as the proposed transaction with PCG and FLM. Upon completion of the transaction, they are not expected to repeat.

For the period ended March 31, 2022, the Company had wages and benefits of $2,557. The Company engaged personnel to facilitate the administration initially on a short-term basis and these expenses have ceased as the administration will be consolidated once the transaction with PCG and FLM will have been completed.

For the period ended March 31, 2022, the Company had an operating loss of $28,056. Management anticipates that this amount will increase significantly once the transaction with PCG and FLM closes and the Company carries out its exploration and evaluation program.

For the period ended March 31, 2022, the Company realised a loss of $29,225 on the sale of securities. The loss relates to a one-time investment and the shares were immediately divested in order for the Company to focus on its exploration and evaluation program.

The net loss for the period ended March 31, 2022 was $57,281 for a loss per share of $0.043 based on 1,329,323 weighted average common shares outstanding for the period.

During the period ended March 31, 2022, the Company raised $120,000 via the issuance of common shares for cash proceeds.

During the period ended March 31, 2022, the Company borrowed $3,798 from FLM via an unsecured demand loan at 0% per annum. In addition, the Company raised $495,000 via subscription receipts that will convert into common shares as part of the transaction with PCG and FLM.

During the period ended March 31, 2022, the Company issued 400,000 common shares to acquire the Senneville Property.

The Company's cash and cash equivalents balance as at March 31, 2022 was $91,844, with a working capital of $72,719.

ITEM 4 - <u>Summary of Quarterly Results</u>

The following table sets forth, for each quarter ended on the date indicated since incorporation, information relating to the Company's revenue, net loss and loss per common share as prepared under IFRS.

	Revenues	Net income (loss)	Loss/share: basic and diluted
March 31, 2022	$ —	$ (20,475)	$ 0.00
December 31, 2021	$ —	$ (36,806)	$ 0.00

<u>For the three months ended March 31, 2022</u>

The Company has no revenue at this stage, as it is currently seeking various ways to enhance shareholders' value by exploring its mineral assets.

For the three months ended March 31, 2022, the Company had administrative expenditures of $108. Management believes that the costs for the current period are in line with operating costs for a private company focused on its operations and mineral exploration.

For the three months ended March 31, 2022, the Company had consulting expenditures of $10,000. These costs related to organizing the business of the Company and are not expected to repeat.

For the three months ended March 31, 2022, the Company had professional fees of $10,367. These costs related to organizing the business of the Company as well as the proposed transaction with PCG and FLM. Upon completion of the transaction, they are not expected to repeat.

For the three months ended March 31, 2022, the Company had an operating loss of $20,475. Management anticipates that this amount will increase significantly once the transaction with PCG and FLM closes and the Company carries out its exploration and evaluation program.

The net loss for the three months ended March 31, 2022 was $20,475 for a loss per share of $0.01 based on 2,612,360 weighted average common shares outstanding for the period.

During the three months ended March 31, 2022, the Company borrowed $3,798 from FLM via an unsecured demand loan at 0% per annum. In addition, the Company raised $495,000 via subscription receipts that will convert into common shares as part of the transaction with PCG and FLM.

The Company's cash and cash equivalents balance as at March 31, 2022 was $91,844, with a working capital of $72,719.

ITEM 5 - <u>Liquidity</u>

As at March 31, 2022, the Company had a cash balance of $91,884 with working capital of $72,719.

ITEM 6 - Capital Resources

In order to finance the future exploration and evaluation of the mineral properties, the Company may seek to raise additional funds. The timing and ability of the Company to fulfill this objective will depend on the liquidity of the financial markets as well as the willingness of investors to finance such a business. Such future financing may be completed by the issuance of the Company's securities as previously.

ITEM 7 - Off-Balance Sheet Arrangements

As of the date of this MD&A, the Company does not have any off-balance sheet arrangements that have, or are reasonably-likely to have, a current or future effect on the results of operations or financial condition of the Company including, without limitation, such considerations as liquidity and capital resources that have not previously been discussed.

