PAN AMERICAN ENERGY CORP.

(FORMERLY GOLDEN SUN MINING CORP.)

In Canadian Dollars, unless noted.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE AND NINE MONTHS ENDED DECEMBER 31, 2022
AND
FOR THE PERIOD FROM INCORPORATION ON OCTOBER 12, 2021 TO DECEMBER 31, 2021

(Unaudited)

Pan American Energy Corp. (Formerly Golden Sun Mining Corp.)

Condensed Consolidated Interim Statements of Financial Position

As at December 31, 2022 and March 31, 2022
In Canadian Dollars, unless noted (unaudited)

As at	Notes	December 31, 2022	March 31, 2022
		$	$
ASSETS			
Cash		6,285,521	1,310,469
Accounts receivable		70,529	-
Prepaid expenses	**4**	449,415	-
Promissory note receivable	**5**	-	151,397
TOTAL CURRENT ASSETS		**6,805,465**	**1,461,866**
Exploration and evaluation assets	**6, 8**	3,874,524	-
TOTAL ASSETS		**10,679,989**	**1,461,866**
LIABILITIES			
Accounts payable and accrued liabilities		488,633	119,210
Other liability	**8,10**	692,308	-
Loan payable	**7**	166,943	-
TOTAL LIABILITIES		**1,347,884**	**119,210**
EQUITY (DEFICIENCY)			
Share capital	**8**	12,109,519	1,500,001
Reserves	**8**	1,853,485	-
Deficit		(4,630,899)	(157,345)
TOTAL EQUITY (DEFICIENCY)		9,332,105	1,342,656
TOTAL LIABILITIES AND EQUITY (DEFICIENCY)		**10,679,989**	**1,461,866**

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

Going concern (Note 2), Commitments (Note 10) and Subsequent events (Note 13)

Approved on behalf of the Board of Directors on March 1, 2023:

"Jason Latkowcer ", Director *"Sean Kingsley",* Director

Pan American Energy Corp. (Formerly Golden Sun Mining Corp.)
Condensed Consolidated Interim Statements of Loss and Comprehensive Loss
For the Three and Nine Months Ended December 31, 2022 and for the Period From Incorporation on October 12, 2021 to December 31, 2021
In Canadian Dollars, unless noted (unaudited)

	Notes	Three Months Ended December 31, 2022	Nine Months Ended December 31, 2022	Period from Incorporation To December 31, 2021
		$	$	$
EXPENSES				
Advertising and marketing		492,109	514,109	-
Consulting fees	**9**	161,400	352,400	70,875
Filing fees		31,529	103,638	-
Office and miscellaneous		32,302	50,560	66
Professional fees		98,436	170,966	12,571
Share-based compensation	**8,9**	1,060,867	1,551,344	-
OPERATING EXPENSES		**(1,876,643)**	**(2,743,017)**	**(83,512)**
OTHER EXPENSES				
Interest expense		(3,910)	(6,352)	-
Interest income		11,678	11,678	-
Listing expense	**1**	-	(1,430,919)	-
Loss on debt settlement	**8**	-	(304,944)	-
NET AND COMPREHENSIVE LOSS		**(1,868,875)**	**(4,473,554)**	**(83,512)**
Loss per share, basic and diluted		(0.05)	(0.15)	(0.01)
Weighted average number of common shares outstanding – Basic and diluted		41,085,692	29,553,322	11,250,100

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

Pan American Energy Corp. (Formerly Golden Sun Mining Corp.)
Condensed Consolidated Interim Statements of Changes in Equity (Deficiency)
For the Nine Months Ended December 31, 2022 and for the Period From Incorporation on October 12, 2021 to December 31, 2021
In Canadian Dollars, unless noted (unaudited)

	Common Shares	Share Capital	Reserves	Deficit	Total Equity (Deficiency)
	Number (#)	$	$	$	$
Incorporation, October 12, 2021	-	-	-	-	-
Incorporation shares	100	1	-	-	1
Shares issued - private placements	20,000,000	1,500,000	-	-	1,500,000
Net and comprehensive loss for the period	-	-	-	(83,512)	(83,512)
Balance, December 31, 2021	**20,000,100**	**1,500,001**	**-**	**(83,512)**	**1,416,489**
Balance, March 31, 2022	20,000,100	1,500,001	-	(157,345)	1,342,656
Shares issued - Corporate Transaction (Note 1)	4,099,366	409,937	-	-	409,937
Shares issued - settlement of indebtedness (Note 8)	1,270,600	533,652	-	-	533,652
Shares issued - Big Mack Lithium Property (Note 6)	392,156	200,000	-	-	200,000
Shares issued - private placement (non-flow-through) (Note 8)	10,000,000	5,000,000	-	-	5,000,000
Shares issued - private placement (flow-through) (Note 8)	4,615,384	2,307,692	-	-	2,307,692
Shares issued - Horizon Lithium Property (Note 6)	3,012,174	2,746,000	-	-	2,746,000
Share issuance costs (Note 8)	-	(587,763)	258,272	-	(329,491)
Vesting of options and restricted share rights (Note 8)	-	-	1,595,213	-	1,595,213
Net loss and comprehensive loss for the period	-	-	-	(4,473,554)	(4,473,554)
Balance, December 31, 2022	**43,389,780**	**12,109,519.00**	**1,853,485**	**(4,630,899)**	**9,332,105**

