**FORM 51-102F3**

**AMENDED AND RESTATED MATERIAL CHANGE REPORT**
**AMENDS AND RESTATES THE MATERIAL CHANGE REPORT DATED MAY 6, 2021**

**ITEM 1. Name and Address of Company**

Spey Resources Corp. (the "**Company**")
#3500 – 1055 Dunsmuir Street
Vancouver, BC V7X 1L3

**ITEM 2. Date of Material Change**

April 26, 2021

**ITEM 3. News Release**

A news release with respect to the contents of this report was issued on April 26, 2021 and was disseminated through the facilities of recognized newswire services. A copy of the news release was filed on SEDAR.

**ITEM 4. Summary of Material Change**

The Company entered into a share purchase agreement dated as of April 23, 2021 (the "**Share Purchase Agreement**" or "**SPA**") with the shareholders (the "**Vendors**") of Tech One Lithium Resources Corp. ("**Tech One**"). The transaction completed on April 26, 2021, pursuant to which the Company purchased all of Tech One's issued and outstanding shares (the "**Tech One Shares**"). As consideration for the Company's purchase of the Tech One Shares, the Company issued an aggregate of 23,500,000 shares ("**Shares**") to the Vendors.

**ITEM 5. Full Description of Material Change**

**5.1 Full Description of Material Change**

The Company announced that it has entered into the Share Purchase Agreement with the Vendors, under which the Company purchased the Tech One Shares. As consideration for the Company's purchase of the Tech One Shares, the Company issued an aggregate of 23,500,000 Shares to the Vendors. Subsequent to the transaction, the original shareholders of Tech One obtained control of the Company, which resulted in a reverse acquisition. As a result, Tech One is deemed to be the continuing entity for accounting purposes.

Tech One has the option (the "**Option**") to acquire 100% of the mineral concessions of the Candela II project located within the prolific Lithium Triangle, in the Salta Province of Argentina ("**Candela II**"). Candela II covers 300 hectares, is represented by the mineral claim number 23262 located in the Incahuasi Salar and is road accessible. Tech One has optioned the project from A.I.S Resources Limited ("**AIS**") under an amended and restated exploration joint venture purchase agreement (the "**Option Agreement**") dated April 21, 2021 between Tech One and AIS. AIS's management team, headed by Phillip Thomas, will be managing the project pursuant to the Option Agreement.

Tech One can acquire an 80% interest in Candela II (the "**First Option**") by making the following schedule of payments and expenditures under the Option Agreement:

- US $100,000 payment within 5 business days of signing the Option Agreement (PAID);
- US $100,000 payment within 5 business days before September 18, 2021; (PAID)

- US $1,000,000 payment in within 5 business days before March 18, 2022; (PAID) and,
- Making US $500,000 in exploration or production expenditures by no later than April 21, 2022. (INCURRED)

Upon Tech One successfully exercising the First Option, Tech One shall have the further option (the "**Second Option**"), but not the obligation, to acquire the remaining 20% interest in Candela II from AIS by making the following payment to AIS:

- US $6,000,000 on or before March 18, 2023 (the "**Second Option Payment**"), provided, however, that the amount of the Second Option Payment shall be increased by: an additional US $250,000 for each five tonnes of lithium metal equivalent by which the indicated or inferred resource estimate (if any) in respect of Candela II exceeds 45 tonnes of lithium metal equivalent (239,000 tonnes of lithium carbonate).

**5.2 Disclosure for Restructuring Transactions**

***The Company***

The Company was incorporated under the *Business Corporations Act* (British Columbia) on July 31, 2017 and is a reporting issuer in British Columbia, Alberta Saskatchewan, Manitoba and Ontario. The following information has been incorporated by reference in this Material Change Report from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Company at #3500 – 1055 Dunsmuir Street, Vancouver, BC V7X 1L3 Attention: Nader Vatanchi, (778) 881-4631, and are also available electronically at www.sedar.com.

A. audited financial statements of the Company for the years ended November 30, 2020 and 2019;

B. Management's Discussion and Analysis of Financial Results for the Company for the year ended November 30, 2020;

C. unaudited amended and restated interim financial statements of the Company for the three and six months ended May 31, 2021 and 2020;

D. Amended and Restated Management's Discussion and Analysis of Financial Results for the Company for the three and six months ended May 31, 2021;

E. unaudited amended and restated interim financial statements of the Company for the three and nine months ended August 31, 2021 and 2020;

F. Amended and Restated Management's Discussion and Analysis of Financial Results for the Company for the three and nine months ended August 31, 2021;

G. Management Information Circular of the Company dated May 25, 2021 with respect to the Annual General and Special Meeting held on June 29, 2021;

H. Press Release dated April 26, 2021; and

I. Material Change Report dated May 6, 2021.

***Tech One***

Please refer to the attached Appendix "A" for information regarding Tech One.

Also included in this Amended and Restated Material Change report are:

- the audited annual financial statements of Tech One from the period of incorporation to May 31, 2021 (attached as Appendix "B");
- management's discussion and analysis of Financial Results for Tech One for the period of incorporation to May 31, 2021 (attached as Appendix "C").

**ITEM 6. Reliance on Subsection 7.1(2) of National Instrument 51-102**

This report is not being filed on a confidential basis.

**ITEM 7. Omitted Information**

There are no significant facts required to be disclosed herein which have been omitted.

**ITEM 8. Executive Officer**

The name and business number of the executive officer of Tech One who is knowledgeable of the material change and this report is:

Lawrence Hay
Chief Executive Officer and Director
Telephone – 778-317-8754

**ITEM 9. Date of Report**

August 8, 2022

## APPENDIX "A"

## INFORMATION CONCERNING TECH ONE LITHIUM RESOURCES CORP.

The following information is provided in respect of Tech One Lithium Resources Corp. ("**Tech One**") as at April 26, 2021 prior to a share purchase agreement with Spey Resources Corp. (the "**Transaction**"), unless the context requires otherwise.

## CORPORATE STRUCTURE

### Name, Address and Incorporation

Tech One was incorporated under the *Business Corporations Act* (British Columbia) on March 11, 2021 under the name "1293945 B.C. Ltd." On March 15, 2021, Tech One changed its name to "Tech One Lithium Resources Corp." No material amendments were made to Tech One's articles or other constating documents between the time of its incorporation and completion of the Transaction.

Tech One's head office is located at 106-461 16th Street, North Vancouver, British Columbia V7M 1V1 and its registered and records office is located at 106-461 16th Street, North Vancouver, British Columbia V7M 1V1

### Intercorporate Relationships

Tech One has no wholly-owned subsidiaries.

## GENERAL DEVELOPMENT OF THE BUSINESS

### Overview

Tech One's business is the acquisition, exploration and evaluation of natural resource properties in Canada and Argentina. Tech One holds (the "**Option**") to acquire up to 100% of the mineral concessions of the Candela II project located within the prolific Lithium Triangle, in the Salta Province of Argentina ("**Candela II Project**"). The Candela II Project covers 300 hectares, is represented by the mineral claim number 23262 located in the Incahuasi Salar, and is road accessible. Tech One has optioned the project from A.I.S Resources Limited ("**AIS**") under an amended and restated exploration joint venture purchase agreement (the "**Option Agreement**") dated April 21, 2021 between Tech One and AIS. AIS's management team, headed by Phillip Thomas, is managing the project pursuant to the Option Agreement.

Tech One has not determined whether its mineral property interests contain any economically recoverable mineral reserves. Tech One's operations and the underlying value of its mineral property interests are dependent, among other things, upon the existence of economically recoverable mineral reserves, the ability of Tech One to obtain the necessary financing to complete the exploration and development of its mineral property interests and to obtain necessary mining permits, and on future profitable production or the proceeds from the disposition of the exploration and evaluation assets.

**Three Year History of Tech One**

***From the date of incorporation to April 26, 2021***

- On March 11, 2021, Tech One issued 100 shares common shares in the capital of Tech One (the "**Common Shares**") as part of its incorporation at a price of $0.01 per Common Share, for gross proceeds of $1.00.

- On March 15, 2021, Tech One changed its name to "Tech One Lithium Resources Inc."

- On March 20, 2021, Tech One repurchased for cancellation 100 Common Shares previously issued in connection with incorporation, for an aggregate purchase price of $1.00.

- On March 20, 2021, Tech One issued 15,640,000 Common Shares at $0.001 per Common Share for gross proceeds of $15,640.

- On March 27, 2021, Tech One issued 1,000,000 Common Shares at $0.01 per Common Share for gross proceeds of $10,000.

- On April 16, 2021, Tech One issued 5,720,000 Common Shares at $0.10 per Common Share for gross proceeds of $572,000.

- On April 21, 2021, Tech One entered into the Option Agreement with AIS. Please see "*Description of the Business – Option Agreement*" for further details.

- On April 23, 2021, Tech One issued 1,140,000 Common Shares at $0.25 per Common Share for gross proceeds of $285,000.

- On April 23, 2021, Tech One entered into a share purchase agreement with Spey Resources Corp. (the "**Company**") and the shareholders of Tech One (the "**Share Purchase Agreement**")..

- On April 26, 2021, Tech One completed the Share Purchase Agreement with the Company and the shareholders of Tech One, pursuant to which Tech One became a wholly-owned subsidiary of the Company. Please see "*Description of the Business – Share Purchase Agreement*" for further details.

**Significant Transactions**

Please see "*Description of the Business – Option Agreement*" and "*Description of the Business – Share Purchase Agreement*".

## NARRATIVE DESCRIPTION OF THE BUSINESS

### Overview

As described above under "*General Development of the Business*", Tech One is a junior mineral exploration company engaged in the business of acquiring, exploring and evaluating natural resource properties.

Tech One has an Option to acquire up to 100% of the mineral concessions of the Candela II Project located within the Lithium Triangle, in the Salta Province of Argentina. Tech One has not determined whether its property interests contain mineral resources or mineral reserves that are economically recoverable. The recoverability of amounts shown for resource properties and related deferred exploration expenditures are dependent, among other thing, upon the existence of economically recoverable mineral reserves, the ability of Tech One to obtain necessary financing to complete the development of its mineral property and to obtain necessary mining permits and on future profitable production or proceeds of the exploration and evaluation assets. See "*Risk Factors*".

### *Option Agreement*

On April 21, 2021, Tech One entered into the Option Agreement with AIS, pursuant to which Tech One has the Option to acquire 100% of the mineral concessions of the Candela II Project. The Candela II Project covers 300 hectares, is represented by the mineral claim number 23262 located in the Incahuasi Salar and is road accessible.

Tech One can acquire an 80% interest in the Candela II Project (the "**First Option**") by making the following schedule of payments and expenditures under the Option Agreement:

- US $100,000 payment within 5 business days of signing the Option Agreement (PAID);
- US $100,000 payment within 5 business days before September 18, 2021 (PAID);
- US $1,000,000 payment in within 5 business days before March 18, 2022 (PAID); and,
- Making US $500,000 in exploration or production expenditures by no later than April 21, 2022 (INCURRED).

Upon Tech One successfully exercising the First Option, Tech One shall have the further option (the "**Second Option**"), but not the obligation, to acquire the remaining 20% interest in the Candela II Project by making the following payment to AIS:

- US $6,000,000 on or before March 18, 2023 (the "**Second Option Payment**"), provided, however, that the amount of the Second Option Payment shall be increased by: an additional US $250,000 for each five tonnes of lithium metal equivalent by which the indicated or inferred resource estimate (if any) in respect of Candela II exceeds 45 tonnes of lithium metal equivalent (239,000 tonnes of lithium carbonate).

### *Share Purchase Agreement*

On April 23, 2021, Tech One entered into the Share Purchase Agreement with the Company and the shareholders of Tech One, pursuant to which Tech One and its shareholders agreed to which sell all of the issued and outstanding Common Shares to the Company, in consideration for an aggregate of 23,500,000 common shares. No finder's fee was paid in connection with the transaction. The transaction completed on April 26, 2021.

The consideration payable to Tech One shareholders was determined following arm's length negotiations, utilizing business judgement, and the perceived general market potential of lithium, and of the region in which the project is situated.

**Principal Products or Services**

Tech One is in the mineral exploration business and does not have any marketable products at this time nor is it distributing any products at this time. In addition, Tech One does not know when the Candela II Project will reach the development stage and, if so, what the estimated costs would be to reach commercial production.

**Production and Sales**

Tech One's business requires specialized skills and knowledge in the areas of geology, drilling, planning, implementation of exploration programs and compliance. Tech One believes it will be able to readily locate and retain such professionals. The mineral exploration and development business is subject to mineral price cycles. The marketability of minerals and mineral concentrates is also affected by worldwide economic cycles. Tech One's exploration activities will be subject to various laws and regulations in the jurisdiction in which it operates relating to the protection of the environment. Due to the early stage of Tech One's expected activities, environmental protection requirements are expected to have a minimal impact on Tech One's capital expenditures and competitive position. If needed, Tech One will make and will continue to make expenditures to ensure compliance with applicable laws and regulations. New environmental laws and regulations, amendments to existing laws and regulations, or more stringent implementations of existing laws and regulations could have a material adverse effect on Tech One by potentially increasing capital and/or operating costs.

As of this Material Change Report, Tech One had no permanent full-time employees and no permanent part-time employees. The operations of Tech One are managed by its sole director and officer. Tech One hires consultants from time to time in the areas of mineral exploration, geology and business negotiations as required to assist in evaluating its interests and recommending and conducting work programs.

**Competitive Conditions and Position**

The mineral exploration and mining industry is very competitive and Tech One will be required to compete for the acquisition of mineral permits, claims, leases and other mineral interests for exploration and development projects. Tech One will compete with many companies that have greater financial resources and technical facilities than itself. Significant competition exists for the limited number of mineral acquisition opportunities available in Tech One's sphere of operations. As a result of this competition, Tech One's ability to acquire additional attractive mining properties on terms it considers acceptable may be adversely affected and will depend on its ability to obtain additional financing to fund further exploration activities.

**Lending Operations, Investment Policies and Restrictions**

Tech One has not adopted any specific policies or restrictions regarding investments or lending, but will ensure any investment or debt activities incurred are in the best interests of Tech One and its shareholders. Tech One expects that, in the immediate future in order to maintain and develop the Candela II Project, it will need to raise additional capital through equity and/or debt. If Tech One is unable to raise the necessary capital to meet its obligations as they become due, Tech One may have to curtail its operations or obtain financing at unfavourable terms.

**Bankruptcy and Receivership**

Tech One has not been the subject of any bankruptcy or any receivership or similar proceedings or any voluntary bankruptcy, receivership or similar proceedings, since incorporation.

**Material Restructuring**

Tech One has not completed any reorganization since its incorporation.

**Social and Environmental Policies**

Tech One is not expected to adopt any specific social or environmental policies that are fundamental to its operations (such as policies regarding its relationship with the environment, with the communities in the vicinity of its facilities or human rights policies). However, Tech One will ensure its ongoing compliance with local environmental laws in the jurisdictions in which it does business.

**Companies with Asset-backed Securities Outstanding**

Tech One does not have any asset-backed securities.

**Mineral Projects**

***Candela II Project***

The scientific and technical information included in the following section has been derived from the technical report entitled "Technical Report for the Incahuasi Salar Lithium Concession, Salta Province, Argentina", dated June 10, 2022 (the "**Candela II Technical Report**") and prepared by Michael J. Rosko, MS, PG, a "qualified person" as defined under NI 43-101 (the "**Author**").