ITEM 8 - Transactions With Related Parties

Related party transactions include transactions with parties related by common directors and transactions with other private entities owned or controlled by officers and directors. All transactions are provided in the normal course of business and are measured at exchange amounts agreed upon by the related parties.

For the period from November 18, 2021 (date of incorporation) to March 31, 2022, the Company paid wages and benefits to a director, family members related to the director, and the chief financial officer in the aggregate amount of $2,557.

ITEM 9 - Proposed Transactions

As of the date of this document, there is no proposed transaction that management of the Company believes would require the intervention or approval of the Board of Directors of the Company as well as the shareholders of the Company with the exception of the proposed transaction with FLM and PCG.

ITEM 10 - Risk Factors

Investment in the Company must be considered highly speculative due to the nature of the Company's business, its formative stage of development, its current financial position and its lack of an earnings record. An investment in any securities of the Company should only be considered by those individuals who can afford a total loss of their investment. The following is a summary of the risk factors to be considered:

Exploration and Development
Exploration for minerals is a speculative venture involving substantial risk. There is no certainty that the expenditures made by the Company will result in discoveries of commercial mineral reserves.

Mining and development risks always accompany anticipated rewards, and uncertainties always exist where mineral properties are concerned. Uncertainties include the size, grade and recovery of naturally occurring mineral deposits. Although exploration and development efforts can outline a mineral deposit with a degree of certainty, ultimate grade and tonnages are never fully known until mining has been completed. Mineral prices are also a significant factor in the development decision for a mineral property, as a mine may not be economically feasible in a period of depressed prices. Factors beyond the control of the Company may affect the marketability of any minerals discovered. Pricing is affected by numerous factors such as international economic and political trends, global or regional consumption and demand patterns, and increased production by current producers.

Title Risks
Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral properties. The Company has investigated title to its mineral property and, to the best of its knowledge, title to its property is in good standing.

No Earnings and History of Losses

The business of developing and exploring resource properties involves a high degree of risk and, therefore, there is no assurance that current exploration programs will result in profitable operations. The Company has not determined whether any of its properties contain economically recoverable reserves of mineralized material and currently has not earned any revenue from its mining properties; therefore, the Company does not generate cash flow from its operations. There can be no assurance that significant additional losses will not occur in the future. The Company's operating expenses and capital expenditures may increase in future years with advancing exploration, development and/or production from the Company's properties. The Company does not expect to receive revenues from operations in the foreseeable future and expects to incur losses until such time as one or more of its properties enters into commercial production and generates sufficient revenue to fund continuing operations. There is no assurance that any of the properties will eventually enter commercial operation. There is also no assurance that new capital will become available, and if it does not, the Company may be forced to substantially curtail or cease operations.

Environmental Regulations, Permits and Licenses

The Company's operations are subject to various laws and regulations governing the protection of the environment, exploration, development, production, taxes, labour standards, occupational health and safety, waste disposal, and other matters. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in impositions of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a direction of stricter standards, and enforcement, and higher fines and penalties for non-responsibility for companies including its directors, officers and employees. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability for the Company and its directors, officers and employees. The Company intends to fully comply with all environmental regulations.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or productions costs or reduction in levels of productions at producing properties, or requirements abandonment, or delays in development of new mining properties.

Lithium Market Prices

Lithium is not a traded commodity like base and precious metals. Sales agreements are negotiated on an individual and private basis with end-users or intermediaries. In addition, there are a limited number of producers of lithium compounds, and it is possible that these existing producers will try to prevent newcomers from entering the chain of supply by increasing their production capacity and lowering sales prices. Other factors, such as supply and demand of lithium-based end-products (such as lithium hydroxide), pricing characteristics of alternative sources of energy, industrial disruption and actual lithium market sale prices, could have an adverse impact on the market price of lithium and as such render the Senneville prospect uneconomic. There can be no assurance that such prices will remain at current levels or that such prices will improve.