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

Pan American Energy Corp. (Formerly Golden Sun Mining Corp.)
Condensed Consolidated Interim Statement of Cash Flows
For the Nine Months Ended December 31, 2022 and for the Period From Incorporation on October 12, 2021 to December 31, 2021
In Canadian Dollars, unless noted (unaudited)

For the Periods Ended December 31,	2022	2021
	$	$
OPERATING ACTIVITIES		
Net loss for the period	**(4,473,554)**	**(83,512)**
Items not affecting cash		
Listing expense (Note 1)	1,430,919	-
Loss on debt settlement (Note 8)	304,944	-
Share-based compensation (Note 8)	1,551,344	-
Net changes in non-cash working capital items:		
Accounts receivable	(46,370)	-
Prepaid expenses	(439,312)	-
Accounts payable and accrued liabilities	(584,199)	85,446
Cash used in operating activities	**(2,256,228)**	**1,934**
INVESTING ACTIVITIES		
Property option agreement payments (Note 5)	(425,750)	-
Exploration and evaluation expenditures (Note 5)	(192,281)	-
Cash acquired through reverse takeover (Note 1)	27,405	-
Cash used in investing activities	**(590,625)**	**-**
FINANCING ACTIVITIES		
Share issuance proceeds (Note 8)	8,000,000	1,500,001
Share issuance costs (Note 8)	(329,491)	-
Net change in pre-acquisition loan receivable from acquiree (Note 1)	151,397	-
Cash received from financing activities	**7,821,906**	**1,500,001**
Net change in cash	4,975,052	1,501,935
Cash, beginning of period	1,310,469	-
Cash, end of period	**6,285,521**	**1,501,935**

No cash interest nor income taxes paid during the nine months ended December 31, 2022 (2021 – Nil).

Supplemental cash flow information (Note 12)

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

1. NATURE OF OPERATIONS

a. Corporate information

Pan American Energy Corp. (formerly “Golden Sun Mining Corp.”) (the “Company”) was incorporated under the laws of British Columbia on March 14, 2007. The Company's corporate office and principal place of business is 521 3rd Avenue SW, Suite 100, Calgary, Alberta T2P 3T3.

On May 5, 2022, the Company entered into a share purchase agreement (the “Agreement”) with 1328012 B.C. Ltd. (“Numberco”). Pursuant to the terms of the Agreement, the Company acquired all of the outstanding securities of Numberco in exchange for securities of the Company. The shareholders of Numberco received securities of the Company such that they collectively control the Company subsequent to the completion of the transaction. The transaction constitutes a reverse acquisition of the Company by Numberco for accounting purposes. Consequently, the comparative figures reported are those of Numberco.

Numberco was incorporated under the laws of the Business Corporations Act (British Columbia) on October 12, 2021, and as such, the comparative periods for presentation are from the period of incorporation on October 12, 2021 to December 31, 2021.

On May 19, 2022, the Company listed its common shares on the Canadian Securities Exchange (the “CSE”) under the symbol “GSU”. On June 29, 2022, the Company changed its name to “Pan American Energy Corp.” from “Golden Sun Mining Corp.” and began trading under the symbol “PNRG”.

The Company is Canadian corporation that is in the business of exploration and evaluation of mineral properties.

These condensed consolidated interim financial statements (the “financial statements”) were approved by the Board of Directors on March 1, 2023.

b. Corporate Transaction

On May 5, 2022, the Company entered into the Agreement with Numberco, pursuant to which the Company acquired 100% of the issued and outstanding securities of Numberco in exchange for 20,000,100 common shares and 20,000,000 share purchase warrants of the Company. As a result of the Agreement, securityholders of Numberco hold 20,000,100 common shares of the Company representing 82.99 percent and securityholders of the Company hold 4,099,366 common shares representing 17.01 percent of the Company. The securityholders of Numberco, therefore, controlled the Company upon completion of the Agreement. The transaction was accounted for as a reverse acquisition, with Numberco identified as the acquirer. The acquisition was completed on May 19, 2022.