*Project Description and Location*

The Candela II mining concession (the "**Project**") is a license for exploration of lithium and borates with a claim number Expediente No. 23,262. The Project is in the Los Andes department in Salta Province, Argentina. The concession is described in file 23,262 and Table 4-1 summarizes the Gauss Kruger - Posgar coordinates.

Table 0-1. Summary of Candela II Coordinates

| Point Corner | X Coordinate | Y Coordinate |
|---|---|---|
| 1 | 2,637,500 | 7,313,400 |
| 2 | 2,645,600 | 7,313,400 |
| 3 | 2,645,600 | 7,309,671.61 |
| 4 | 2,637,500 | 7,309,671.61 |

The Project covers approximately 29.6 square kilometers ($km^2$) being about 8 km long and 3.7 km wide. Figure 4-1 shows the location of the Project.

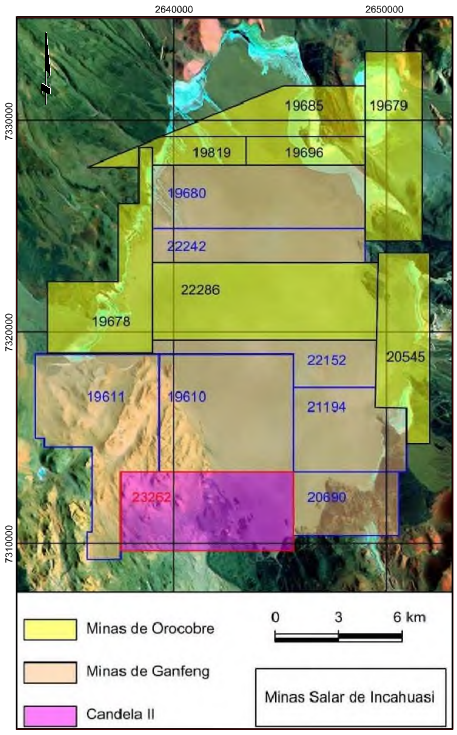



Figure 4 1. Map Showing the Incahuasi Salar and the Candela II Mining Concession

Mr. Frezze Durand (the "**Vendor**") had provided an option to AIS Resources Limited ("**AIS**") to acquire the Project by making a payment of USD$1million (about CAD$1,282,000). The Company and AIS have contractual obligations to keep the Project in good standing, including rehabilitation and/or other requirements.

Argentinean Mining law provides for the granting of two types of mining rights: exploration permits ("cateos") which are limited in duration and which allow for the exploration of a mineral property, and mining permits (minas), which allow for the exploitation of the minerals in the subject property. The designations of the permits in respect of the Project are mining permits. Mining permits are unlimited in duration and remain the holder's property as long as the holder meets their obligations under the Argentinean National Mining Code, including biennial canon payments and minimum investment commitments.

Prior to completing the option agreement, the Vendor was the sole legal and beneficial owner of mining tenements identified as File No. 23,262 – Mina Candela II. The option holders, AIS and the Company, also had the right to explore and the option to acquire, via an option agreement the mining tenement identified as File No. 23,262 located in Incahuasi Salar, Salta province. AIS paid a consideration to option the Project to the Vendor to acquire a 100% interest, and then optioned its interest in the Project to the Company.

The surface rights belong to the concession holder and have been acquired via the option agreement by the Company.

There are no encumbrances on the Project by the Company. The option agreement between AIS and Tech One (currently a wholly owned subsidiary of the Company) was signed on March 18, 2021. The option agreement between AIS and the Vendor was signed on February 18, 2021.

The Company had a USD $500,000 exploration expenditure commitment to explore the Project in the first year of the option; the exploration commitment work was completed and is documented in the Candela II Technical Report.

The royalties imposed on lithium producers by the province of Salta and the federal government are 4.5% of the Free On Board ("**FOB**") export value of lithium. From a historical perspective, Law No. 27,541 (Economic Emergency Law), which was adopted by the National Congress in 2019 enabled the federal government to impose export duties on mining activities until December 31, 2021. These cannot exceed 8% of the dutiable value of the official FOB price. Most provinces including Salta, have their own Mining Procedural Codes, which generally follow the standards and guidelines of the national Mining Code. The provincial Mining Procedural Codes include the following elements:

- Relevant procedure for requests for the granting of mineral rights.
- Available mechanisms to challenge decisions of mining enforcement authorities.

All persons or entities engaged in prospecting, exploration and exploitation activities are responsible for any environmental damage that may occur due to non-compliance with rules of environmental protection that apply to mining activities, whether the damage is caused directly or by contractors or subcontractors (*section 248, Argentine Mining Code*).

The titleholder is jointly and severally liable for damage caused by persons or entities conducting surface activities with the consent of the titleholder. Environmental requirements are set out in the Environmental General Protection Act No. 25,675, which also applies to the mining industry, and Law No. 24,585, which has been incorporated into the Mining Code. Law No. 24,585 outlines the most important rules of environmental protection specific to mining activities, including the following:

- Individuals or entities seeking to conduct prospecting, exploration, or exploitation activities must first file an environmental impact statement ("**EIS**") with the enforcement authority.
- If the EIS meets the standards of Law No. 24,585 and its complementary rules, the enforcement authority issues an environmental impact declaration ("**EID**") that allows the applicant to carry out the proposed activities.
- The EID is issued for 2 years with a set of conditions and requirements that the interested party must comply with to maintain the validity of the EID.
- Companies must submit updates of the EIS every 2 years from its initial approval.

The Federal Congress sets the minimum environmental standards, and the provincial and municipal governments can impose higher protections. Higher provincial and municipal requirements will apply if they are not manifestly incompatible with federal standards (this is the interjurisdictional co-ordination criteria established by the Federal Supreme Court) (section 41, Constitution).

All permitting for the proposed drill program had been submitted and accepted. An application for an exploration concession must include the following details:

- The geographic coordinates of the requested area.
- The purpose of the exploration.
- The name of the individual or company requesting the permit.
- The name of the owner of the surface land.
- A description of the work to be done, including the estimated investment and equipment.
- A sworn statement affirming that the request does not violate the Mining Code.

The exploration permit applicant must pay an exploration fee on filing of the application (approx. CAD $100 per hectare, or USD $78 per hectare). The fee is reimbursed (totally or partially) if the permit is denied or granted for a smaller area. The mining authority will automatically deny the request if the applicant does not submit evidence of payment of the fee.

To obtain an exploitation concession, the applicant must comply with the following requirements/steps:

- The discoverer must file a discovery claim with the mining enforcement authority. The discovery claim must be submitted together with a sample of the mineral.
- If the requested area is available, the mining authority must register the discovery claim. The registration request is published in the provincial Official Gazette.
- Within 100 days following the registration of the discovery claim, the discoverer must perform and declare legal works over the area to prove the existence of the deposit.
- The discoverer must file a petition requesting the measurement and demarcation of the units of exploitation corresponding to the area (pertenencia). The number of areas that a miner can request varies depending on the type of mineral deposit (lithium or secondary minerals such as borates) and on the type of applicant (for example, an entity or an individual).
- The mining authority registers the measurement and grants a copy to the applicant as proof of title to the exploitation concession.

*Accessibility, Climate, Local Resources, Infrastructure and Physiography*

Figure 5-1 shows the location of the Project and the road access to get there from Salta. The Project is located approximately 36 km north-northwest of the town of Tolar Grande. Access from Salta city on the west motorway and driving about 35.5 km along National Route N°51 to Campo Quijano town. From there continue along approximately 129 km going past villages Ing. Mauri, Alfarcito, Santa Rosa de Tastil, reaching the town of San Antonio de los Cobres. A further 61 km is driven towards Cauchari salar. Then Provincial route N° 27 is taken, driving about 70 km until reaching Pocitos Salar. From that point, 80km are driven until reaching the town of Tolar Grande. From Tolar Grande to Incahuasi Salar access is through a mining road (Huella Minera) of approximately 65 km. Figure 5-2 shows the condition of the mining road in the Salar.

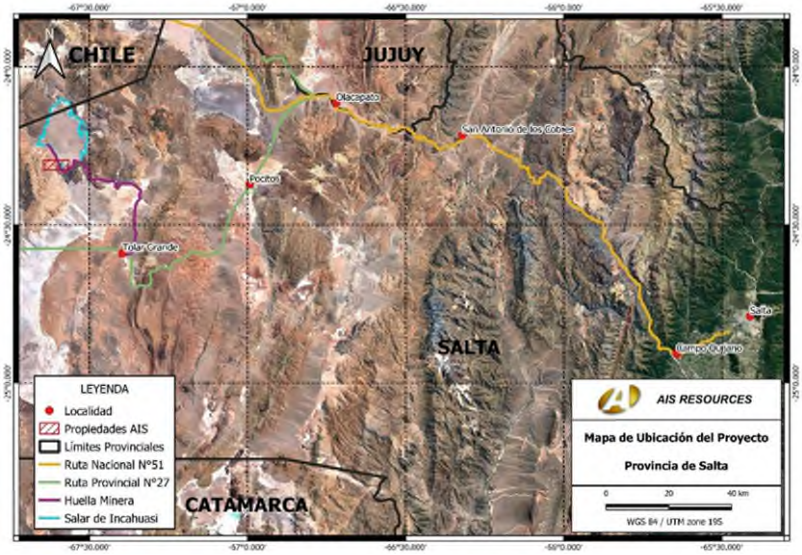



Figure 0-1. Location map Showing the Prospect and Road Access from Salta

Figure 0-2. View of Mining Road on the Candela II Property, Incahuasi Salar

The Incahuasi Salar is located in a high altitude, cold desert climate (Puna environment) which is characterized by extremes temperature ranging from -20°C to -30°C in the winter and from 25°C to 0°C in the summer. The main rainy season is between October through March and average precipitation is between 50 to 100 mm per year. Table 5-1 shows monthly average temperature and precipitation records for Tolar Grande (located 36 km south of the Incahuasi Salar).

Table 0-2. Average Monthly Weather Conditions in Tolar Grande

**Climate table of Tolar Grande**

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Day temp. (°C) | 24 | 23 | 21 | 20 | 18 | 17 | 16 | 19 | 21 | 23 | 23 | 24 |
| Night temp. (°C) | 14 | 14 | 12 | 10 | 8 | 6 | 5 | 7 | 9 | 12 | 13 | 15 |

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Precipitation (mm) | 79 | 80 | 50 | 33 | 9 | 4 | 2 | 2 | 13 | 38 | 50 | 73 |
| Days with rain | 20 | 20 | 22 | 18 | 9 | 3 | 2 | 2 | 5 | 17 | 19 | 21 |
| Dry days | 11 | 8 | 9 | 12 | 22 | 27 | 29 | 29 | 25 | 14 | 11 | 10 |

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Sun hours per day | 9 | 9 | 8 | 9 | 9 | 10 | 10 | 10 | 10 | 9 | 9 | 9 |
| Wind force (Bft) | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| UV-index | 5 | 5 | 5 | 4 | 3 | 4 | 4 | 5 | 5 | 5 | 5 | 6 |

Strong winds are common at the prospect site, as is common in many deserts and the Puna regions. Wind speeds during winter commonly range from 15 kilometers per hour (km/h) to 40 km/h. The velocity is lower during the summer months, and much lower at night than during the day.

The nearest population center is the village of Tolar Grande (reported population of 240 inhabitants) with services such as a health center, lodging facilities, and a school. The nearest large city is Salta, (population 704,000) located about 240 km to the east-southeast of the prospect area. Resources in the local area are basic, with most supplies being brought from Salta or San Antonio de los Cobres.

There are no power lines or gas lines near Incahuasi Salar. Roads are unmaintained dirt, but generally in good condition due to the low rainfall during the winter months, and are usable all year round.

The Project is located in the Puna (Altiplano) region of western Salta province at an altitude of about 3,200 masl. The region is dominated by ancient volcanos. The Puna Plateau is an uplifted crustal block of the old crystalline basement raised by the Tertiary orogeny, and includes evaporite basins or "salars" like Incahuasi that may contain elevated lithium concentrations. The Incahuasi Salar is an internally drained (endorheic) basin where evaporation is the only outflow for precipitation that flows into the basin. Figure 5-3 shows a photo of the Salar and surrounding hills. Volcanic complexes dominate the relief to the west, including the Aracar Volcano (altitude of 6,092 masl).

Figure 0-3. Photo of the Incahuasi Salar from the West Showing the Aracar Volcano

*History*

The Vendor had acquired the concession prior to 2007, and had not developed the Project prior to entering into an option agreement with AIS. AIS did surface sampling of brine in April 2021 after building the road infrastructure onto the salar.

Except for the year 2021 exploration drilling and sampling program, no other exploration on the Project is known to have occurred. There are no historical published resource or reserve statements. There has been no lithium production at the Project to date.

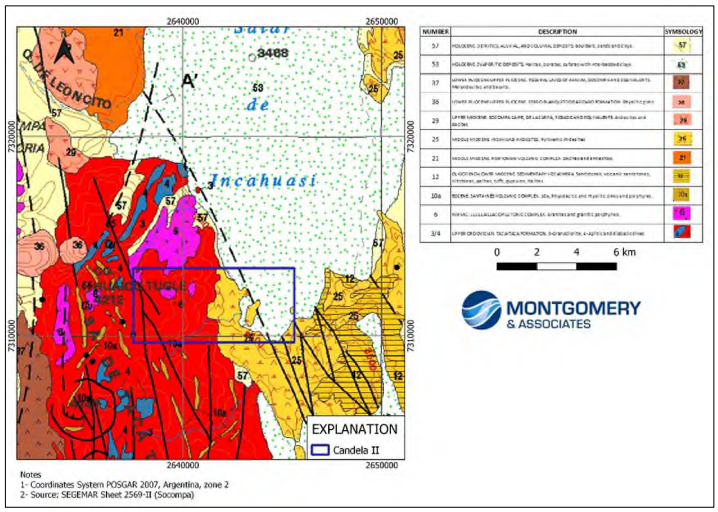
*Geological Setting and Mineralization*

The Salar Incahuasi is located in the Geological Province of La Puna (Turner, 1972) and within the Puna Austral Geological Sub-province (Alonso et al., 1984a). One of the most important characteristics that define the Geological Province of La Puna is the presence of evaporite basins or "salares" where deposits of borates, sodium sulfate and lithium are concentrated. The Salar Incahuasi occupies one of these endorheic (internal drainage) basins. Evaporite basins near the Project area include Arizaro, Jama, Rincón, Llullaillaco and Antofalla. Figure 7-1 shows the geological map of the area and the stratigraphic explanations associated for the units.

The oldest rocks in the area crop out to the southwest of the Incahuasi salt flat forming the Taca Taca mountain range, which correspond to the Taca Taca Formation. This unit is of Ordovician age, composed essentially of a granodiorite with coarse-grained facies and fine-grained facies, intruded by aplitic and diabasic dikes of the same age. Later, the Taca Taca Formation was intruded by a set of bodies with a porphyritic texture attributed to the Llullallaco plutonic complex (Permian) and by rhyodacitic and rhyolitic dikes and porphyries from the Santa Inés volcanic complex (Eocene).