Lithium Market Growth Uncertainty
Factors beyond the Company's control may affect the marketability of metals discovered, if any. The development of lithium operations at the Senneville property is highly dependent on projected demand for and uses of lithium-based end products. This includes lithium-ion batteries for electric vehicles and other large format batteries that currently have limited market share and whose projected adoption rates are not assured. To the extent that such markets do not develop in the manner contemplated by the Company, then the long-term growth in the market for lithium products will be adversely affected, which would inhibit the potential for development of the projects, their potential commercial viability and would otherwise have a negative effect on the business and financial condition of the Company. In addition, as a commodity, lithium market demand is subject to the substitution effect in which end-users adopt an alternate commodity as a response to supply constraints or increases in market pricing. To the extent that these factors arise in the market for lithium, it could have a negative impact on overall prospects for growth of the lithium market and pricing, which in turn could have a negative effect on the Company and its projects.

Risks Relating to Changes in Technology
Lithium and its derivatives are preferred raw materials for certain industrial applications, such as rechargeable batteries and liquid crystal displays (LCDs). Many materials and technologies are being researched and developed with the goal of making batteries lighter, more efficient, faster charging and less expensive. Some of these technologies could be successful and could adversely affect demand for lithium batteries in personal electronics, electric and hybrid vehicles and other applications. The Company cannot predict which new technologies may ultimately prove to be commercially viable and on what time horizon. In addition, alternatives to such products may become more economically attractive as global commodity prices shift. Any of these events could adversely affect demand for and market prices of lithium, thereby resulting in a material adverse effect on the economic feasibility of extracting any mineralization the Company discovers and reducing or eliminating any reserves it identifies.

Credit risk
Credit risk is the risk of loss due to the counterparty's inability to meet its obligations. The Company's exposure to credit risk is on its cash and restricted cash. Risk associated with cash is managed through the use of major banks which are high credit quality financial institutions as determined by rating agencies.

Liquidity risk
Liquidity risk is the risk that the Company will encounter difficulties in meeting obligations when they become due. The Company endeavors to ensure that there is sufficient capital in order to meet short-term operating requirements, after taking into account the Company's holdings of cash. The Company's cash is held in corporate bank accounts available on demand and the Company's restricted cash is held in the lawyers' trust accounts. The Company's accounts payable and accrued expenses generally have contractual maturities of less than 30 days and are subject to normal trade terms.

Market Risk
Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and price risk.

Currency Risk
The Company is subject to normal market risks including fluctuations in foreign exchange rates and interest rates. While the Company manages its operations in order to minimize exposure to these risks, the Company has not entered into any derivatives or contracts to hedge or otherwise mitigate this exposure. The Company is not exposed to significant currency risk.

Interest Rate Risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk as it has no interest bearing debt.

Price Risk
The Company is exposed to price risk with respect to equity prices. Price risk as it relates to the Company is defined as the potential adverse impact on the Company's ability to raise financing due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

Uncertainty of Use of Proceeds
Although the Company has set out in this Listing Statement its intended use of funds, these are estimates only and subject to change. While management does not contemplate any material variation, management does retain broad discretion in the application of such proceeds.

No Known Economic Deposits
The Company is an exploration stage company and cannot give assurance that a commercially viable deposit, or "reserve," exists on any properties for which the Company currently has or may have (through potential future joint venture agreements or acquisitions) an interest. Therefore, determination of the existence of a reserve depends on appropriate and sufficient exploration work and the evaluation of legal, economic, and environmental factors. If the Company fails to find a commercially viable deposit on any of its properties, its financial condition and results of operations will be materially adversely affected.

Operating Hazards and Risks
Mining operations involve many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. In the course of exploration, development and production of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions including rock bursts, cave-ins, fires, flooding and earthquakes may occur. Operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of metals, any of which could result in damage to or destruction of mines and other producing facilities, damage to life and property, environmental damage and possible legal liability for any or all damage.

Influence of Third-Party Stakeholders
The Senneville Property, as well as other mineral properties of the Company, or the roads or other means of access which the Company intends to utilize in carrying out its work programs or general business mandates on the Senneville Property or its other properties may be subject to interests or claims by third party individuals, groups or companies. In the event that such third parties assert any claims, the Company's work programs may be delayed even if such claims are not meritorious. Such delays may result in significant financial loss and loss of opportunity for the Company.