The fair value of the consideration was determined based on 4,099,366 common shares issued at the price of $0.10 per share, which corresponds to the price of the most recent financing closed totaling $409,937.

The purchase price allocation at the acquisition date was:

	$
Net assets acquired	
Cash	27,405
Accounts receivable	24,159
Prepaid expenses	10,103
Exploration and evaluation assets	167,422
Accounts payable and accrued liabilities	(940,900)
Promissory note payable	(150,000)
Loan payable	(159,171)
Listing expense[1]	1,430,919
Net assets acquired	**409,937**
Consideration	
Fair value of 4,099,366 shares issued	**409,937**

(1) The transaction costs, primarily relating to the acquired public exchange listing, were expensed.

2. GOING CONCERN

These financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company does not generate cash flow from operations to fund its exploration activities and has therefore relied upon the issuance of securities for financing. The Company intends to continue relying upon the issuance of securities to finance its future operations and exploration activities to the extent such instruments are issuable under terms acceptable to the Company. While the Company has been successful in raising funds in the past, it is uncertain whether it will be able to raise sufficient funds in the future.

These events and conditions create a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern. If the Company is unable to secure additional financing, repay liabilities as they come due, negotiate suitable joint venture agreements, and/or continue as a going concern, then material adjustments may be required to the carrying value of assets and liabilities and the statement of financial position classifications used. These financial statements do not include any adjustments that may arise should the Company be unable to continue as a going concern.

The COVID-19 pandemic continues to impact the global economic recovery. The current situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the financial effect on the Company is not known at this time. Estimates and judgments made by management in the preparation of these financial statements are subject to a higher degree of measurement uncertainty during this volatile period.

3. BASIS OF PRESENTATION

a. Basis of preparation

In these financial statements, unless otherwise indicated, all amounts are expressed in Canadian dollars, which is the Company's functional and presentation currency.

These financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34 Interim Financial Reporting using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These financial statements are condensed as they do not include all of the information required by IFRS for annual financial statements and therefore should be read in conjunction with the Company's audited financial statements for the year ended March 31, 2022.

b. Basis of consolidation

These financial statements include the operations of the Company and its wholly owned subsidiaries as follows:

- 1328012 B.C. Ltd. Which is incorporated in British Columbia, Canada
- Legacy Lithium Corp, which is incorporated in British Columbia, Canada
- Pan American Energy, LLC which is incorporated in Utah, United States

Control exists when the parent company has the power, directly or indirectly, to govern the financial and operating policies of an entity to obtain benefits from its activities. All significant intercompany transactions and balances have been eliminated.

c. Foreign currencies

The Company's functional and presentation currency is the Canadian dollar.

Monetary assets and liabilities are translated into Canadian dollars using the exchange rate in effect at the date of the statement of financial position.

Non-monetary assets and liabilities that are measured at historical cost are translated into Canadian dollars using the exchange rate in effect at the date of the initial transaction and are not subsequently restated. Non-monetary assets and liabilities that are measured at fair value or a revalued amount are translated into Canadian dollars by using the exchange rate in effect at the date the value is determined, and the related translation differences are recognized in net income or other comprehensive loss consistent with where the gain or loss on the underlying non-monetary asset or liability has been recognized.

d. Significant accounting judgments and estimates

The timely preparation of these financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and expenses, and the disclosure of contingent assets and liabilities. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to estimates are recognized prospectively. As at December 31, 2022 the following have been identified as material estimates:

i. Share-based compensation
Management determines fair value for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based share awards are determined at the date of grant using valuation techniques. Assumptions are made and judgment used in applying valuation techniques.

These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors and corporate performance. Similar calculations are made to value warrants. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

In the preparation of these financial statements, management has made judgments, aside from those that involve estimates, in the process of applying the accounting policies. The following critical judgments can have an effect on the amounts recognized in the financial statements:

i. Exploration and evaluation assets
The Company is required to make certain judgments in assessing indicators of impairment of exploration and evaluation assets. Judgment is required to determine if the right to explore will expire in the near future or is not expected to be renewed.

In Canadian Dollars, unless noted (unaudited)

Judgment is required to determine whether substantive expenditures on further exploration for and evaluation of mineral resources in specific areas will not be planned or budgeted. Judgment is required to determine if the exploration for and evaluation of mineral resources in specific areas have not led to the commercially viable quantities of mineral resources and the Company will discontinue such activities. Judgment is required to determine whether there are indications that the carrying amount of an exploration and evaluation property is unlikely to be recovered in full from successful development of the project or by sale.

ii. **Flow-through expenditures**
The Company is required to spend proceeds received from the issuance of flow-through shares on qualifying resources expenditures.