The sedimentary outcrops located between the Incahuasi and Arizaro salt flats correspond to the Vizcachera Formation of Oligocene to Middle Miocene age, consisting of sandy-conglomerate, sandy-clayey and sandy-chalky, poorly consolidated rocks. The other rocks that dominate the area are of volcanic origin. Volcanic rocks consist mostly of basalts, andesites, dacites and rhyolites of upper Tertiary age.

The basins between the volcanic outcrops consist of Quaternary age, poorly consolidated to unconsolidated, colluvial and alluvial sedimentary deposits. The Quaternary fill terminates, and interfingers with the evaporite deposits, which form salt flats in the central areas of the basins.




Source: Segemar (2008)

Figure 0-4. Geological Map for Candela II Project Area

*ORDOVICIAN*

The Taca Taca Formation is composed of a granodiorite intruded by aplitic and diabasic dike rocks (Méndez, 1975) first described this formation as the plutonic body outcropping on the western margin of the Salar Incahuasi and on the northwestern edge of the Salar Arizaro, forming the Sierra de Taca Taca.

A set of Ordovician outcrops in the area of the Western Puna make up a volcano-sedimentary and plutonic belt which is known as the Western Puna Eruptive Belt and is assigned to the Upper Ordovician (Coira et al., 1999). In the mountains that border the Arizaro salt flat, the following granitoids occur: Chachas, Taca Taca (419 + 16 Ma), Arita (419-418 Ma), Macón, Navarro (429+ 36 Ma) and La Casualidad; these are located on a sedimentary basement of Ordovician age, with a low degree of metamorphism. The best-studied pluton is that of Taca Taca. According to Koukharsky and Lanés (1994) a gray biotitic monzogranite predominates, crossed by aplitic dikes and diffuse contact pegmatite lenses. A recent K-Ar dating of the gray monzogranite biotites assign it a minimum age of 419 + 16.0 Ma (Koukharsky and Lanés, 1994). These outcrops separate the Arizaro and Incahuasi salt flats.

*PERMIAN*

Mendez (1975) grouped various rocks, previously described as part of the Taca Taca, Llullaillaco and La Casualidad Formations, as the Llullaillaco Plutonic Complex. At the northern end of the Taca Taca mountain range, a set of outcrops with a porphyritic texture intrude into the Taca Taca granodiorite, and are included the Llullaillaco Complex. The complex consists of tonalitic-granodioritic porphyries, granitic porphyries, rhyodacitic porphyries as well as rocks affected by hydrothermal alteration linked to magmatic activity.

PALEOCENE-EOCENE

The Santa Ines volcanic complex consists of rocks that previously are included in the Taca Taca and Llullaillaco Formations (Zappettini et al., 2001). The complex predominantly consists of dacite, dacitic ignimbrites, and rhyodacitic to rhyolitic dikes.

In the Taca Taca range, rhyodacitic and rhyolitic porphyry dikes intrude the Paleozoic granitic-granodioritic basement of the Taca Taca Formation. Radiometric dating of a dacitic porphyry belonging to the outcropping sequence in the Taca Taca area estimates a K/Ar age of 42 Ma (Zappettini et al. 2001). For these reasons, the group is assigned to the Lower Eocene-Oligocene.

*MIDDLE OLIGOCENE - LOWER MIOCENE*

The Vizcachera Formation corresponds to the sedimentary sequence between the Arizaro and Incahuasi salt flats. The sequence consists of 1 to 10 centimeter (cm) thick layers of sandy-conglomeratic, sandy-clayey, weakly-consolidated sedimentary units. In the upper part of the formation, light gray sandstones of probable aeolian origin occur.

*MIDDLE MIOCENE*

Koukharsky (1988a) described a set of pyroclastic rocks, dacitic and andesitic lavas that form the Portomán Volcanic Complex. Outcrops to the west of the Incahuasi salar consist of finely vesiculated, gray, brown and purple dacites and andesites.

The Incahuasi andesites are located between the Incahuasi and Arizaro salares. They form thin black mantles overlying older rocks, and are disaggregated into blocks. The outcrops consist mostly of andesites, containing phenocrysts of plagioclase, amphibole, pyroxene and biotite. They unconformably overlie the granodiorites of the Taca Taca Formation and units belonging to the Vizcachera Formation.

*UPPER MIOCENE*

Included in these complexes are the volcanic centers that, from north to south, comprise the basal part of the Salín hill, the Socompa Caipe hill, and the outcrops are part of the Loma Colorada. In the study area, the andesites and dacites that crop out in the Leoncito ravine have been assigned to this unit.

PLIOCENE

This formation was initially designated by Galliski et al. (1987). The name comes from the denomination used by Koukharsky (1969) for those vitreous rocks that make up the domes located to the east of the Aracar hill (northwest of the Taca Taca mountain range) and in the Vega Arizaro area. These domes are composed of light gray to cream white glassy flows in which biotite phenocrysts stand out (Koukharsky, 1988a). The glass appears fresh and colorless. There are vesicles which are partially occupied by what is believed to be sericite.

These lavas occur in the western sector of the Taca Taca range. It consists of dark gray to black basaltic rocks that are partly vesicular with phenocrysts of plagioclase (labradorite), pyroxenes (hypersthene and augite) and olivine.

HOLOCENE

Evaporite deposits occupy the central part of the basin and are actively being deposited via evaporation. They are composed of chloride, sulfate and borate minerals, interbedded with pellitic deposits (Alonso, 1999). The Incahuasi salt flat has a characteristic crusty surface, with the development of polygon surface structures up to 2-3 m in diameter and up to 50 cm thick.

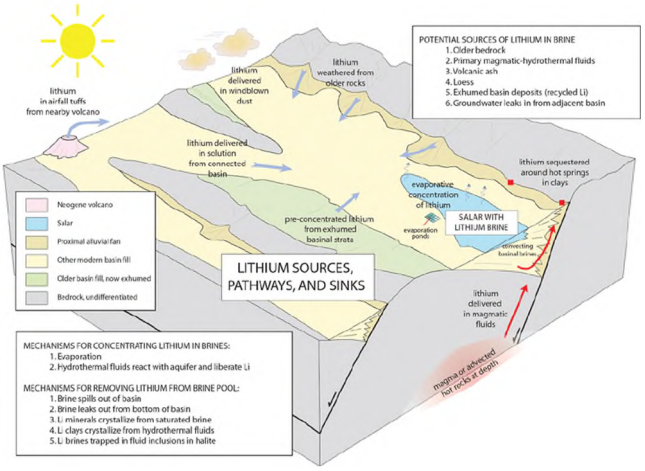
These youngest sediments in the area are located to the north in Pampa Coria and in the Vega de Arizaro sector. These deposits consist of unconsolidated materials. They occur widely and have variable thicknesses that increase towards the lower areas. Alluvial fans form large sedimentary deposits with poorly stratified layers of gravel and sand that grade to silt and evaporite towards the distal sectors. The youngest alluvial fans in these basins are superimposed on older ones, and are actively being deposited. In the distal sectors they intercalate with each other as they grow toward the lower parts of the basin floor.

The mineralization for the Project consists of a lithium-enriched brine that is continued within the pore spaces of the sedimentary strata in the salar basin. In addition to lithium, boron and potassium enrichment are considered as potential future economic elements. The boundaries of the mineralization are suspected to be the basin boundary, although some lithium-enriched brine may be contained in the fractures and/or pores of the rocks that form the basin boundary.

*Deposit Type*

The deposit type is a lithium-enriched, saline brine aquifer occurring in a high altitude, hydraulically closed basin. The conceptual geological model of salars by Bradley et al. (2013) (Figure 8-1) agrees well with the observed conditions in the salars in the Puna region in Northern Argentina. In closed basin systems where evaporation potential exceeds precipitation input, the freshwater evaporates, concentrating the elements in

the water and producing brines. When even small amounts of lithium are present in the freshwater, lithium has the potential to evapo-concentrate because it does not easily crystallize into mineral form until effectively all of the water is evaporated. Therefore, lithium stays in solution in the aquifer resulting in lithium-rich brine in closed basins where the conditions are optimal for its evapo-concentration.




Source: Bradley et al. (2013)

Figure 0-5. Generic Model of a Salar with an Enriched Lithium Brine

The year 2021 exploration program, and future proposed exploration programs are based on the concept that extractable brines are encountered in permeable aquifer materials, such as porous halite, or permeable clastic sediments. Therefore, exploration drilling attempts to target permeable aquifer material. Exploration also tends to target the thickest parts of the sedimentary sequence where the largest thickness of aquifer material is present. The aquifer tends to increase in thickness toward the center of the basin. Ultimately, the amount of brine able to be pumped from the basin will be a function of the thickness and hydraulic conductivity of the aquifer, and independent of the lithium content in the brine.

*Exploration*

David Carabanti and his assistants went to the Incahuasi Salar in May 2021 and took 27 samples using a petrol-powered auger. The location map is shown on Figure 9-1. They and were able to collect 25 one-liter samples and two, 200-liter samples obtained at locations 001 and 002. The auger holes were approximately 400 m apart. Table 9-1 shows the laboratory results for the surface sample results.

The samples were collected using a bailer, put into 1-liter bottles, labelled and securely taped closed, and put into a secure box for transport to the SGS laboratory. Of the 27 auger holes, all had brine at less than 1 m in depth. A duplicate sample (lab number 28) was obtained for location PM-25; lab samples 42 and 43 were control samples (Table 9-1).

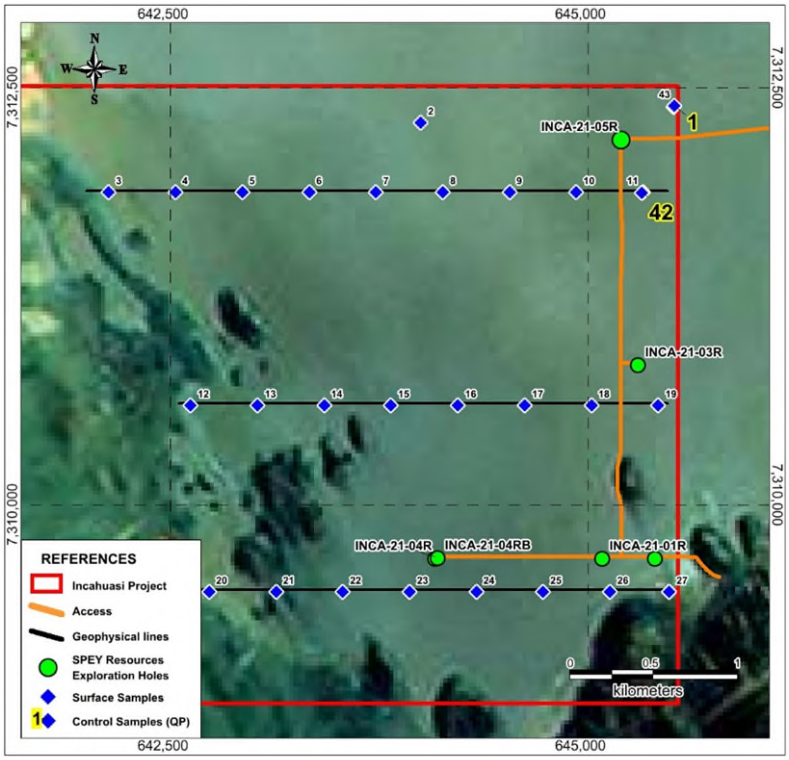



Figure 0-1. Map of the Brine Sampling Location

Table 0-1. Laboratory Chemical Analyses for Surface Sampling Program

| Sample_Laboratory | Sample_AIS_Field | X_UTM-WGS84 | Y_UTM-WGS84 | Lithium_mg/L | Magnesium_mg/L | TDS_mg/L |
|---|---|---|---|---|---|---|
| 1 | PA200 | 645515 | 7312396 | 144.74 | 4791.9 | 339300 |
| 2 | PB200 | 644001 | 7312303 | 97.18 | 3034 | 332200 |
| 3 | PM01 | 642131 | 7311883 | 88 | 3682.3 | 343500 |
| 4 | PM02 | 642531 | 7311883 | 64.7 | 1973.3 | 351300 |
| 5 | PM03 | 642931 | 7311883 | 94.1 | 3055.1 | 348600 |
| 6 | PM04 | 643331 | 7311883 | 92.4 | 2840.3 | 344600 |
| 7 | PM05 | 643731 | 7311883 | 74.6 | 2412.2 | 347600 |
| 8 | PM06 | 644131 | 7311883 | 79.1 | 2466.7 | 346900 |
| 9 | PM07 | 644531 | 7311883 | 96.5 | 3028.3 | 346700 |
| 10 | PM08 | 644931 | 7311883 | 118.3 | 4123.2 | 353000 |
| 11 | PM09 | 645331 | 7311883 | 113.4 | 4055.1 | 354700 |
| 12 | PM10 | 642622 | 7310608 | 40.1 | 1249 | 284100 |
| 13 | PM11 | 643022 | 7310608 | 68.2 | 2032.6 | 347100 |
| 14 | PM12 | 643422 | 7310608 | 54.4 | 1258 | 351400 |
| 15 | PM13 | 643822 | 7310608 | 50.4 | 1115.1 | 345900 |
| 16 | PM14 | 644222 | 7310608 | 62.7 | 1649.3 | 340000 |
| 17 | PM15 | 644622 | 7310608 | 65.1 | 1694.6 | 343100 |
| 18 | PM16 | 645022 | 7310608 | 62 | 1569.6 | 342700 |
| 19 | PM17 | 645422 | 7310608 | 70.8 | 2286.4 | 344600 |
| 20 | PM18 | 642733 | 7309490 | 25.4 | 1048.4 | 132900 |
| 21 | PM19 | 643133 | 7309490 | 45.1 | 1142.4 | 342900 |
| 22 | PM20 | 643533 | 7309490 | 46 | 859.5 | 337600 |
| 23 | PM21 | 643933 | 7309490 | 55.9 | 1187.1 | 338000 |
| 24 | PM22 | 644333 | 7309490 | 60.3 | 1286.8 | 341800 |
| 25 | PM23 | 644733 | 7309490 | 58.8 | 1357.2 | 341800 |
| 26 | PM24 | 645133 | 7309490 | 69.1 | 1627.8 | 340400 |
| 27 | PM25 | 645488 | 7309491 | 151.7 | 4615.5 | 348500 |
| 28 | PM25 | 645488 | 7309491 | 173.26 | 4588.5 | 322700 |
| 42 | PM11-BIS | 645325 | 7311881 | **110.32** | **93143.5** | 350100 |
| 43 | PA200-BIS | 645519 | 7312402 | **121.79** | **91281.9** | 352400 |

mg/L = milligrams per liter
Control samples are highlighted in yellow

Iso-concentration maps for lithium and TDS are shown on **Figure 9-2** and **9-3**. Inspection of the figures suggests that there is a likely correlation between lithium and total dissolved solids. The lowest values of lithium and TDS occur in the southwest part of the basin near the boundary. The Author believes that this area may be a freshwater recharge area and there may be some dilution of the brine occurring in this area.