Uninsurable Risks
Exploration, development and production of mineral properties is subject to certain risks, and in particular, unexpected or unusual geological operating conditions including rock bursts, cave- ins, fires, flooding and earthquakes may occur. It is not always possible to insure fully against such risks and we may decide not to take out insurance against such risks as a result of high premiums or for other reasons. Should such liabilities arise, they could have an adverse impact on our operations and could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of the Company.

Competition and Agreements with Other Parties
The mining industry is intensely competitive in all its phases. The Company competes with other companies that have greater financial resources and technical capacity. Competition could adversely affect the Company's ability to acquire suitable properties or prospects in the future.

The Company may, in the future, be unable to meet its share of costs incurred under agreements to which it is a party, and it may have its interest in the properties subject to such agreements reduced as a result. Also, if other parties to such agreements do not meet their share of such costs, the Company may not be able to finance the expenditures required to complete recommended programs.

Dependence on Management
The Company is very dependent upon the personal efforts and commitment of its existing management. To the extent that management's services would be unavailable for any reason, a disruption to the operations of the Company could result, and other persons would be required to manage and operate the Company.

Price Volatility of Public Stock
In recent years, securities markets have experienced extremes in price and volume volatility. The market price of securities of many early-stage companies, among others, have experienced fluctuations in price which may not necessarily be related to the operating performance, underlying asset values or prospects of such companies. It may be anticipated that any market for the Company Shares will be subject to market trends generally and the value of the Company's shares on a stock exchange may be affected by such volatility.

The Company has an unlimited number of common shares that may be issued by the board of directors without further action or approval of the Company Shareholders. While the board is required to fulfil its fiduciary obligations in connection with the issuance of such shares, the shares may be issued in transactions with which not all shareholders agree, and the issuance of such shares will cause dilution to the ownership interests of the Company Shareholders.

Conflicts of Interest
The Company's directors and officers may serve as directors and officers, or may be associated with other reporting companies or have significant shareholdings in other public companies. To the extent that such other companies may participate in business or asset acquisitions, dispositions, or ventures in which the Company may participate, the directors and officers of the Company may have a conflict of interest in negotiating and concluding terms respecting the transaction. If a conflict of interest arises, the Company will follow the provisions of the OBCA in dealing with conflicts of interest. These provisions state, where a director/officer has such a conflict, that the director/officer must at a meeting of the board, disclose his interest and refrain from voting on the matter unless otherwise permitted by the OBCA. In accordance with the laws of the Province of Ontario the directors and officers of the Company are required to act honestly, in good faith and in the best interests of the Company.

Dividends
The Company has not declared or paid any dividends on its common shares and does not currently have a policy on the payment of dividends. For the foreseeable future, the Company anticipates that it will retain future earnings and other cash resources for the operation and developments of its business. The payment of any future dividends will depend upon earnings and the Company's financial condition, current and anticipated cash needs and such other factors as the directors of the Company consider appropriate.

Estimates and Assumptions
Preparation of its financial statements requires the Company to use estimates and assumptions. Accounting for estimates requires the Company to use its judgment to determine the amount to be recorded on its financial statements in connection with these estimates. If the estimates and assumptions are inaccurate, the Company could be required to write down its recorded values. On an ongoing basis, the Company re-evaluates its estimates and assumptions. However, the actual amounts could differ from those based on estimates and assumptions.

Costs and Compliance Risks
Legal, accounting and other expenses associated with public company reporting requirements are significant. The Company anticipates that costs may increase with corporate governance related requirements, including, without limitation, requirements under National Instrument 52- 109 – *Certification of Disclosure in Issuers' Annual and Interim Filings*, National Instrument 52- 110 – *Audit Committees* and National Instrument 58-101 – *Disclosure of Corporate Governance Practices*.

The Company also expects these rules and regulations may make it more difficult and more expensive for it to obtain director and officer liability insurance, and it may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. As a result, it may be more difficult for the Company to attract and retain qualified individuals to serve on its board of directors or as executive officers.