Differences in judgment between management and regulatory authorities with respect to qualified expenditures may result in disallowed expenditures by the tax authorities. Any amount disallowed may result in the Company's required expenditures not being fulfilled.

4. PREPAID EXPENSES

As at December 31, 2022, the Company's prepaid expenses were as follows:

	December 31, 2022	March 31, 2022
	$	$
Marketing and advertising	403,282	-
Exploration costs	20,000	-
Insurance	16,133	-
Legal	10,000	-
Total	**449,415**	**-**

5. PROMISSORY NOTE RECEIVABLE

During the year ended March 31, 2022, the Company and Numberco entered into a promissory note agreement ("Loan") to borrow up to $500,000 for the purpose of pursuing the Agreement. The Loan accrued interest at 10% per annum payable along with the principal on the earlier of the maturity date of nine months from the effective date of the initial advance or the demand date. As a result of the Agreement, the total Loan of $150,000 and interest receivable of $2,630, were eliminated upon consolidation. See Note 1(b) for additional information.

6. EXPLORATION AND EVALUATION ASSETS

As at December 31, 2022, the Company's exploration and evaluation assets were as follows:

	Green Energy	Big Mack	Horizon	Total
	$	$	$	$
Balance, March 31, 2022	-	-	-	**-**
Agreement (Note 1b)	167,442	-	-	**167,442**
Option agreement - cash	-	80,000	345,750	**425,750**
Option agreement - share issuance		200,000	2,746,000	**2,946,000**
Expenditures	112,152	89,623	89,688	**291,463**
Capitalized share-based compensation (Note 8d)	-	43,869	-	**43,869**
Balance, December 31, 2022	**279,594**	**413,492**	**3,181,438**	**3,874,524**

In Canadian Dollars, unless noted (unaudited)

The following table summarizes the Company's exploration and evaluation expenses by property and type of expense, for the nine months ended December 31, 2022:

	Green Energy	Big Mack	Horizon	Total
	$	$	$	$
Geophysics	59,452	13,375	57,238	**130,065**
Drilling	-	64,248	-	**64,248**
Land maintenance	52,700	-	-	**52,700**
Reporting and administration	-	12,000	32,450	**44,450**
Balance, December 31, 2022	**112,152**	**89,623**	**89,688**	**291,463**

Acquisition: Green Energy Lithium Property

As a result of the Agreement, exploration and evaluation assets were acquired which relate to the following:

On December 4, 2021, the Company entered into the Amended and Restated Asset Purchase Agreement with Beta Energy Corp. and Voltaic Minerals (USA), Inc. for the purchase of the mineral property referred to as the Green Energy Project located in the State of Utah. Pursuant to the terms of the agreement, the Company issued to Beta Energy Corp. 1,000,000 common shares and at any time within twenty-four months following the closing date, the Company has the option to complete the acquisition by issuing to Beta Energy Corp. $950,000 worth of common shares at the market price, either in a single or multiple tranches.

The total value of the acquisition was $50,000 (1,000,000 common shares, issued at $0.05 per share) and has been recorded as "Exploration and Evaluation Assets" on the statement of financial position. In addition, the Company had capitalized $117,422 in costs related to the exploration and evaluation of the property acquired.

At December 31, 2022, the Company has capitalized costs of $279,594 related to the Green Energy Lithium Property, which consists of $167,442 in costs prior to the Corporate Transaction and $112,152 in exploration and evaluation costs incurred by the Company since May 14, 2022 (the date of the Corporate Transaction).

Acquisition: Big Mack Lithium Property

On August 22, 2022, the Company entered into a property option agreement ("Big Mack Option Agreement"), with Magabara Resources Corporation (the "Big Mack Vendor"), pursuant to which the Company has been granted the right to acquire up to a 90% interest in and to the Big Mack Lithium Property, which consists of a single mining lease (LEA-107832) in the Paterson Lake Area located approximately 80 kilometres north of Kenora, Ontario, Canada (the "Big Mack Lithium Property").