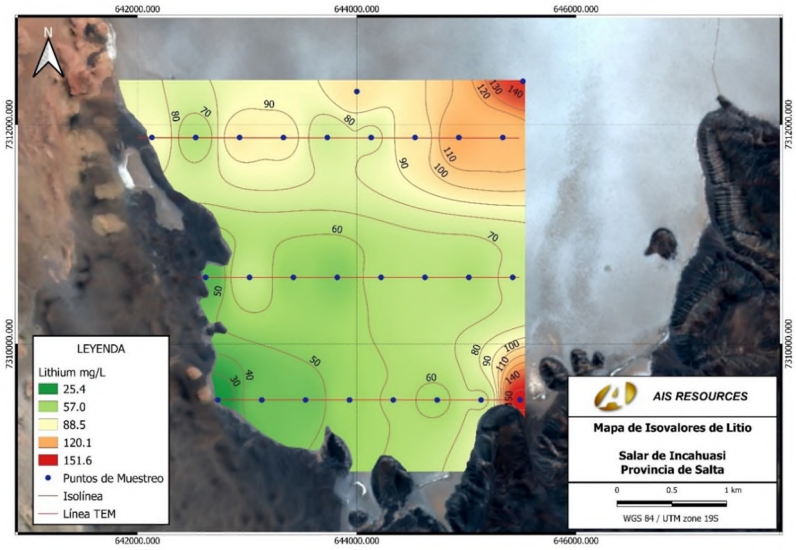



Figure 0-2. Iso-Concentration Map of Near-Surface Lithium Concentration

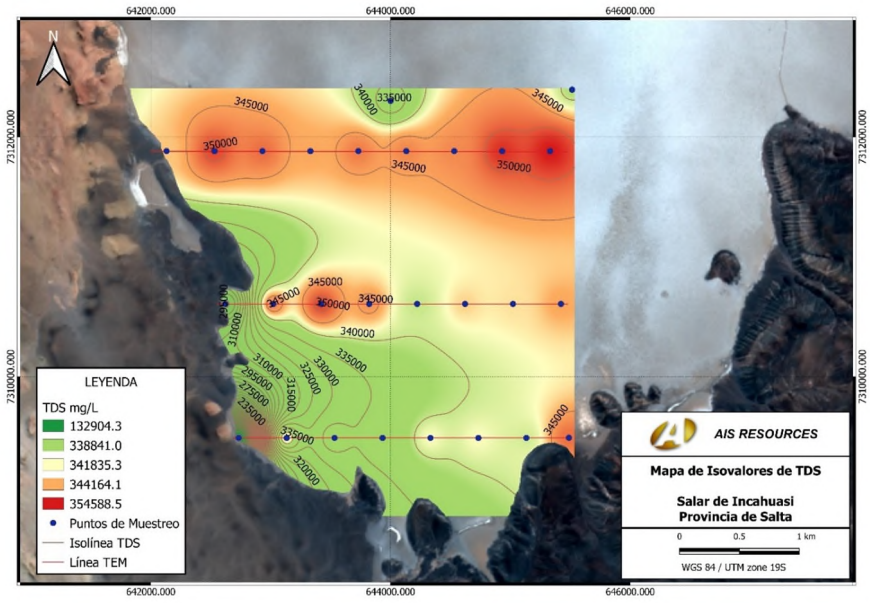



Figure 0-3. Iso-Concentration Map of Near-Surface Total Dissolved Solids Concentration

In 2021, following the surface sampling results, Quantec (2021) was contracted to conduct a TEM survey of the property. A total of 50 soundings were taken along three, east-west lines. The location map is shown on **Figure 9-4**. The goal of the survey was to identify locations for five exploration boreholes. Results of the boreholes are discussed in Chapter 10 of the Candela II Technical Report.

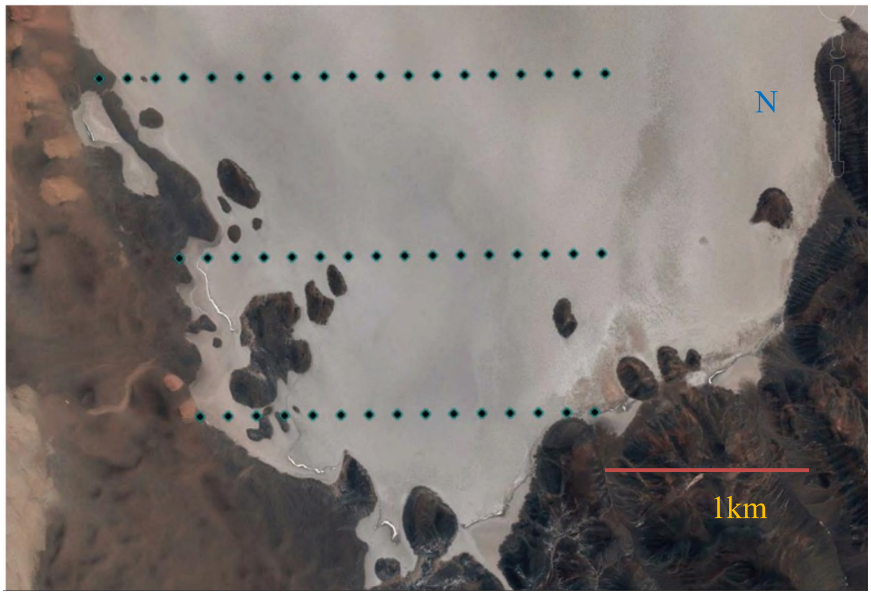



Figure 0-4. Location Map of TEM Geophysics Survey Points

Interpreted sections for the three TEM lines are shown on Figures 9-5, 9-6, and 9-7.

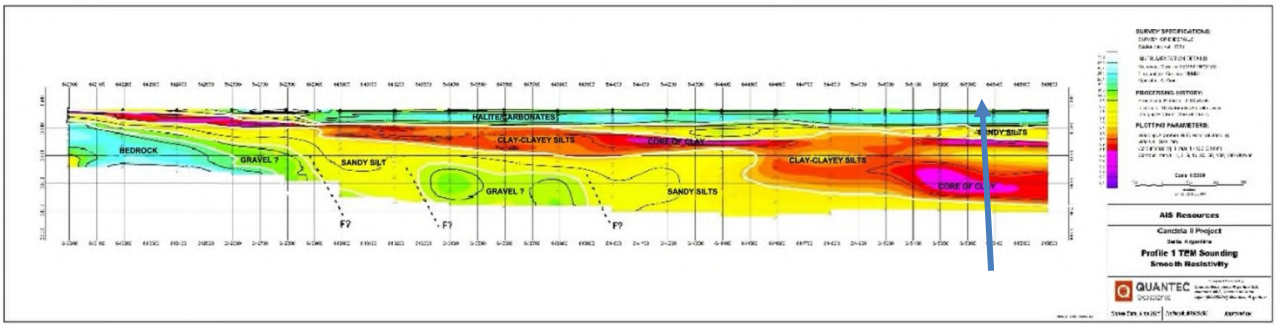



Figure 0-5. TEM Profile for North Line

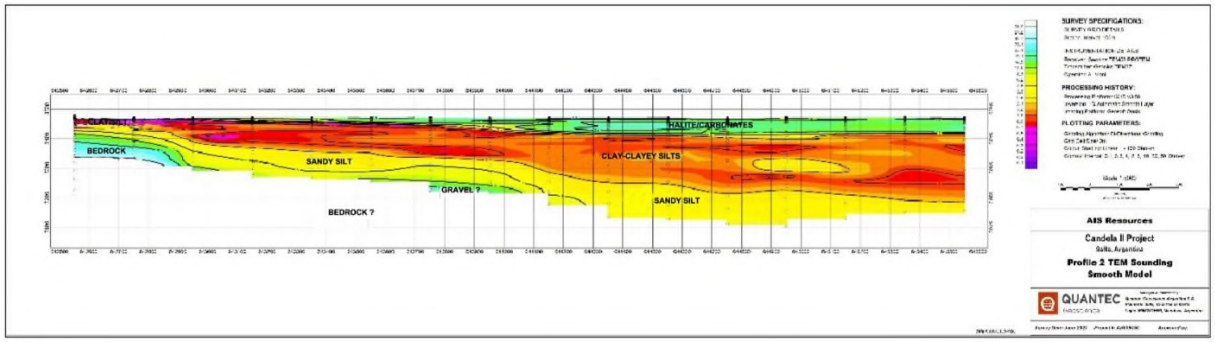



Figure 0-6. TEM Profile for Center Line

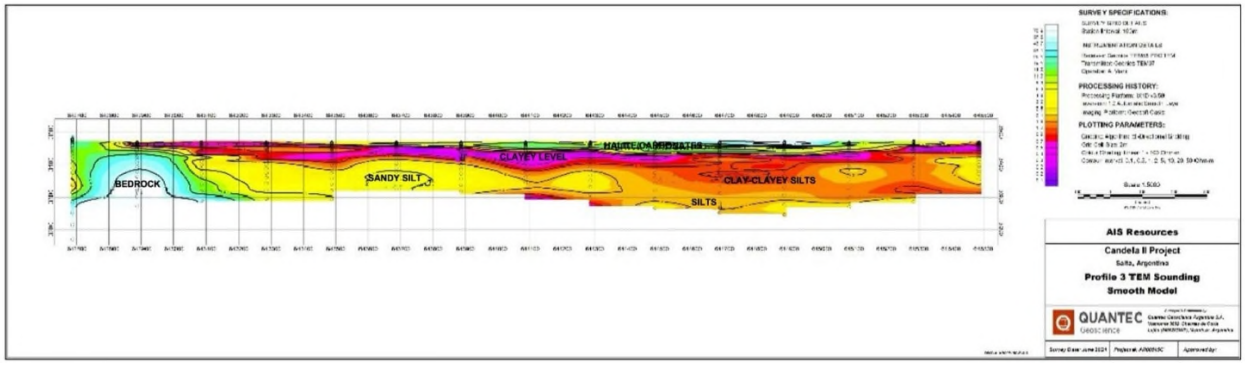



Figure 0-7. TEM Profile for South Line

In general, the three TEM lines shown on the surface an area of green-blue color, with a powerful thickness towards the north sector. This layer has a resistivity that varies between 11 and 33 Ohm-meters (Ohm-m) and is interpreted as sequences of halite and carbonates. According to previous experience, halite occurs both in compact and crystalline form. To the west there is also an area of blue color presenting a resistivity above 33 Ohm-m, this layer can be interpreted as part of the granitic basement of the Taca Taca Formation.

Below, the levels of violet to orange are interpreted as sequences of fine material of high porosity and low permeability (silt-clayey and silt-sandy), with a resistivity of 0.1 to 2.1 Ohm-m. This layer has a thickness of approximately 200 m to the east and is wedged to the west, while from north to south it maintains its relatively constant thickness.

The yellow color has resistivity values ranging from 2.1 to 8.3 Ohm-m. This layer is interpreted as a sandy-silt sequence. It has a variable thickness, being most prominent to the north. The green color that is observed at depth are interpreted as coarser grained basal conglomerates with potentially good porosity and permeability.

Several other exploration campaigns have been done in the basin during the last 14 years on other mining concessions. While not specific to the Project, the results from these programs provide valuable information for the Project. Two of these have been publicly reported and are summarized in the Candela II Technical Report.

*Drilling*

Drilling activities were conducted for the Project area during year 2021. A total of five wells were drilled using normal rotary mud circulation method. Drilling activities started on September 18th of 2021, and were finished during December 12th of 2021. Locations for all borehole locations, are shown on Figure 10-1.

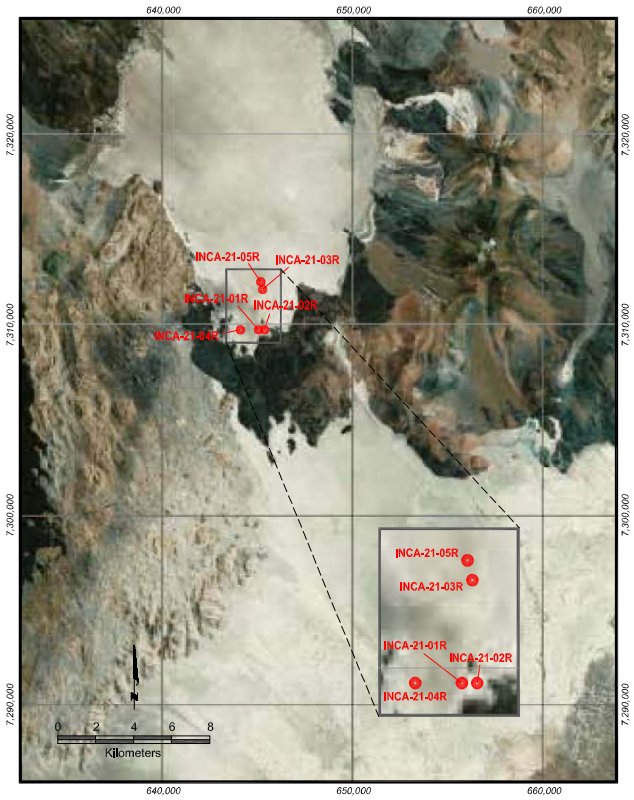



Figure 0-8. Location Map for Exploration Wells

The drilling contractor used for the program was Amaru Mining Services, based in Salta, Argentina. The drill rig used was a track-mounted, DESCO model SP4500SD. Drilling was done using conventional circulation mud rotary. A brine-based, polymer drilling mud was used. Vizcosan, Gettrol and Poliget fluids were the drilling fluid additives used to condition the borehole to prevent collapse.

Drilling activities for exploration well INCA-21-01R started on September 18th, 2021, reaching the depth of 52 meters below land surface (m.bls) on September 26, 2021. Well schematic for well INCA-21-01R is shown on Figure 10-2. Location and depth information for brine exploration well INCA-21-01R is given in Table 10-1.

Table 0-2. Location and Depth for Exploration Well INCA-21-01R

| **Exploration Well Identifier** | **Total Depth (m)** | **UTM Easting[1] (m, WGS 84)** | **UTM Northing[1] (m, WGS 84)** |
|---|---|---|---|
| INCA-21-01R | 52 | 645,086 | 309,690 |

[1] UTM Easting and Northing from a hand-held portable GPS.

The following represents a brief summary of the equipment and methods utilized during construction of the well.

- The 5½-inch diameter borehole was drilled from land surface to 52 m,bls.

- Unwashed and washed drill cuttings were collected every meter and were described and stored in labeled cutting boxes.
- Water level was measured after construction was 0.9 m,bls.
- One brine sample was collected with a packer system between 46 and 50 m,bls.

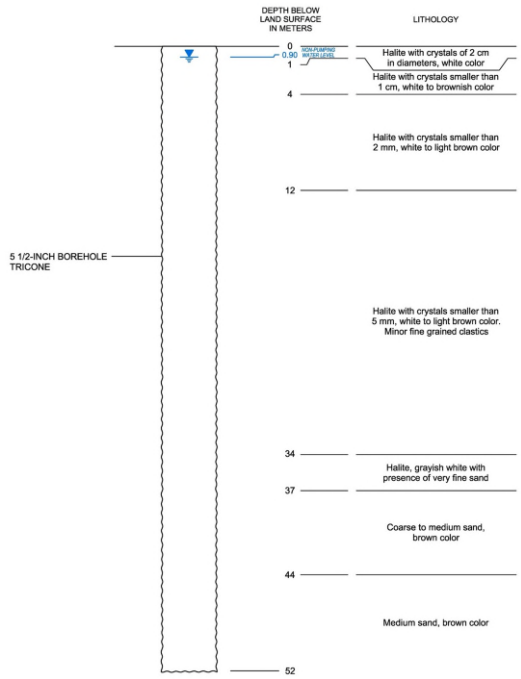



Figure 0-9. Schematic Diagram for Exploration Well INCA-21-01R

Drilling activities for well INCA-21-02 started on September 27th, 2021, reaching the final depth of 44 m,bls on October 1st, 2021. Construction schematic for well INCA-21-02R is shown on Figure 10-3. Location and depth information for exploration well INCA-21-02R is given in Table 10-2.