COVID-19 Pandemic
The precise impacts of the global emergence of COVID-19 on the Company are currently unknown. The Company intends to conduct business as normal with modifications to personnel travel and work locations and is currently evaluating what exploration work can be done on its properties. Rules in all jurisdictions are changing rapidly and the Company will need to evaluate and evolve with measures as they are announced. Government restrictions on the movement of people and goods may cause exploration work and analysis being done by the Company and its contractors to slow or cease. Such disruptions in work may cause the Company to miss actual or self-imposed deadlines, push out earlier forecasts, and increase fiscal losses. In addition, the outbreak of COVID-19 has caused considerable disruption to the world economy and financial markets which could have a materially adverse impact on the ability of the Company to raise additional funding in the future and could negatively impact, among other factors, the Company's share price.

ITEM 11 - Critical Accounting Estimates

The Company's financial statements are impacted by the accounting policies used, as well as the estimates and assumptions made by management during their preparation. The Company's accounting policies are described within the financial statements.

ITEM 12 - Changes in Accounting Policies

The Company would like to direct readers to its audited financial statements for the period ending March 31, 2022, which is incorporated by reference and can be found on the regulator's web site at www.sedar.com.

ITEM 13 - Financial Instruments and Other Instruments

The Company would like to direct readers to its audited financial statements for the period ending March 31, 2022, which are incorporated by reference and can be found at www.sedar.com

ITEM 14 - Capital Structure

The Company is authorized to issue an unlimited number of common shares, where each common share provides the holder with one vote. As of the date of this MD&A, there were 3,000,000 common shares issued and outstanding and 3,180,000 common shares to be issued via subscription receipts.

SCHEDULE "G"
RESULTING ISSUER PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS

See attached.

PETROCORP GROUP INC.

ACQUISITION OF

FIRST LITHIUM MINERALS INC.
AND
QL MINERALS INC.

PRO FORMA
CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

AS AT MARCH 31, 2022
AND FOR THE YEAR ENDED DECEMBER 31, 2021
AND FOR THE THREE MONTHS ENDED MARCH 31, 2022

PETROCORP GROUP INC.

PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

MARCH 31, 2022

CONTENTS

PETROCORP GROUP INC.
PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2022
(UNAUDITED)
(All Amounts are in Canadian Dollars)

	PetroCorp Group Inc.	First Lithium Minerals Inc.	QL Minerals Inc.	RTO Transaction Adjustments	Note	Proforma Adjustments	Note	Pro Forma
Assets								
Current assets								
Cash and cash equivalents	$ 35,402	$ 36,710	$ 91,884	$ -		$ 5,914,500	(c)	$ 6,322,517
						(258,965)	(c)	
						795,000	(e)	
						(12,994)	(e)	
						70,980	(f)	
						(350,000)	(g)	
Commodity tax receivable	3,022	7,769	-	-		-		10,791
Prepaid expenses	1,765	15,000	-	-		-		16,765
Restricted cash	-	2,301,300	477,100	-		(2,301,300)	(c)	-
						(477,100)	(e)	
	40,189	2,360,779	568,984	-		3,380,121		6,350,073
Exploration and evaluation assets	-	173,067	20,000	57,281	(d)			250,348
Loan receivable	192,635	-	-	(192,635)	(b)	-		-
	$ 232,824	$ 2,533,846	$ 588,984	$ (135,354.00)		$ 3,380,121		$ 6,600,421
Liabilities								
Current liabilities								
Accounts payable and accrued liabilities	$ 224,053	$ 929,258	$ 43,323	$ -		$ (66,425)	(c)	$ 989,542
						(64,241)	(f)	
						(76,426)	(g)	
Debt obligations, short term	-	2,905,838	-	(192,635)	(b)	(2,713,203)	(f)	-
Due to related parties	-	653,984	-	3,798	(b)	(657,782)	(f)	-
Notes payable	-		3,798	(3,798)	(b)	-		-
Subscription receipts	-	2,234,875	449,144	-		(2,234,875)	(c)	-
						(449,144)	(e)	
	224,053	6,723,955	496,265	(192,635.00)		(6,262,096)		989,542
Shareholders' Equity								
Common shares	4,846,772	1,563,386	150,000	(4,846,772)	(b)	2,042,315	(b)	14,565,970
				(150,000)	(d)	5,655,535	(c)	
				150,000	(d)	754,050	(e)	
						3,571,591	(f)	
						829,093	(g)	
Contributed Surplus	8,064,759	-	-	(8,064,759)	(b)	-		-
Deficit	(12,902,760)	(5,753,495)	(57,281)	12,911,531	(b)	(2,042,315)	(b)	(8,955,091)
				57,281	(d)	(65,385)	(f)	
						(1,102,667)	(g)	
	8,771	(4,190,109)	92,719	57,281		9,642,217		5,610,879
	$ 232,824	$ 2,533,846	$ 588,984	$ (135,354)		$ 3,380,121		$ 6,600,421