Pursuant to the terms of the Big Mack Option Agreement, the Company has the option to acquire a 90% interest in the Big Mack Property from the Big Mack Vendor, in consideration for completing a series of cash payments and issuances of common shares in accordance with the following schedule:

Milestones	Cash Payments	Common Shares Issuances[1]	Exploration Expenditures
Phase 1: Acquire 51%			
Within thirty (30) days following the "Effective Date" (August 22, 2022)	$80,000	-	-
Within ninety (60) days following the Effective Date	-	$200,000	-
Within twelve (12) months following the Effective Date	-	-	$1,000,000
Phase 2: Acquire Additional 24% (Total 75%)			
Within twelve (12) months following the Effective Date	$90,000	-	-
Within twenty-four (24) months following the Effective Date	-	$400,000	$1,000,000

In Canadian Dollars, unless noted (unaudited)

Phase 3: Acquire Additional 15% (Total 90%)			
Within thirty-nine (36) months following the Effective Date	$30,000	$100,000	$1,000,000

Note:
1) Common Shares to be valued based on the Canadian Securities Exchange price on the day of issuance.

At December 31, 2022, the Company has capitalized $280,000 in payments made in accordance with the option agreement ($80,000 cash and 392,156 common shares issued on August 30, 2022 at $0.51/common share, for total consideration of $200,000), $43,869 in capitalized share-based compensation and $89,623 in costs related to the exploration and evaluation of the Big Mack Lithium Property.

Acquisition: Horizon Lithium Property

On September 27, 2022, the Company entered into a property option agreement ("Horizon Option Agreement"), with FMS Lithium Corporation and Horizon Lithium LLC (the "Horizon Vendors"), pursuant to which the Company has been granted the right to acquire a 100% interest in the Horizon Lithium Property (the "Horizon Property"). The Horizon Property is comprised of 839 unpatented lode mining claims covering approximately 17,334 acres of land, located in the Big Smoky and Monte Cristo Basins of Esmeralda County, Nevada.

Pursuant to the terms of the Horizon Option Agreement, the Company has the option to acquire a 100% interest in the Horizon Property from the Horizon Vendor, in consideration for completing a series of cash payments and issuances of common shares in accordance with the following schedule:

Milestones(2)	**Cash Payments**	**Common Shares Issuances(1)**
Initial Payment (within five business days of the Option Agreement)	US$250,000	US$2,000,000
First Anniversary of Receipt of Drill Permits Necessary for the Company to Undertake Exploration Drilling (the "Drill Permits")	US$250,000	US$3,000,000
Second Anniversary of Receipt of Drill Permits	US$500,000	US$4,000,000

Note:
1) Common Shares to be valued based on the greater of the 20-day volume-weighted average price ("VWAP") of the common shares prior to the issuance of such common shares and the lowest price permissible pursuant to the policies of the exchange(s) on which the common shares are then listed.
2) In addition, if during the period beginning on September 27, 2022 (the "Effective Date") and ending on the date that is five (5) years from the Effective Date, (A) the Company completes 10 consecutive drill holes on the Horizon Property, which drill holes are comprised of at least 400 meters of drilling and which drill holes have an average grade across the cumulative core of such drill holes of at least 750 parts per million lithium, the Company shall issue an additional US$1,250,000 worth of common shares, and (B) if the Company publicly discloses a National Instrument 43-101 compliant technical report declaring a mineral resource estimate on the Property containing inferred mineral resources of 2 million tonnes or greater of lithium carbonate equivalent, the Company shall issue an additional US$3,750,000 worth of common shares.

At December 31, 2022, the Company has capitalized $345,750 in option agreement payments, issued 3,012,174 common shares at $0.91 common shares in value of US$2,000,000 (CAD$2,746,000) and $89,688 in costs related to the exploration and evaluation of the Horizon Lithium Property.

7. LOAN PAYABLE

As a result of the Agreement, loans payable were assumed which relate to the following:

- On November 18, 2020, the Company entered into a loan agreement with a non-arm's length party for $50,000, bearing interest at Prime plus 1% per annum due on November 18, 2021. On January 28, 2021, the Company entered into a further loan agreement with a non-arm's length party for $152,518 bearing interest at a rate of 4.00% per annum due on demand or before July 1, 2021. On April 19, 2021, the Company repaid $50,000 under the 4.00% loan payable.

As at December 31, 2022, $166,943 (March 31, 2022- $Nil) is outstanding, including $152,518 in principal plus $14,425 in accrued interest payable (March 31, 2022 - $Nil and $Nil, respectively).