Table 0-3. Location and Depth for Exploration Well INCA-21-02R

| **Exploration Well Identifier** | **Total, Depth (m)** | **UTM Easting[1] (m, WGS 84)** | **UTM Northing[1] (m, WGS 84)** |
|---|---|---|---|
| INCA-21-02R | 44 | 645,400 | 7,309,690 |

[1] UTM Easting and Northing from a hand-held portable GPS

The following represents a brief summary of the equipment and methods utilized during construction of the well.

- The 5½-inch diameter borehole was drilled from land surface to 44 m,bls.
- Once drilled to 44 m,bls, the borehole could not be constructed with 2-inch polyvinyl chloride (PVC) casing, because drilling rods got stuck inside the borehole.
- Unwashed and washed drill cuttings were collected every meter, but only to 31 m,bls due to difficulties during drilling procedures and lack of cuttings return.

- One brine sample was collected with bailer between 28 and 29 m,bls.

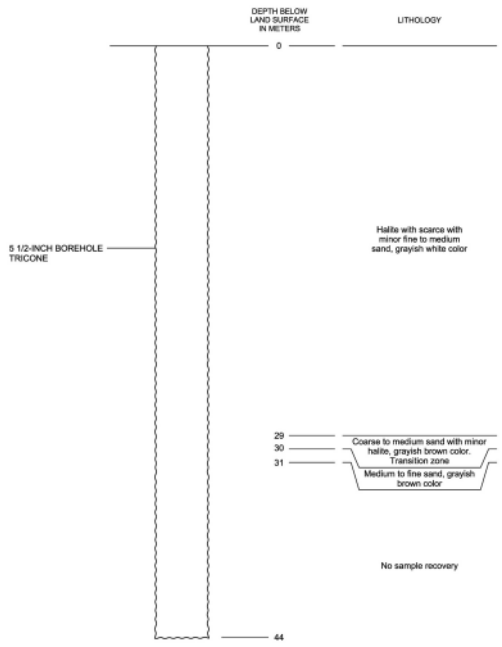



Figure 0-10. Schematic Diagram for Exploration Well INCA-21-02R

Drilling activities for well INCA-21-03R started on October 5th, 2021, reaching the depth of 70 m,bls on October 29th, 2021. Construction schematic for well INCA-21-03R is shown on Figure 10-4. Location and depth information for the exploration well is given in Table 10-3.

Table 0-4. Location and Depth for Exploration Well INCA-21-03R

| **Exploration Well Identifier** | **Total Depth (m)** | **UTM Easting[1] (m, WGS 84)** | **UTM Northing[1] (m, WGS 84)** |
|---|---|---|---|
| INCA-21-03R | 70 | 645,300 | 7,311,800 |

[1] UTM Easting and Northing from a hand-held portable GPS

The following represents a brief summary of the equipment and methods utilized during construction of the well.

- The 5½-inch diameter borehole was drilled from land surface to 70 m,bls. Once drilled to total depth, the borehole was constructed with 2-inch diameter PVC casing, 1-mm slot size from 22 to 50 m,bls. Blank 2-inch PVC casing was installed from surface to 22 m,bls.
- Unwashed and washed drill cuttings were collected every meter and were described and stored in labeled cutting boxes.
- Gravel pack (2- to 4-millimeter (mm) diameter) was installed in the annular space surrounding the well screen, from bottom up 20 m,bls.
- Bentonite was installed in the annular space overlying gravel pack, from 20 to 17 m,bls.
- From land surface to 17 m,bls was filled with grout.

- One brine sample was collected after drilling was completed with packer sampling system between 46.5 and 50 m,bls.

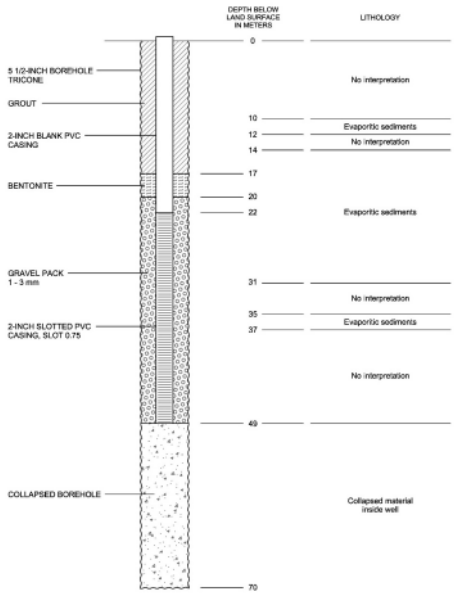



Figure 0-11. Schematic Diagram for Exploration Well INCA-21-03R

Drilling activities for well, INCA-21-04R started on November 1st, 2021, reaching the depth of 60 m,bls, due to collapsed problem together with caving conditions encountered at 27-30 m,bls, a second well INCA-21-04BR was drilled nearby, reaching a depth of 70 m,bls on November 12th, 2021. Construction schematic for well INCA-21-04BR is shown on Figure 10-5. Location and depth information for the exploration well is given in Table 10-4.

Table 0-5. Location and Depth for Exploration Well INCA-21-04BR

| **Exploration Well Identifier** | **Total, Depth (m)** | **UTM Easting[1] (m, WGS 84)** | **UTM Northing[1] (m, WGS 84)** |
|---|---|---|---|
| INCA-21-04BR | 70 | 644,130 | 7,309,690 |

[1] UTM Easting and Northing from a hand-held portable GPS.

The following represents a brief summary of the equipment and methods utilized during construction of the well.

- The 5½-inch diameter borehole was drilled from land surface to 70 m,bls.
- Once drilled to total depth, the borehole was constructed with 2-inch PVC slotted casing, 1-millimeter slot size, from 30 to 70 m,bls pth. Blank 2-inch diameter PVC casing was installed from surface to 30 m,bls.
- 6-inch diameter blank steel casing was installed from surface to 30 m,bls.
- Unwashed and washed drill cuttings were collected every meter and were described and stored in labeled cutting boxes.

- Gravel pack (2-4 mm diameter) was installed in the annular space from bottom to 28 m,bls. The annular space was filled with bentonite from 28 to 26 m,bls and with grout from 26 m,bls to surface.
- Depth to water level was measured as 0.7 meters m,bls.
- Two depth-specific brine samples were collected; one at 46-50 m,bls, and the other at 26-29 m,bls.

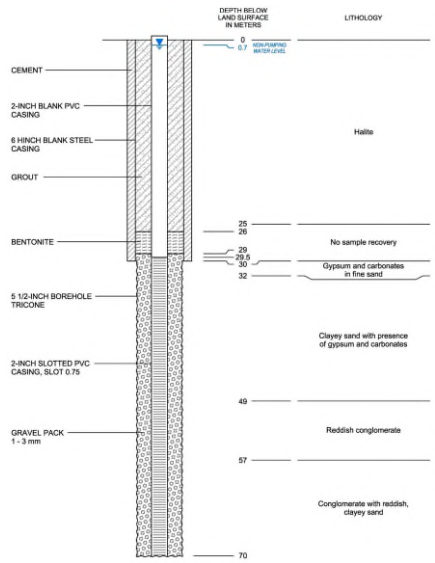



Figure 0-12. Schematic Diagram for Exploration Well INCA-21-04BR

Drilling activities for well, INCA-21-05R started on November 2021, reaching the depth of 209 m,bls on December 12, 2021. Construction schematic for well INCA-21-05R is shown on Figure 10-6. Location and depth information for the exploration well is given in Table 10-5.

Table 0-6. Location and Depth for Exploration Well INCA-21-05R

| **Exploration Well Identifier** | **Total Depth (m)** | **UTM Easting[1] (m, WGS 84)** | **UTM Northing[1] (m, WGS 84)** |
|---|---|---|---|
| INCA-21-05R | 209 | 645,200 | 7,312,200 |

[1] UTM Easting and Northing from a hand-held portable GPS.

The following represents a brief summary of the equipment and methods utilized during construction of the well.

- The 5½-inch diameter borehole was drilled from land surface to 209 m,bls.
- Once drilled to total depth, the borehole was constructed with 2-inch PVC slotted casing, 1-millimeter slot size from 146 m,bls to 205.3 m,bls. Blank 2-inch PVC casing was installed from surface to 146 m,bls.
- Blank 6-inch steel casing was installed from surface to 6 m,bls.
- Unwashed and washed drill cuttings were collected every meter, and were described and stored in labeled cutting boxes.
- Gravel pack (2-4 mm diameter) was installed in the annular space from bottom up to 144 m,bls.

- Bentonite was installed from 144 to 140 m,bls, and grout from 140 m,bls to surface.
- Water level was measured at 0.5 m,bls.
- Five brine samples were collected in these wells - four of them between 46-200 m,bls with a packer sampler system, and one sample via airlifting between 150 and 205.3 m,bls.

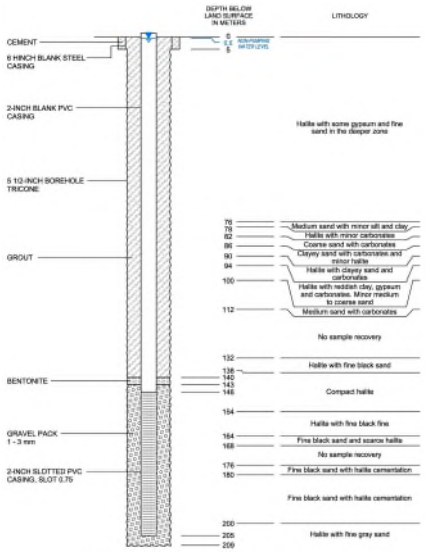



Figure 0-13. Schematic Diagram for Exploration Well INCA-21-05R

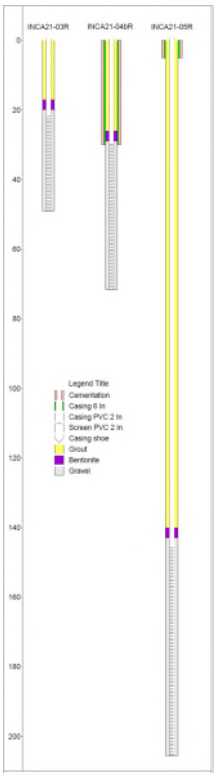



Figure 0-14. Comparison of  Exploration Wells INCA-21-03R, INCA-21-04BR and INCA-21-05R

During drilling, chip and brine samples were collected from the cyclone at 1-m intervals using a packer system which isolated specific zones of the aquifer. Occasionally, lost circulation resulted in the inability to collect samples from some intervals. Brine samples obtained during exploration drilling are summarized in **Table 10-6**. A total of nine brine samples were collected from the boreholes and submitted for SGS laboratory chemical analyses; three samples were obtained via airlift in the completed wells. For each brine sample, field measurements were conducted on regular basis for electrical conductivity, pH and temperature. Sample collection, preparation and analytical methods are described in Section 11. Daily static water level measurements were carried out inside the drill string at the start of each drilling shift, using a water level tape. Boreholes were completed with steel surface casing and a surface sanitary cement seal.

Table 0-7. Summary of Depths and Field Parameters for Brine Samples Obtained During Drilling

| Sample No. | Well No. | From M | To M | Interval | Density | Conductivity | pH | Temp °C | Observation |
|---|---|---|---|---|---|---|---|---|---|
| 30 | INCA-21-01R | 46 | 50 | 4 | 1.215 | 199.9 | 6.2 | 15.00 | sample taken with packer |
| 31 | INCA-21-02R | 28 | 29 | 1 | 1.210 | 208.7 | 6.54 | 16.00 | hole collapsed - sampled with bailer |
| 32 | INCA-21-03R | 46.5 | 50 | 3.5 | 1.214 | 198.4 | 6.24 | 14.90 | sample taken with packer |
| 33 | INCA-21-04R | 46 | 50 | 4 | 1.214 | 213.2 | 7.44 | 13.00 | sample taken with packer |
| 34 | INCA-21-04BR | 26 | 29 | 3 | 1.210 | 201.1 | 5.92 | 15.90 | sample taken with packer |
| 35 | INCA-21-05R | 46 | 50 | 4 | 1.211 | 200.9 | 7.41 | 16.88 | sample taken with packer |
| 36 | INCA-21-05R | 96 | 100 | 4 | 1.214 | 213.2 | 6.600 | 19.800 | sample taken with packer |
| 37 | INCA-21-05R | 146 | 150 | 4 | 1.213 | 203.1 | 6.480 | 18.860 | sample taken with packer |
| 38 | INCA-21-05R | 196 | 200 | 4 | 1.213 | 201.1 | 7.350 | 16.350 | sample taken with packer |
| 39 | INCA-21-05R | 150 | 205.3 | 55.3 | 1.211 | 245 | 6.3 | 20 | Air pumping test sample in a finished well, corresponding to the area with PVC slotted pipes (filters) after 6 hours |
| 40 | INCA-21-03R | 31 | 48.85 | 17.85 | 1.2 | 249 | 6.2 | 20 | Air pumping test sample in a finished well, corresponding to the area with PVC slotted pipes (filters) after 6 hours |
| 41 | INCA-21-04RB | 30 | 70 | 40 | 1.2106 | 247 | 6 | 20 | Air pumping test sample in a finished well, corresponding to the area with PVC slotted pipes (filters) after 6 hours |

Note: Depths and intervals are in meters; density in g/cm$^3$; conductivity in milliSeimens/cm

Table 0-8. Laboratory Analytical Results for Brine Samples Obtained During Drilling

| Sample No. | Well No. | From M | To M | Interval | Boron | Calcium | Strontium | Lithium | Magnesium | Potassium | Sodium | Mg/Li | K/Li |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 30 | INCA-21-01R | 46 | 50 | 4 | 65.06 | 5927.39 | 113.14 | 111.81 | 5917.7 | 6520.7 | 106096.8 | 52.93 | 58.32 |
| 31 | INCA-21-02R | 28 | 29 | 1 | 51.76 | 4107.41 | 75.63 | 75.72 | 3531.5 | 4188.4 | 112829.9 | 46.64 | 55.31 |
| 32 | INCA-21-03R | 46.5 | 50 | 3.5 | 64.93 | 6274.83 | 127.39 | 113.79 | 5987.4 | 5616.4 | 108842.9 | 52.62 | 49.36 |
| 33 | INCA-21-04R | 46 | 50 | 4 | 68.18 | 6327.07 | 121.93 | 117.55 | 5909.4 | 5982.3 | 107331 | 50.27 | 50.89 |
| 34 | INCA-21-04BR | 26 | 29 | 3 | 56.11 | 7168.47 | 113.97 | 120 | 6136.78 | 4984.08 | 106839.2 | 51.14 | 41.53 |
| 35 | INCA-21-05R | 46 | 50 | 4 | 64.27 | 8127.91 | 155.78 | 145.9 | 6339.03 | 6224.86 | 103479.1 | 43.45 | 42.67 |
| 36 | INCA-21-05R | 96 | 100 | 4 | 69.2 | 9814.67 | 169.78 | 158.1 | 7571.13 | 6650.66 | 104733.4 | 47.89 | 42.07 |
| 37 | INCA-21-05R | 146 | 150 | 4 | 65.02 | 8034.97 | 154.3 | 128.31 | 5744.85 | 5384.596592 | 97350.405 | 44.77 | 41.97 |
| 38 | INCA-21-05R | 196 | 200 | 4 | 66.39 | 9073.02 | 181.9 | 156.89 | 6881.3 | 6232.05 | 94350.7 | 43.86 | 39.72 |
| 39 | INCA-21-05R | 150 | 205.3 | 55.3 | 98.18 | 11168.2 | 183.06 | 154.1 | 8053.8 | 6933.3 | 93193.3 | 52.26 | 44.99 |
| 40 | INCA-21-03R | 31 | 48.85 | 17.85 | 86.21 | 8015.6 | 147.99 | 135.44 | 6270.8 | 5415.89 | 99388.9 | 46.30 | 39.99 |
| 41 | INCA-21-04RB | 30 | 70 | 40 | 97.82 | 9667.6 | 169.6 | 161.51 | 7845.8 | 6553.82 | 96253 | 48.58 | 40.58 |

Note: Depths and intervals are in meters; concentrations in mg/L; Mg/Li and K/Li are ratios
Lithium column highlighted for emphasis

Inspection of the results support the concept that the deeper brine contains a larger lithium content than the brine located in the upper part of the aquifer. The smallest lithium concentration for the samples occurs in those samples obtained above about 50 m,bls. This is likely due to freshwater with a lower lithium content and lower density entering the basin and mixing with the older brine in the upper part of the aquifer.