PETROCORP GROUP INC.
PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS AND COMPREHENSIVE LOSS
FOR THE YEAR ENDED DECEMBER 31, 2021
(UNAUDITED)
(All Amounts are in Canadian Dollars)

	PetroCorp Group Inc.	First Lithium Minerals Inc.	QL Minerals Inc.	RTO Transaction Adjustments	Note	Proforma Adjustments	Note	Pro Forma
Revenues	$ -	$ -	$ -	$ -		$ -		$ -
Expenses								
Admininistrative and general expenses	45,006	1,818	24					46,848
Mineral exploration	-	90,981	-					90,981
Operational expenses	-	152,518	-					152,518
Professional fees	-	250,572	5,000					255,572
Salaries and wages	-	-	2,557					2,557
	45,006	495,889	7,581	-		-		548,476
Operating Loss	(45,006)	(495,889)	(7,581)	-				(548,476)
Foreign exchange gain	-	24,615	-					24,615
Interest expense	-	(236,403)	-					(236,403)
Loss on investment	-	-	(29,225)					(29,225)
Net loss and comprehensive loss	$ (45,006)	$ (707,677)	$ (36,806)	$ -		$ -		$ (789,489)

PETROCORP GROUP INC.
PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS AND COMPREHENSIVE LOSS
FOR THE THREE MONTHS END MARCH 31, 2022
(UNAUDITED)
(All Amounts are in Canadian Dollars)

	PetroCorp Group Inc.	First Lithium Minerals Inc.	QL Minerals Inc.	RTO Transaction Adjustments	Note	Proforma Adjustments	Note	Pro Forma
Revenues	$ -	$ -	$ -	$ -		$ -		$ -
Expenses								
Admininistrative and general expenses	9,210	1,804	108					11,122
Consulting fees	-	-	10,000					10,000
Mineral exploration	-	19,713	-					19,713
Operational expenses	-	15,475	-					15,475
Professional fees	-	81,265	10,367					91,632
	9,210	118,257	20,475	-		-		147,942
Operating Loss	(9,210)	(118,257)	(20,475)	-		-		(147,942)
Foreign exchange gain	-	26,241	-					26,241
Interest expense	-	(62,774)	-			(65,385)	(f)	(128,159)
Listing and transaction fees						(2,042,315)	(b)	(3,144,982)
						(1,102,667)	(g)	
Net loss and comprehensive loss	$ (9,210)	$ (154,790)	$ (20,475)	$ -		$ (3,210,367)		$ (3,394,842)

1. Basis of Presentation

The accompanying unaudited pro forma consolidated financial statements of Petrocorp Group Inc. ("**PCG**") have been prepared by management in accordance with International Financial Reporting Standards ("**IFRS**") under the assumption that PCG will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation.