In Canadian Dollars, unless noted (unaudited)

8. SHARE CAPITAL

a) Authorized and Issued Share Capital

During the nine months ended December 31, 2022, the Company had the following common share transactions:

	Description	Number of Shares	Amount ($)
Balance, March 31, 2022		**20,000,100**	**1,500,001**
May 19, 2022	Corporate Transaction (Note 1b)	4,099,366	409,937
June 23, 2022	Settlement of indebtedness	1,270,600	533,652
August 30, 2022	Option Agreement - Big Mack (Note 6)	392,156	200,000
October 11, 2022	Private placement	10,000,000	5,000,000
October 11, 2022	Private placement (flow-through)	4,615,384	3,000,000
October 17, 2022	Option Agreement – Horizon (Note 6)	3,012,174	2,746,000
Balance, December 31, 2022		**43,389,780**	**13,389,590**

On June 23, 2022, the Company entered into debt settlement agreements with certain creditors of the Company, pursuant to which it discharged aggregate indebtedness of $228,708 in consideration of the issuance of a total of 1,270,600 common shares of the Company at a fair value of $0.42 per common share. The Company recognized a loss on debt settlement of $304,944.

On October 11, 2022, the Company completed a non-brokered private placement of 10,000,000 units of the Company at $0.50 per unit for aggregate gross proceeds of $5,000,000. Each unit is composed of one common share and one common share purchase warrant. Finder's fees of $205,900 were paid and 674,100 finder's warrants fair valued at $257,322 were issued in connection with the private placement. Each finder's warrant is exercisable at $0.75 for two years from the date of issuance. There was no residual value allocated to the warrants.

On October 11, 2022, the Company completed a non-brokered private placement of 4,615,384 flow-through units (each, a "FT Unit") of the Company at $0.65 per FT Unit for aggregate gross proceeds of $3,000,000. Each FT Unit is composed of one common share, issued on a flow-through basis pursuant the Income Tax Act (Canada), and one common share purchase warrant. Each warrant is exercisable at $0.85 per share for two years from the date of issuance. Finder's fees of $123,591 were paid and 2,638 finder's warrants fair valued at $950 were issued in connection with the private placement. There was residual value allocated to the flow-through obligation, based on a $0.15 premium between the $0.65 FT Unit issued and the $0.50 unit issued. As a result, $692,308 in flow-through premium liability was recorded as an "Other Liability" on the Statement of Financial Position. The Company will begin to reverse the flow-through premium when the paperwork to renounce is filed.

b) Share Purchase Warrants

A summary of the Company's purchase warrants ("warrants") is as follows as at December 31, 2022:

	Number of Warrants	Weighted Average Exercise Price	Expiry Date
Balance, March 31, 2022	-	$ -	
Granted – Corporate Transaction	10,000,000	$0.10	October 25, 2023
Granted – Corporate Transaction	10,000,000	$0.12	December 8, 2023
Granted - Private Placement	10,000,000	$0.75	October 11, 2024
Granted - Private Placement	4,615,384	$0.85	October 11, 2024
Granted – Finder's Warrants	674,100	$0.75	October 11, 2024
Granted - Finder's Warrants	2,638	$0.85	October 11, 2024
Balance, December 31, 2022	**35,292,122**	**$0.40**	

The share purchase warrants have a weighted average remaining life of 1.27 years.

In Canadian Dollars, unless noted (unaudited)

c) Share Purchase Options

A summary of the Company's share purchase options ("options") is as follows:

	Number of Options	Weighted Average Exercise Price
Balance, March 31, 2022	**300,000**	**$0.50**
Granted - May 19, 2022	1,300,000	$0.35
Granted - November 10, 2022	200,000	$0.71
Granted - December 1, 2022	50,000	$0.80
Balance, December 31, 2022	**1,850,000**	**$0.43**

At December 31, 2022, the following options were outstanding:

Grant Date	Number of Options	Exercisable	Exercise Price	Expiry Date	Weighted Average Remaining Life
April 22, 2021	300,000	300,000	$0.50	April 22, 2026	3.31
May 19, 2022	1,300,000	1,300,000	$0.35	May 19, 2024	1.38
November 10, 2022	200,000	-	$0.71	November 10, 2027	4.86
December 1, 2022	50,000	12,500	$0.80	December 1, 2027	4.92
	1,850,000	**1,612,500**	**$0.43**		**2.17**

The fair value of each option granted was determined using the Black-Scholes option pricing model with the weighted average assumptions as follows:

	2022
Exercise price	$0.41
Risk-free interest rate	2.88%
Volatility	100%
Dividend yield	0.00%
Expected life (years)	2.81
Forfeiture rate	0.00%

During the nine months ended December 31, 2022, the Company recorded $76,598 as share-based compensation expense related to the vesting of the options.

d) Restricted Share Rights

A summary of the Company's restricted share rights ("RSRs") is as follows:

	Number of RSRs
Balance, March 31, 2022	**-**
Granted – Time Based Vesting	3,262,508
Granted – Performance Based Vesting	1,187,500
Balance, December 31, 2022	**4,450,008**

Time Based Vesting

On August 31, 2022, the Company issued and granted 2,162,500 time-based vesting RSRs to certain consultants and a director of the Company. The RSRs vest quarterly in four equal tranches and expire on August 31, 2025.