For the brine samples obtained during drilling, the main factor that could impact the results would be if the packer did not adequately seal off other aquifer zones during the sampling process. An inadequate seal

could allow for brine from different zones above the packer to leak into the interval being sampled. For this project, because slightly lower lithium concentration brine is located in the upper part of the aquifer, errors of this type would most likely result in "lower than actual" lithium concentrations, and not overestimated lithium concentrations. That said, packer inflation was not noted as being a problem during sampling, and is therefore not believed to be an issue of concern.

*Sample Preparation, Analyses, and Security*

Sampling of brine for the program occurred during shallow auger sampling, during drilling and testing, and after the program was completed in the form of due diligence sampling by the QP. The following is a general summary of the sampling methods employed during each phase of sampling; sampling methods and quality control were similar during each phase.

In May 2021, David Carabanti and his assistant initially sampled near-surface brine from the auger holes using an immersed bottle lifting system. Figure 11-1 is a photo of the auger process. Figure 11-2 is a photo of a completed sampling location and bottles. Samples were assayed for a range of elements, including Li, Mg, K, Ca, $SO_4$, B, as well as alkalinity, TDS, density, electrical conductivity and pH. Samples were typically obtained at 2 m,bls.

Figure 0-1. Geologist David Carabanti Using Power Auger to Drill for Brine Samples

Figure 0-2. Location Stake and Labelled Sample Bottles

During and after drilling of the exploration wells, brine samples were also taken using bailer, packer and drive point methods. In addition, once drilling was finished using low flow sampling equipment inside the 2-inch diameter PVC slotted casing installed in each of the boreholes 3, 4 and 5. Prior to bottling, the sample was transferred to a bucket, which had been rinsed with the same brine as the sample.

The bottles were rinsed with the brine and then filled to the top of the bottle removing any airspace, and capped. Bottles were labelled with the borehole number and sample depth with permanent marker pens, and labels were covered with transparent tape, to prevent labels being smudged or removed. When necessary, fine sediment was allowed to settle in the bucket before the brine sample was transferred from the bucket to two 1-liter plastic bottles. Two bottles were collected for each auger hole, (main sample, duplicate sample). Sample bottles were labelled with the hole number, sample or duplicate number and collection date; Labels were protected by clear packaging tape. Field measurements of pH, density, electrical conductivity, temperature and TDS were taken. All field data were recorded in a notebook and transcribed to the electronic data base maintained by David Carabanti of AIS Resources.

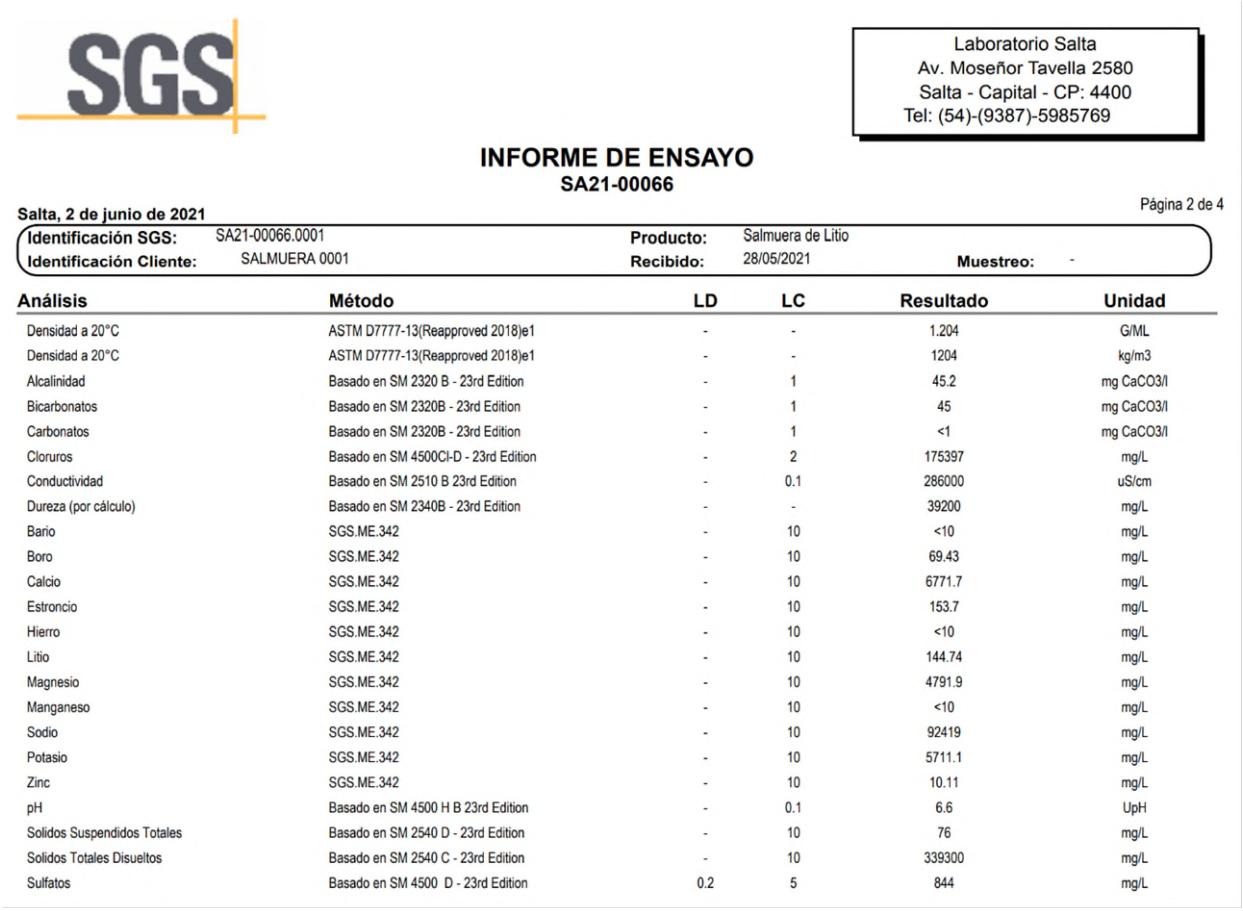
Brine samples remained in possession of the David Carabanti until delivered to the assay laboratory SGS, in Salta 4400, Argentina. No other sample preparation was done prior to shipment to the laboratory. The laboratory is ISO 17025 and 9001 certified and not affiliated with the Issuer.

At each auger location, the position coordinates were measured by a hand-held GPS unit, logged, then checked by the assistant geologist. The following is an example of the information recorded at each sampling location.

*Sample Location – PM09*

*Coordinates: X= 645331 / Y= 7311883*
*Geomorphology: Earthy saline crust. Rough surface. saline and detrital content. Without polygon development.*
*Water table: 0.55 m,bls*
*Depth of the auger hole: 1.98 m,bls*
*0.00 m - 0.30 m,bls: Sand with halite crystals.*
*0.30 m - 0.60 m,bls: Silty sand.*
*0.60 m - 0.96 m,bls: Sand with halite layers; high silt content.*
*0.96 m - 1.98 m,bls: Halite.*

Brine samples were analyzed by SGS Laboratories, in Salta Argentina. SGS is an independent laboratory, has significant experience in assaying lithium brines, and is certified to ISO 17025 standards for lithium brine assays. Figure 11-3 is an example of the laboratory reports obtained for each sample.



SGS

Laboratorio Salta
Av. Moseñor Tavella 2580
Salta - Capital - CP: 4400
Tel: (54)-(9387)-5985769

**INFORME DE ENSAYO**
**SA21-00066**

Página 2 de 4

**Salta, 2 de junio de 2021**

**Identificación SGS:** SA21-00066.0001 **Producto:** Salmuera de Litio
**Identificación Cliente:** SALMUERA 0001 **Recibido:** 28/05/2021 **Muestreo:** -

| Análisis | Método | LD | LC | Resultado | Unidad |
|---|---|---|---|---|---|
| Densidad a 20°C | ASTM D7777-13(Reapproved 2018)e1 | - | - | 1.204 | G/ML |
| Densidad a 20°C | ASTM D7777-13(Reapproved 2018)e1 | - | - | 1204 | kg/m3 |
| Alcalinidad | Basado en SM 2320 B - 23rd Edition | - | 1 | 45.2 | mg CaCO3/l |
| Bicarbonatos | Basado en SM 2320B - 23rd Edition | - | 1 | 45 | mg CaCO3/l |
| Carbonatos | Basado en SM 2320B - 23rd Edition | - | 1 | <1 | mg CaCO3/l |
| Cloruros | Basado en SM 4500Cl-D - 23rd Edition | - | 2 | 175397 | mg/L |
| Conductividad | Basado en SM 2510 B 23rd Edition | - | 0.1 | 286000 | uS/cm |
| Dureza (por cálculo) | Basado en SM 2340B - 23rd Edition | - | - | 39200 | mg/L |
| Bario | SGS.ME.342 | - | 10 | <10 | mg/L |
| Boro | SGS.ME.342 | - | 10 | 69.43 | mg/L |
| Calcio | SGS.ME.342 | - | 10 | 6771.7 | mg/L |
| Estroncio | SGS.ME.342 | - | 10 | 153.7 | mg/L |
| Hierro | SGS.ME.342 | - | 10 | <10 | mg/L |
| Litio | SGS.ME.342 | - | 10 | 144.74 | mg/L |
| Magnesio | SGS.ME.342 | - | 10 | 4791.9 | mg/L |
| Manganeso | SGS.ME.342 | - | 10 | <10 | mg/L |
| Sodio | SGS.ME.342 | - | 10 | 92419 | mg/L |
| Potasio | SGS.ME.342 | - | 10 | 5711.1 | mg/L |
| Zinc | SGS.ME.342 | - | 10 | 10.11 | mg/L |
| pH | Basado en SM 4500 H B 23rd Edition | - | 0.1 | 6.6 | UpH |
| Solidos Suspendidos Totales | Basado en SM 2540 D - 23rd Edition | - | 10 | 76 | mg/L |
| Solidos Totales Disueltos | Basado en SM 2540 C - 23rd Edition | - | 10 | 339300 | mg/L |
| Sulfatos | Basado en SM 4500 D - 23rd Edition | 0.2 | 5 | 844 | mg/L |

Figure 0-3. Example of SGS Laboratory Report

Site geologist David Carabanti closed and sealed the bottles and delivered them personally to SGS in Salta. The samples were collected using a bailer, put into 1-liter bottles, labelled and securely taped closed, and put into a secure box for transport to the SGS laboratory. Chain of custody forms were used, and confirmation was issued by SGS on receipt of the sample bottles.

In the opinion of the Author, sample preparation, security, and analytical procedures were adequate and adhere to best industry practice.

*Data Verification*

Analytical quality assurance and quality control (QA/QC) was monitored through the use of duplicate samples, blank samples and by standard samples. Accuracy, the closeness of measurements to the "true" or accepted value, was monitored by the insertion of standards, or reference samples. Distilled water blank samples were used to evaluate potential sample contamination and are inserted to measure any potential cross contamination.

Initially, QA/QC analysis of the May 2021 surface brine samples included one duplicate assay. Analysis of the duplicate results shows reasonable correlation between main and duplicate results for the major elements of interest. Results for the duplicate sample are shown on Table 12-1.

Table 0-1. Summary of Duplicate Sample Chemistry Results

| Incahuasi - lodged 28 May 2021 | | | SGS ID SA21-66.0001 | | mg/L | Reported 2 Jun 21 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Assay | Li | Mg | K | Ca | B | TDS | S | Cl | SG | ph |
| Augur 1 00001 | 144.74 | 4791.9 | 5711.1 | 6771.7 | 69.43 | 339300 | 844 | 175397 | 1.204 | 6.6 |
| Duplicate 1 | 143.16 | 5102.2 | 5409.4 | 6879.7 | 69.83 | 341500 | 868 | 175824 | 1.204 | 6.6 |
| Diff% | 1.1% | -6.5% | 5.3% | -1.6% | -0.6% | -0.6% | -2.8% | -0.2% | 0.0% | 0.0% |
| | | | | | | | | | | |
| Augur 2 00002 | 97.18 | 3034 | 3886.3 | 4300 | 49.65 | 332200 | 1391 | 178208 | 1.203 | 6.8 |

On March 22, 2022, the Author obtained a duplicate sample (M-32122) from well INCA-21-05R via bailer at a depth of about 30 m,bls with the assistance of David Carabanti. Figure 12-1 shows the bailing process and the resulting brine samples. Results for this sample and the original sample are shown on Table 12-2. In the opinion of the Author, results from the recent sample are not sufficiently similar to the older sample obtained at a similar depth. The difference in the sample chemistry is believed to be due to the fact that the part of the well that was sampled at 30 m,bls is in blank casing (not in hydraulic connection to the aquifer), and that the brine sampled in this stagnant part of the well is not representative of the aquifer chemistry. For previous samples taken by David Carabanti in the same well INCA-21-05R, samples were collected using depth-specific packers during drilling the borehole, and before the borehole was cased.