The unaudited pro forma consolidated financial statements have been compiled from the information derived from and should be read in conjunction with:

- PCG's consolidated financial statements for the years ended March 31, 2022 and 2021 as well as the unaudited consolidated financial statements for the interim period ended December 31, 2021;
- First Lithium Minerals Ltd.'s ("**FLM**") consolidated audited financial statements for the years ended December 31, 2021 and 2020 as well as the unaudited financial statements for the interim period ended March 31, 2022; and
- QL Minerals Inc. ("**QLM**") audited financial statements for the period from November 18, 2021 to March 31, 2022.

On April 7, 2022, a letter of Intent was entered in to between PCG, FLM and QLM, where PCG would acquire all of the issued and outstanding shares of FLM and QLM, by way of a three-cornered amalgamation ("**3CA**") or other similar transaction (the "**Transaction**"). Immediately prior to the Transaction, PCG would consolidate its common shares on a basis of 81.96721311 old common shares for 1 new common share and FLM would consolidate its shares on a basis of 2.5 old common shares for 1 new common share.

The Pro Forma Consolidated Statement of Financial Position and Consolidated Statement of Operations and Comprehensive Loss gives effect to the Transaction had it occurred on March 31, 2022.

The unaudited Pro Forma Consolidated Financial Statements have been compiled using the accounting policies as set out in the Financial Statements of FLM as at December 31, 2021 and 2020 which have been prepared in accordance with International Financial Reporting Standards ("**IFRS**"). The unaudited Pro Forma Consolidated Statement of Financial Position as at March 31, 2022 and Consolidated Statement of Operations and Comprehensive Loss for the year ended December 31, 2021 and the three month period ended March 31, 2022 should be read in conjunction with the above described financial statements and the notes thereto.

The Pro Forma Consolidated Statement of Financial Position and Statement of Operations and Comprehensive Loss include all adjustments necessary for fair presentation. No adjustments have been made to reflect additional costs or cost savings that could result from the combination of the operations of PCG, QLM and FLM, as management does not anticipate any material costs or cost savings as a result of this Transaction.

The Pro Forma Consolidated Statement of Financial Position and Statement of Operations and Comprehensive Loss have been prepared for illustration purposes only and may not be indicative of the combined results or financial position had the Transaction been in effect at the date indicated.

The Transaction has been accounted for in accordance with IFRS 2, Share-Based Payment. The Transaction is considered to be a reverse takeover of PCG by FLM as the former shareholders of FLM will own a majority of the outstanding shares of the Resulting Issuer. The Transaction has been accounted for in the Pro Forma Consolidated Statement of Financial Position as a continuation of FLM, together with an issuance of shares, equivalent to one share for each share held by the former shareholders of PCG and a recapitalization of the equity of FLM. The fair value of the shares issued was determined based on the fair value of the common shares issued by the Resulting

(Expressed in Canadian Dollars)

Issuer. The concurrent acquisition of QLM is not considered to be a business combination and is accounted for as an asset acquisition.

Completion of the Transaction is subject to a number of conditions including, but not limited to the approval by the PCG, FLM and QLM shareholders as well as the listing for trading of the PCG common shares by the Canadian Securities Exchange ("**CSE**").

2. Pro-Forma Basis of Assumptions and Adjustments

The unaudited Pro Forma Consolidated Statement of Financial Position and Pro Forma Consolidated Statement of Operations and Comprehensive Loss gives effect to the following assumptions and adjustments:

(a) Completion of the proposed transaction, under the terms of the LOI by issuing 8,204,344 post consolidation common shares of PCG.

(b) Share capital, contributed surplus and the accumulated deficit of PCG are eliminated via the Transaction, being a reverse takeover ("**RTO**"). A RTO transaction involving a non-public operating entity and a non-operating public company is in substance a share-based payment transaction, rather than a business combination. The transaction is equivalent to the issuance of shares by the Resulting Issuer for the net assets and the listing status of the non-operating public company, PCG. In addition, all of the inter entity transactions and balances have eliminated.