On November 10, 2022, the Company issued and granted 850,000 RSRs to certain consultants of the Company. The RSRs vested immediately and expire November 10, 2025.

In Canadian Dollars, unless noted (unaudited)

On November 10, 2022, the Company issued and granted 250,008 time-based vesting RSRs to a director of the Company. The RSRs will vest in 12 quarterly installments of 20,834 RSRs, beginning on January 31, 2023 and ending on October 31, 2025.

For the nine months ended December 31, 2022, the Company recorded $1,134,267 in share-based compensation related to the vesting of these RSRs.

Performance Based Vesting

The Company issued 1,000,000 RSRs to it's CEO, with the following performance-based milestones:

- 500,000 RSRs will be released quarterly in four equal tranches beginning four months after the date of final acceptance of the Company's listing. As the Company was successfully listed on the CSE the RSRs were earned and valued on May 19, 2022 ($0.05 per RSR). The RSRs will vest in four equal tranches on August 19, 2022, November 19, 2022, February 19, 2023 and May 19, 2023.

- 500,000 of the RSRs will vest in three equal tranches based on the successful completion of the following:
  a) Successful launch of a pilot project;
  b) Successful fundraise of $5,000,000 in a single financing or in a series of financings; and
  c) Complete an acquisition or series of acquisitions in total value over $2,000,000.

Management has applied vesting probability of 100% to the vesting of these RSRs, as the Company had successfully listed on the CSE on May 19, 2022 (500,000 RSRs at $0.05 per RSR), launched a pilot project, raised over $5,000,000 in financing and completed $2,000,000 in acquisitions (500,000 RSRs at $0.65 per RSR). As a result, $340,749 has been recorded as share-based compensation expense related to the vesting of these RSRs for the nine months ended December 31, 2022.

On August 31, 2022, the Company issued and granted 187,500 RSR's to a consultant, with performance-based milestones tied to the Big Mack Lithium Project. At December 31, 2022, management applied a 100% probability to the vesting of these RSRs. As a result, $43,869 has been capitalized to "Exploration and Evaluation Assets" related to the vesting of these RSRs for the nine months ended December 31, 2022.

For the nine months ended, the Company recorded a total of $1,518,615 related to the vesting of RSRs, where $1,474,746 was recorded in share-based compensation and $43,869 was capitalized to "Exploration and Evaluation Assets".

9. RELATED PARTY TRANSACTIONS AND BALANCES

Key management personnel are those personnel having the authority and responsibility for planning, directing, and controlling the Company and include both executive and non-executive directors, and entities controlled by such persons. The Company considers all directors and officers of the Company to be key management personnel.

Related party transactions are conducted in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed to by the parties.

The aggregate value of transactions relating to key management personnel during the nine months ended December 31, 2022 and the comparative period were as follows:

For the Period Ended	December 31, 2022	December 31, 2021
	$	$
Management fees (to company owned by CEO)	110,000	23,625
Management fees (to company owned by CFO)	88,875	-
Share-based compensation (to directors and officers)	419,713	-
Total	**618,588**	**23,625**

As at December 31, 2022, a $24,198 balance was owing to key management personnel for fees and expenses incurred on behalf of the Company with these amounts all included in accounts payable and accrued liabilities (2021 – $23,625). The amounts payable are non-interest bearing, are unsecured, and have no specific terms of repayment.

10. COMMITMENTS

The Company has a contract with a company controlled by the CEO and Director of the Company for monthly payments of $12,000 for a period of two years beginning in May 2021.

As a result of the flow-through financing structure (see Note 8(a)) on October 11, 2022, the Company is committed to expend $3,000,000 of flow-through share proceeds related to flow-through shares issued during the period on qualifying exploration expenditures. The Company must incur the eligible expenditures within 24 months from issuing the flow-through shares.

As at December 31, 2022, the Company has $2,910,377 remaining in committed flow-through proceeds to be expended.

11. RISK MANAGEMENT

a) Financial Risk Management

The Company may be exposed to risks of varying degrees of significance which could affect its ability to achieve its strategic objectives. The main objectives of the Company's risk management processes are to ensure that risks are properly identified and that the capital base is adequate in relation to those risks. The principal risks to which the Company is exposed are described below.

i. Credit Risk

Credit risk is the risk that a counter party will be unable to pay any amounts owed to the Company. Management's assessment of the Company's exposure to credit risk on its $6,285,521 in cash (March 31, 2022 - $1,310,469) is low as the Company's cash is held with major Canadian financial institutions.

ii. Liquidity Risk

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they fall due. As at December 31, 2022 the Company's working capital surplus is $5,457,581 (March 31, 2022 - $1,342,656), and it does not have any long-term monetary liabilities.