Figure 0-4. Bailing Sample from Well INCA-21-05R, March 2022

Table 0-2. Laboratory Results from Sample Taken by QP at Well INCA-21-05R, Compared to Older Sample Results

| Sample ID Original / Duplicate | Interval Depth (m,bls) | Li (mg/L) | K (mg/L) | Mg (mg/L) | Ca (mg/L) | Na (mg/L) | B (mg/L) |
|---|---|---|---|---|---|---|---|
| **M-32122**[1] | 0-30 | 47.0 | 5,713.3 | 5,538.3 | 9,062.6 | 63,476.1 | 26.9 |
| **SALMUERA 35**[2] | 46-50 | 145.9 | 6,224.9 | 6,339.0 | 8,127.9 | 103,479.1 | 64.3 |

[1]Sample taken with bailer in well INCA-21-05R during QP visit on March 21st 2022

[2]Sample taken with packer in well INCA-21-05R during December 2021

Because few duplicate samples were analyzed during the original program, previously collected, duplicate samples were submitted for re-analysis in April 2022. All samples including originals were sent to SGS laboratory, except two standards samples that were prepared by ALS laboratory. In addition, blank samples and standard samples were also submitted. Table 12-3 presents original and duplicate sample analytical results and percentage of difference with original values selected constituents (Li, K, Mg) of the brine samples analyzed. Table 12-4 presents percentage differences between original and duplicate samples for selected constituents (Ca, Na, B).

Table 0-3. Percentage Difference Between Original and Duplicate Sample Results for Li, K, and Mg

| Sample ID Original / Duplicate | Li (mg/L) | Duplicate | % difference | K (mg/L) | Duplicate | % difference | Mg (mg/L) | Duplicate | % difference |
|---|---|---|---|---|---|---|---|---|---|
| **BLANK/44** | 0.00 | <10 | 0.0 | 0.00 | <10 | 0.0 | 0.00 | <10 | 0.0 |
| **SALMUERA 0030[1]/45** | 111.81 | 115.41 | 3.2 | 6,520.70 | 5,117.19 | 21.5 | 5,917.70 | 5,094.55 | 13.9 |
| **SALMUERA 0031[2]/46** | 75.72 | 81.36 | 7.5 | 4,188.40 | 3,449.34 | 17.6 | 3,531.50 | 3,143.73 | 11.0 |
| **Standard-1[7]/47** | 147.00 | 134.08 | 8.8 | 1,272.00 | 966.76 | 24.0 | 593.00 | 548.33 | 7.5 |
| **SALMUERA 0032[3]/48** | 113.79 | 109.86 | 3.5 | 5,616.40 | 4,743.24 | 15.5 | 5,987.40 | 4,833.70 | 19.3 |
| **SALMUERA 0033[4]/49** | 117.55 | 113.66 | 3.3 | 5,982.30 | 4,845.02 | 19.0 | 5,909.40 | 4,873.83 | 17.5 |
| **SALMUERA 34[5]/50** | 120.00 | 107.89 | 10.1 | 4,984.08 | 4,447.39 | 10.8 | 6,136.78 | 4,792.84 | 21.9 |
| **SALMUERA 35[6]/51** | 145.90 | 140.13 | 4.0 | 6,224.86 | 6,169.13 | 0.9 | 6,339.03 | 5,959.27 | 6.0 |
| **SALMUERA 36[6]/52** | 158.10 | 152.97 | 3.2 | 6,650.66 | 6,564.00 | 1.3 | 7,571.13 | 6,723.63 | 11.2 |
| **SALMUERA 34[5]/53** | 120.00 | 108.41 | 9.7 | 4,984.08 | 4,809.31 | 3.5 | 6,136.78 | 4,815.16 | 21.5 |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **SALMUERA 037[6]/54** | 128.31 | 133.47 | 4.0 | 5,384.60 | 5,889.64 | 9.4 | 5,744.85 | 5,946.51 | 3.5 |
| **SALMUERA 038[6]/55** | 156.89 | 147.38 | 6.1 | 6,232.05 | 6,337.87 | 1.7 | 6,881.30 | 6,649.93 | 3.4 |
| **SALMUERA 39[6]/56** | 154.10 | 159.25 | 3.3 | 6,933.30 | 6,746.77 | 2.7 | 8,053.80 | 7,416.61 | 7.9 |
| **Standard-2[7]/57** | 98.00 | 84.83 | 13.4 | 2,672.00 | 2,380.42 | 10.9 | 1,189.00 | 1,133.80 | 4.6 |
| **SALMUERA 40[3]/58** | 135.44 | 132.85 | 1.9 | 5,415.89 | 5,792.52 | 7.0 | 6,270.80 | 6,096.97 | 2.8 |
| **SALMUERA 34[5]/59** | 120.00 | 103.56 | 13.7 | 4,984.08 | 4,843.32 | 2.8 | 6,136.78 | 4,710.71 | 23.2 |
| **SALMUERA 41[5]/60** | 161.51 | 164.87 | 2.1 | 6,553.82 | 6,819.31 | 4.1 | 7,845.80 | 7,614.91 | 2.9 |
| **BLANK/61** | 0.00 | <10 | 0.0 | 0.00 | <10 | 0.0 | 0.00 | <10 | 0.0 |

[1]Sample taken with packer in well
INCA-21-01R
[2]Sample taken with packer in well
INCA-21-02R
[3]Sample taken with packer and airlift in well
INCA-21-03R
[4]Sample taken with packer in well
INCA-21-04R
[5]Sample taken with packer and airlift in well
INCA-21-04BR
[6]Sample taken with packer and airlift in well
INCA-21-05R
[7]Standard-1 and Standard-2 by NOA2221487 Certificate ALS International
Argentina
Shaded cells are more than 10% difference

Table 0-4. Percentage Difference Between Original and Duplicate Sample Results for Ca, Na, and B

| **Sample ID Original / Duplicate** | **Ca (mg/L)** | **Duplicate** | **% difference** | **Na (mg/L)** | **Duplicate** | **% difference** | **B (mg/L)** | **Duplicate** | **% difference** |
|---|---|---|---|---|---|---|---|---|---|
| **BLANK/44** | 0.0 | <10 | 0.0 | 0.0 | <10 | 0.0 | 0.0 | <10 | 0.0 |
| **SALMUERA 0030[1]/45** | 5,927.4 | 6,466.8 | 9.1 | 106,096.8 | 95,454.9 | 10.0 | 65.1 | 54.9 | 15.7 |
| **SALMUERA 0031[2]/46** | 4,107.4 | 4,575.7 | 11.4 | 112,829.9 | 106,984.3 | 5.2 | 51.8 | 39.3 | 24.1 |
| **Standard-1[7]/47** | 299.0 | 238.4 | 20.3 | 107,530.0 | 106,359.5 | 1.1 | 543.0 | 503.7 | 7.2 |
| **SALMUERA 0032[3]/48** | 6,274.8 | 6,592.3 | 5.1 | 108,842.9 | 101,366.4 | 6.9 | 64.9 | 56.1 | 13.6 |
| **SALMUERA 0033[4]/49** | 6,327.1 | 6,597.0 | 4.3 | 107,331.0 | 98,717.7 | 8.0 | 68.2 | 52.8 | 22.6 |
| **SALMUERA 34[5]/50** | 7,168.5 | 6,302.7 | 12.1 | 106,839.2 | 98,717.7 | 7.6 | 56.1 | 45.3 | 19.3 |
| **SALMUERA 35[6]/51** | 8,127.9 | 8,125.9 | 0.0 | 103,479.1 | 93,911.5 | 9.2 | 64.3 | 56.5 | 12.1 |
| **SALMUERA 36[6]/52** | 9,814.7 | 9,241.4 | 5.8 | 104,733.4 | 91,935.7 | 12.2 | 69.2 | 60.6 | 12.4 |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **SALMUERA 34[5]/53** | 7,168.5 | 6,165.2 | 14.0 | 106,839.2 | 99,384.0 | 7.0 | 56.1 | 45.3 | 19.3 |
| **SALMUERA 037[6]/54** | 8,035.0 | 8,071.2 | 0.5 | 97,350.4 | 92,665.0 | 4.8 | 65.0 | 55.0 | 15.4 |
| **SALMUERA 038[6]/55** | 9,073.0 | 9,095.4 | 0.2 | 94,350.7 | 88,881.2 | 5.8 | 66.4 | 61.3 | 7.7 |
| **SALMUERA 39[6]/56** | 11,168.2 | 10,441.0 | 6.5 | 93,193.3 | 89,085.1 | 4.4 | 98.2 | 75.5 | 23.1 |
| **Standard-2[7]/57** | 498.0 | 418.7 | 15.9 | 98,500.0 | 94,492.5 | 4.1 | 490.0 | 443.7 | 9.5 |
| **SALMUERA 40[3]/58** | 8,015.6 | 8,073.1 | 0.7 | 99,388.9 | 95,530.5 | 3.9 | 86.2 | 59.9 | 30.5 |
| **SALMUERA 34[5]/59** | 7,168.5 | 6,109.3 | 14.8 | 106,839.2 | 97,522.7 | 8.7 | 56.1 | 43.9 | 21.8 |
| **SALMUERA 41[5]/60** | 9,667.6 | 9,959.0 | 3.0 | 96,253.0 | 89,671.3 | 6.8 | 97.8 | 70.0 | 28.4 |
| **BLANK/61** | 0.0 | <10 | 0.0 | 0.0 | 10.8 | 0.0 | 0.0 | <10 | 0.0 |

[1]Sample taken with packer in well INCA-21-01R
[2]Sample taken with packer in well INCA-21-02R
[3]Sample taken with packer and airlift in well INCA-21-03R
[4]Sample taken with packer in well INCA-21-04R
[5]Sample taken with packer and airlift in well INCA-21-04BR
[6]Sample taken with packer and airlift in well INCA-21-05R
[7]Standard-1 and Standard-2 by NOA2221487 Certificate ALS International, Argentina
Shaded cells are more than 10% difference

All percentage differences between the original and the duplicate samples results are low and generally considered within an acceptable range – especially for lithium values where most of the results have a difference of less than 5%.

The field sampling of brines was done in accordance with generally accepted industry standards. The brine sampling program included standard QA/QC elements such as obtaining duplicate laboratory samples, and submitting standard samples with known values and blank samples. Formal traffic reports and chain of custody documents were prepared for every sample obtained and submitted for laboratory analysis. In the opinion of the Author, sample preparation, security, and analytical procedures were acceptable and results from the laboratory analyses, especially with respect to lithium, are considered adequate and acceptable. Verification was limited because the Author was not physically present in the field during the exploration program; however, documentation of activities were complete and laboratory results, including results of duplicate samples for the original samples and the sample taken by the Author, support the work completed and the results obtained.

For subsequent exploration and aquifer characterization programs, the Author recommends development of a more robust QA/QC program that includes insertion of more duplicate samples at the time of sampling.

*Mineral Processing and Metallurgical Testing*

At this early phase of the Project, the Issuer had only preliminary conversations with process engineers regarding mineral processing selection and metallurgical testing. Only after additional works have been done to better determine the chemistry of the brine, estimate lithium resources and reserves, and determine project feasibility, will detailed mineral processing and metallurgical testing be conducted.

*Interpretation and Conclusions*

The Candela II Technical Report contains forward looking information related to the Project. There are many factors that could cause actual results to differ materially from any conclusions set out in the Candela II Technical Report. Some of the material factors include changes to regulatory framework development and issues with approval of exploitation licenses, differences from the assumptions made in the Candela II Technical Report regarding concentration assays, drilling results, pumping rates, porosity and transmissivity of aquifers, and other circumstances such that the Project proceeds, as described in the Candela II Technical Report. Potential risks associated with the Project are typical for lithium projects, and may include, but are not limited to laboratory error, uncertainty in hydrogeologic conceptualization, permitting and legal delays, and logistical issues associated with mining in remote areas. For this reason, readers should read this summary solely in the context of the full report and after reading all other items of this report. The purpose of the Candela II Technical Report is to describe the lithium project and the exploration work completed to date.

Based on the recent results from exploration drilling and geophysical surveys, the aquifer underlying the Project is saturated with a concentrated lithium brine. The upper part of the aquifer consists of halite and the lower part of the aquifer is mostly clastic sands and gravels. In the southern part of the concession close to the edges of the basin, the aquifer may thinner, and the brine chemistry contains less lithium. It appears that there is some dilution of the brine with fresh water towards the edges of the basin in the upper part of the aquifer where fresh water recharge occurs. Larger lithium concentrations occur in the northern part of the concession and with increasing depth. The majority of the samples obtained had lithium concentrations consistently in excess of about 130 mg/L below a depth of about 50 meters below land surface; largest reported lithium concentration was 161 mg/L at well INCA-21-05R.

In the northern part of the concession where well INCA-21-05R is located, there is a deeper sequence of clastic sediments below the halite as compared to the southern part of the Candela II concession. The geophysical surveys show that the aquifer gets thicker to the north and to the east; drilling at well INCA-21-05R confirms this. It is important to note that, although bedrock was not reported to be encountered during exploration drilling, there is some uncertainty regarding this issue at the wells located in the south part of the concession. The geophysics supports the idea that relatively shallow bedrock likely occurs in the south part of the concession, whether or not it was truly encountered during drilling or not.

*Recommendations*

Based on the initial results of exploration to date, additional exploration activities are justified to better characterize the subsurface brine in the concession. To date, the upper part of the aquifer has been drilled and tested. Additional drilling and testing will allow for expansion of the resource laterally throughout the entire concession area, and deeper until bedrock. Because well INCA-21-05R was terminated in permeable sediments, it is recommended that the proposed diamond coreholes be drilled to at least 250 m,bls, and more if favorable aquifer conditions are still encountered. The Author recommends additional diamond drill holes with depth-specific sampling at regular intervals to better define the brine chemistry throughout the entire aquifer. Additional drilling and testing will allow for estimation of an initial lithium resource and will support estimation of a future reserve.

The Author recommends a single additional drilling phase consisting of three coreholes (drilled to a maximum of about 250 m,bls), and two pumpable wells drilled and constructed to depths to be determined based on the results of the deep coreholes. The coreholes will include depth-specific brine sampling using an inflatable packer, and laboratory analysis of core for drainable porosity values.

For the proposed three corehole program, and two well program, costs (excluding tax, in USD) can be summarized as follows:

- Roads and drilling platforms - $170,000
- Environmental studies - $40,000
- Drilling and testing - $1,900,000
- Field monitoring and supervision - $240,000
- Development of a resource block model - $80,000
- Reporting - $70,000

Total estimated cost of about USD $2,500,000 (plus taxes) (CAD $3,200,00 plus taxes) for the proposed three corehole and two pumpable well exploration program.

If the results of the proposed exploration program are favorable and support feasibility of a lithium extraction project, additional studies should include the following:

- Fresh water study to identify a potential sustainable freshwater supply
- Development of a geologic reserve model to allow estimation of an initial reserve estimation
- Additional studies in support of a PEA study

## SELECTED FINANCIAL INFORMATION

### Financial Information – Annual Information

The following table provides a brief summary of the financial information of Tech One as at and for the period from incorporation on March 11, 2021 to May 31, 2021. Such information is derived from the financial statements of Tech One and should be read in conjunction with such financial statements.

| | **For the Period from Incorporation to May 31, 2021** |
|---|---|
| **Operating Data:** | |
| Total revenues | Nil |
| Total expenses | ($174,924) |
| Net loss for the year | ($174,924) |
| Basic and diluted loss per share | ($0.03) |
| Dividends | Nil |
| **Balance Sheet Data:** | |
| Total assets | $717,216 |
| Total liabilities | $9,500 |

### Financial Information – 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 year:

| Quarter Ended | Total Revenue | Net Income (Loss) | Net Income (Loss) per Share |
|---|---|---|---|
| May 31, 2021 | Nil | ($174,924) | ($0.03) |
| February 29, 2021 | N/A[(1)] | N/A[(1)] | N/A[(1)] |
| November 30, 2020 | N/A[(1)] | N/A[(1)] | N/A[(1)] |
| August 31, 2020 | N/A[(1)] | N/A[(1)] | N/A[(1)] |
| May 31, 2020 | N/A[(1)] | N/A[(1)] | N/A[(1)] |
| February 29, 2020 | N/A[(1)] | N/A[(1)] | N/A[(1)] |
| November 30, 2019 | N/A[(1)] | N/A[(1)] | N/A[(1)] |
| August 31, 2019 | N/A[(1)] | N/A[(1)] | N/A[(1)] |

Notes:

(1) Tech One was incorporated on March 11, 2021 pursuant to the BCBCA

## Dividends

It is not contemplated that any dividends will be paid in the immediate or foreseeable future, if at all.