The fair value of the consideration is as follows:

Deemed issuance of 8,204,344 post consolidated common shares of the Resulting Issuer to the former shareholders of PCG	$ 2,051,086
The allocation of the consideration is as follows:	
Cash	35,402
Receivables	3,022
Prepaid expenses	1,765
Loan receivable	192,635
Accounts payable and accrued liabilities	(224,053)
Listing expense	2,042,315
	$ 2,051,086

(c) It is assumed that the concurrent financing and the financing within FLM will be a total of $5,914,500 at $0.25 per post consolidated common shares less $258,965 to be paid in commissions & expenses plus the issuance of 1,002,260 broker warrants.

(d) Issuance of 3,000,000 post consolidated common share of the Resulting Issuer to acquire the 3,000,000 QLM common shares that are issued and outstanding with difference between the fair value of the shares and the net asset value allocated to the Exploration and evaluation property.

(e) It is assumed that the concurrent financing and the financing within QLM will be a total of $795,000 at $0.25 per post consolidated common shares less $40,950 to be paid in commissions & expenses.

(f) Issuance of 15,873,737 post consolidation common shares of the resulting issuer at a deemed price of $0.225 in settlement of $3,571,591 in debt of FLM, of this amount $70,980 was received by FLM subsequent to March 31, 2022 and $65,385 represents the interest between April 1, 2022 and June 30, 2022, being the estimated closing date of the transaction as this accrued interest will be settle with common shares.

(Expressed in Canadian Dollars)

(g) Other closing costs associated with the Transaction excluding the cost of raising funds are estimated to be $829,093, being 3,316,372 post consolidated common shares at a deemed price of $0.25 that is equal to 5% of the number of post consolidated common shares of FLM. The balance of these costs relates to regulatory filing fees, transfer agents, and professional fees, which will be expensed as incurred estimated at $350,000.

The pro forma effective income tax rate applicable to the operations will be approximately 26.5%.

3. Pro-Forma Share Capital

The resulting issuer is authorized to issue an unlimited number of common shares. Upon completion of the Transaction, the pro-forma common shares outstanding post consolidation will be as follows:

	Number of common shares	Amount of common shares
Balance as at March 31, 2022 of FLM	29,643,712	$ 1,563,386
Shares of Resulting Issuer deemed to have been issued to the shareholders of PCG (Note 2(b))	8,204,344	2,042,315
Shares to be issued upon completion of $5,407,500 concurrent financing in FLM (Note 2(c))	23,658,000	5,655,535
Balance as at March 31, 2022 of QLM (Note 2(d))	3,000,000	150,000
Share to be issued upon completion of $795,000 concurrent financing in QLM (Note 2(e))	3,180,000	754,050
Shares to be issued upon the settlement of FLM debt (Note 2(f))	15,873,737	3,571,591
Finders' fee (Note 2(g))	3,316,372	829,093
	86,876,165	$ 14,574,741

CERTIFICATE OF THE ISSUER

Pursuant to a resolution duly passed by its Board of Directors, First Lithium Minerals Corp. hereby applies for the listing of the above mentioned securities on the Exchange. The foregoing contains full, true and plain disclosure of all material information relating to First Lithium Minerals Corp. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at this 4th day of August, 2022.

/s/ "Robert Saltsman"
Name: Robert Saltsman
Title: Chief Executive Officer

/s/ "Claude Ayache"
Name: Claude Ayache
Title: Chief Financial Officer

/s/ "Peter Espig"
Name: Peter Espig
Title: Director

/s/ "Ernest Mast"
Name: Ernest Mast
Title: Director

CERTIFICATE OF THE TARGET

The foregoing contains full, true and plain disclosure of all material information relating to First Lithium Minerals Inc. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at this 4th day of August, 2022.

/s/ "Robert Saltsman"
Name: Robert Saltsman
Title: President

/s/ "Robert Saltsman"
Name: Robert Saltsman
Title: Director

CERTIFICATE OF THE TARGET

The foregoing contains full, true and plain disclosure of all material information relating to QL Minerals Inc. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at this 4th day of August, 2022.

/s/ "Robert Saltsman"
27D83C6A70AF475...
Name: Robert Saltsman
Title: President

/s/ "Robert Saltsman"
27D83C6A70AF475...
Name: Robert Saltsman
Title: Director