The Company may seek additional financing through debt or equity offerings, but there can be no assurance that such financing will be available on terms acceptable to the Company or at all. Any equity offering will result in dilution to the ownership interests of the Company's shareholders and may result in dilution to the value of such interests.

iii. Market Risk

Market risk incorporates a range of risks. Movements in risk factors, such as currency risk, price risk and interest rate risk, affect the fair values of financial assets and liabilities. The Company is not exposed to these risks.

iv. Currency Risk

The operating results and financial position of the Company are reported in Canadian dollars. As the Company is exploring opportunities in an international environment, some of the Company's financial instruments and transactions are denominated in currencies other than the Canadian dollar. The results of the Company's operations are subject to minimal currency risk and is nominal to the financial statements.

The Company has not entered into any agreements or purchased any foreign currency hedging instruments to hedge possible currency risks at this time. Management believes the foreign exchange risk derived from currency conversions is not significant, and therefore, does not hedge its foreign exchange risk.

In Canadian Dollars, unless noted (unaudited)

b) Fair Values

The carrying values of cash, accounts payable and accrued liabilities and loan payable approximate their fair values due to their short-term to maturity.

Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

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 not observable, either directly or indirectly, for substantially the full term of the asset or liability.

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).

12. SUPPLEMENTAL CASH FLOW INFORMATION

For the Nine Months Ended	December 31, 2022
	$
Finders warrants issued for share issuance costs	258,272
Shares issued for purchase of exploration and evaluation assets	2,946,000
Transfer to “Other Liability” for the flow-through premium (Note 8)	692,308
Interest paid	-
Taxes paid	-

13. SUBSEQUENT EVENTS

On February 8, 2023, the Company announced that it has entered into an arrangement agreement (the “Arrangement”) with a newly incorporated, wholly owned subsidiary of the Company named Legacy Lithium Corp. (“Legacy”) with respect to the proposed “spin out” of the Company’s Green Energy Lithium Property, (the “Property”). The Arrangement involves, among other things, the distribution of 100% of the common shares of Legacy (the “Legacy Common Shares”) to Company shareholders pursuant to the terms and subject to the conditions contained in the Arrangement Agreement, such that each shareholder as of a particular record date, occurring immediately prior to closing of the Arrangement (the “Record Date”), will receive one Legacy Common Share for each five common shares of the Company held as of the Record Date. It is anticipated that the Record Date of the Arrangement will be on or about April 17th, 2023 and the closing date of the Arrangement will occur on or about April 19th, 2023. In connection with the Arrangement, share purchase warrants of the Company will be adjusted in accordance with their terms, as described in more detail in the information circular (“Circular”) that will be mailed to shareholders prior to the Meeting.

Subsequent to December 31, 2022, the following share awards were exercised into common shares of the Company:
- 2,600,000 share purchase warrants for total proceeds of $284,000.
- 850,000 restricted share rights for nil proceeds.

14. ADOPTION OF NEW AND REVISED STANDARDS AND INTERPRETATION

Flow Through Shares

Flow-through shares entitle a company that incurs certain resource expenditures in Canada to renounce them for tax purposes allowing the expenditures to be deducted for income tax purposes by the investors who purchase the shares.

At the time of closing a financing involving flow-through shares, the Company allocates proceeds received first to common shares based on the market trading price of the common shares at the time the flow-through shares are issued, and any excess is allocated to flow-through premium liability.

At the time of closing a financing involving flow-through units consisting of common shares and warrants, the Company allocates proceeds received as follows:

- Share capital – the market trading price of the common share;
- Flow-through premium – the difference noted between the market trading price of the common share and the price for each flow-through share or unit.
- Warrant reserve – any excess noted, if any.

Thereafter, as qualifying resource expenditures are incurred, these costs are expensed as exploration and evaluation expenses and the flow-through premium, if any, will be reversed when the paperwork to renounce is filed.

At the end of each reporting period, the Company reviews its tax position and records an adjustment to its deferred tax expense/liability accounts for taxable temporary differences, including those arising from the transfer of tax benefits to investors through flow-through shares. For this adjustment, the Company considers the tax benefits (of qualifying resource expenditures already incurred) to have been effectively transferred, if it has formally renounced those expenditures at any time.

The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the look-back rule in accordance with Government of Canada flow-through regulations. When applicable, this flow-through share tax expense is accrued and recorded in profit or loss.

In addition, there are no new IFRS standards issued, but not yet effective, that may affect the financial statements of the Company.