## MANAGEMENT DISCUSSION AND ANALYSIS

Management's discussion and analysis of the financial statements of Tech One is included in this Material Change Report as Appendix "C".

## MARKET FOR SECURITIES

Tech One is not a reporting issuer in any province of Canada and its shares are not traded on any stock exchange.

## CONSOLIDATED CAPITALIZATION

The following table summarizes Tech One's consolidated capitalization as of the date immediately prior to the completion of the Amalgamation:

| Designation of Security | Amount Authorized | As at the date immediately prior to the completion of the Transaction |
|---|---|---|
| Common Shares | Unlimited | 23,500,000 |

## OPTIONS TO PURCHASE SECURITIES

Tech One has not adopted an equity incentive stock plan.

## DESCRIPTION OF THE SECURITIES

### General

Tech One's authorized capital consists of an unlimited amount of Common Shares, of which 23,500,000 Common Shares are issued and outstanding as of the date immediately prior to the completion of the Transaction.

### Common Shares

The holders of the Common Shares are entitled to receive notice of and to attend and vote at all meetings of the shareholders of Tech One and each Common Share confers the right to one vote in person or by proxy at all meetings of the shareholders of Tech One. The holders of the Common Shares, subject to the prior rights, if any, of any other class of shares of Tech One, are entitled to receive such dividends in any financial year as the board of directors of Tech One (the "**Board**") may by resolution determine. In the event of the liquidation, dissolution or winding-up of Tech One, whether voluntary or involuntary, the holders of the Common Shares are entitled to receive, subject to the prior rights, if any, of the holders of any other class of shares of Tech One, the remaining property and assets of Tech One. The Common Shares do not carry any pre-emptive, subscription, redemption or conversion rights, nor do they contain any sinking or purchase fund provisions.

**Prior Sales**

The following table sets out details of the Common Shares which were issued within the 12 months immediately prior to the completion of the Transaction.

| Date | Number of Common Shares | Issue Price per Common Share | Aggregate Gross Proceeds Received |
|---|---|---|---|
| March 11, 2021 | 100[(1)] | $0.01 | $1.00 |
| March 20, 2021 | 15,640,000 | $0.001 | $15,640 |
| March 27, 2021 | 1,000,000 | $0.01 | $10,000 |
| April 16, 2021 | 5,720,000 | $0.10 | $572,000 |
| April 23, 2021 | 1,140,000 | $0.25 | $285,000 |

Notes:

(1) On March 20, 2021, Tech One repurchased for cancellation 100 Common Shares for an aggregate purchase price of $1.00.

**Trading Price and Volume**

The Common Shares are not traded or quoted on any stock exchange or other marketplace.

## ESCROWED SECURITIES

As of the date immediately prior to the completion of the Amalgamation, no Common Shares are held in escrow or subject to a contractual restriction on transfer.

## PRINCIPAL SHAREHOLDERS

To the knowledge of the sole director and officer of Tech One, as of the date immediately prior to the completion of the Amalgamation, no person beneficially owns or exercises control or direction over Common Shares carrying more than 10% of the votes attached to Common Shares other than the following:

| Name | Beneficial Shareholder | Nature of Holdings | Number of Common Shares | Date Acquired | Price per Common Share | Percentage of Issued and Outstanding Common Shares |
|---|---|---|---|---|---|---|
| Serva Capital Corp. | Lawrence Hay | Direct | 4,500,000 | March 20, 2021 | $0.001 | 19.15% |

| | | | | | | |
|---|---|---|---|---|---|---|
| 1245301 B.C. Ltd. | Erickson Chiu | Direct | 4,000,000 | March 20, 2021 | $0.001 | 17.02% |
| 1231205 B.C. Ltd. | Amar Soos | Direct | 2,590,000 | March 20, 2021 | $0.001 | 11.02% |
| Cervus Business Management Inc. | Dan Terrett | Direct | 2,500,000 | March 20, 2021 | $0.001 | 10.64% |

## DIRECTORS AND EXECUTIVE OFFICERS

The following table sets forth the name of the sole director and executive officer of Tech One, his municipality of residence, his current position with Tech One, his principal occupation during the past five years and the number and percentage of Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised as at the date immediately prior to the completion of the Transaction.

| Name, Municipality of Residence and Position Held | Principal Occupation for Past Five Years | Director/Officer of Tech One Since (1) | Number and Percentage of Common Shares Beneficially Owned or Controlled, Directly or Indirectly (2) |
|---|---|---|---|
| **Lawrence Hay**<br>Chief Executive Officer and Director<br><br>106-461 16th Street, North Vancouver, British Columbia V7M 1V1 | Red seal journeyman | Mar 11, 2021 | 4,500,000, 19.15% |

Notes:

(2) The directors of Tech One are elected at each annual general meeting and hold office until the next annual general meeting or until their successors are duly elected or appointed in accordance with Tech One's Articles or until such director's earlier death, resignation or removal.

(3) On an undiluted basis, based on 23,500,000 Common Shares issued and outstanding.

### Corporate Cease Trade Orders or Bankruptcies; Penalties or Sanctions; Personal Bankruptcies

The sole director and officer of Tech One is not, at the date immediately prior to the completion of the Transaction, nor has been, within 10 years before the date immediately prior to the completion of the Transaction, a director, chief executive officer or chief financial officer of any company, including any personal holding company that, while such person was acting in that capacity:

(a) was the subject of a cease trade or similar order, or an order that denied the other issuer access to any exemptions under securities legislation, for a period of more than 30 consecutive days; or

(b) was subject to an event that resulted, after the director or officer ceased to be a director or officer, in the other issuer being the subject of a cease trade or similar order or an order that denied the other issuer access to any exemption under securities legislation, for a period of more than 30 consecutive days;

(c) 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 or trustee appointed to hold its assets; or

(d) 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 or trustee appointed to hold its assets.

The sole director and officer of Tech One has not been subject to: (i) any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

The sole director and officer of Tech One has not (neither himself nor through a personal holding company), within 10 years before the date immediately prior to the completion of the Transaction, 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.

**Conflicts of Interest**

Conflicts of interest may arise as a result of the directors and officers of Tech One also holding positions as directors or officers of other companies. The sole director and officer of Tech One has been and will continue to be engaged in the identification and evaluation of assets, businesses and companies on his own behalf and on behalf of other companies, and situations may arise where the sole director and officer of Tech One will be in direct competition with Tech One. Conflicts, if any, will be subject to the procedures and remedies provided under the BCBCA.

**Management**

A brief biography for the sole director and executive officer of Tech One is set out below:

*Lawrence Hay (Age 34) – Chief Executive Officer and Director*

Mr. Hay has extensive experience providing corporate development services and consultation to both private and public sector clients, particularly those within the lithium industry. Mr. Hay studied at Vancouver Community College, obtaining his Red Seal certification in 2012, while apprenticing and developed a significant interest in the lithium market due to the growing demand in electric vehicles. Mr. Hay has since been working within the automotive industry for the past 10 years before he proceeded with the incorporation and operation of Tech One.

## STATEMENT OF EXECUTIVE COMPENSATION

The following information is presented in accordance with Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers* ("**Form 51-102F6V**") and provides details of all compensation for each of the named executive officers or "**NEOs**", as defined in Form 51-102F6V, and the sole director of Tech One for the period from incorporation on July 17, 2020 to July 31, 2020.

During the period from incorporation on March 11, 2021 to May 31, 2021, Tech One had one NEO: Lawrence Hay.

**Director and Named Executive Officer Compensation – Excluding Compensation Securities**

The following table sets out all compensation paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, by Tech One to each NEO and director, in any capacity, for the period from incorporation on March 11, 2021 to May 31, 2021.

| Table of Compensation Excluding Compensation Securities | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Name and position** | **Year** | **Salary, consulting fee, retainer or commission ($)** | **Bonus ($)** | **Committee or meeting fees ($)** | **Value of perquisites ($)** | **Value of all other compensation ($)** | **Total compensation ($)** |
| Lawrence Hay<br>CEO and Director | 2021 | $16,000 | Nil | Nil | Nil | Nil | $16,000 |

**Stock Options and Other Compensation Securities**

No NEO or director of Tech One was granted or issued compensation securities by Tech One for the period from incorporation on March 11, 2021 to May 31, 2021.

No NEO or director of Tech One exercised any compensation securities for the period from incorporation on March 11, 2021 to May 31, 2021.

**Employment, Consulting and Management Agreements**

Management functions of Tech One are not, to any substantial degree, performed other than by the sole director and officer and NEO of Tech One. There are no agreements or arrangements that provide for compensation to NEOs or directors of Tech One, or that provide for payments to a NEO or director at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, severance, a change of control in Tech One or a change in the NEO or director's responsibilities.

**Oversight and Description of Director and Named Executive Officer Compensation**

*Compensation of Directors*

Compensation of directors of Tech One is reviewed annually and determined by the Board. The level of compensation for directors is determined after consideration of various relevant factors, including the expected nature and quantity of duties and responsibilities, past performance, comparison with compensation paid by other issuers of comparable size and nature, and the availability of financial resources.

In the Board's view, there is, and has been, no need for Tech One to design or implement a formal compensation program for directors. Tech One does not offer any long-term incentive plans, share compensation plans or any other such benefit programs for directors.

*Compensation of NEOs*

Compensation of NEOs is reviewed annually and determined by the Board. The level of compensation for NEOs is determined after consideration of various relevant factors, including the expected nature and quantity of duties and responsibilities, past performance, comparison with compensation paid by other issuers of comparable size and nature, and the availability of financial resources. In the Board's view, there is, and has been, no need for Tech One to design or implement a formal compensation program for NEOs.

*Elements of NEO Compensation*

As discussed above, Tech One does not offer any long-term incentive plans, share compensation plans, retirement plans, pension plans, or any other such benefit programs for NEOs.

Due to the relatively small size of Tech One, limited cash resources, and the early stage and scope of Tech One's operations, the NEOs do not currently receive annual salaries. The Board will review Tech One's financial performance on an annual basis to determine whether salaries can be paid to the NEOs at a later date.

**Pension Disclosure**

No pension, retirement or deferred compensation plans, including defined contribution plans, have been instituted by Tech One and none are proposed at this time.

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No director, officer or employee Tech One, nor any associates of such persons, is indebted to Tech One and no indebtedness of such persons is the subject of a guarantee, support agreement, letter of credit or other similar arrangement provided by Tech One.

## RISK FACTORS

***An investment in the Common Shares should be considered highly speculative due to the nature of Tech One's business and the present stage of development. An investment in the Common Shares should only be made by knowledgeable and sophisticated investors who are willing to risk and can afford the loss of their entire investment and who are able to understand the unique nature and risks of Tech One. Potential investors should consult with their professional advisors to assess an investment in Tech One. In evaluating Tech One and its business, investors should carefully consider, in addition to other information contained in this Material Change Report, the risk factors below. These risk factors are not a definitive list of all risk factors associated with an investment in Tech One or in connection with its operations.***

The following are certain factors relating to Tech One's business, which prospective investors should carefully consider before deciding whether to purchase Common Shares. 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 set out elsewhere in this Material Change Report.

New diseases and epidemics (such as COVID-19) may adversely impact Tech One's business. In March 2020, the World Health Organization declared a global pandemic related to the novel coronavirus (COVID-

19). The expected impact and extent of the spread of COVID-19, and the duration and intensity of resulting global business disruption and related financial and social impact, are uncertain, and such adverse effects are likely to be material. The mineral exploration sector is expected to be impacted significantly as many local and regional governments have issued public health orders in response to COVID-19, including restricting the movement of people, which could impact Tech One's ability to access its properties and undertake exploration programs in the anticipated timeframes.

The actual and threatened spread of COVID-19 globally could adversely affect global economies and financial markets resulting in a prolonged economic downturn and a decline in commodity prices. The extent to which COVID-19 (or any other disease, epidemic or pandemic) impacts business activity or financial results, and the duration of any such negative impact, will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning COVID-19 and the actions required to contain or treat its impact, among others.

**Risks Related to Tech One's Business**

*Limited Operating History.*

Tech One was incorporated on March 11, 2021 and has a limited operating history and no operating revenues. There is no assurance that the Candela II Project or any other property or business that Tech One may acquire or undertake will generate earnings, operate profitably or provide a return on investment in the future.

*Because of the unique difficulties and uncertainties inherent in mineral exploration ventures, Tech One faces a high risk of business failure.*

Potential investors should be aware of the difficulties normally encountered by mineral exploration companies and the high rate of failure of such enterprises. The likelihood of success must be considered in light of the problems, expenses, difficulties, complications and delays encountered in connection with the exploration program that Tech One intends to undertake on its property and any additional properties that Tech One may acquire. These potential problems include unanticipated problems relating to exploration, and additional costs and expenses that may exceed current estimates. The expenditures to be made by Tech One in the exploration of its properties may not result in the discovery of mineral deposits. Any expenditures that Tech One may make in the exploration of any other mineral property that it may acquire may not result in the discovery of any commercially exploitable mineral deposits. Problems such as unusual or unexpected geological formations and other conditions are involved in all mineral exploration and often result in unsuccessful exploration efforts. If the results of Tech One's exploration do not reveal viable commercial mineralization, Tech One may decide to abandon some or all of its property interests.

*Exploration Risks*

Tech One is seeking mineral deposits on exploration projects where there are not yet established commercial quantities. There can be no assurance that economic concentrations of minerals will be determined to exist on Tech One's property holdings within existing investors' investment horizons, or at all. The failure to establish such economic concentrations could have a material adverse outcome on Tech One and its securities. Tech One's planned programs and budgets for exploration work are subject to revision at any time to take into account results to date. The revision, reduction or curtailment of exploration programs and budgets could have a material adverse outcome on Tech One and its securities.

*The potential profitability of mineral ventures depends in part upon factors beyond the control of Tech One and even if Tech One discovers and exploits mineral deposits, Tech One may never become commercially viable and Tech One may be forced to cease operations.*

The commercial feasibility of an exploration program on a mineral property is dependent upon many factors beyond Tech One's control, including the existence and size of mineral deposits in the properties Tech One explores the proximity and capacity of processing equipment, market fluctuations of prices, taxes, royalties, land tenure, allowable production and environmental regulation. These factors cannot be accurately predicted and any one or a combination of these factors may result in Tech One not receiving an adequate return on invested capital. These factors may have material and negative effects on Tech One's financial performance and its ability to continue operations.

*Exploration and exploitation activities are subject to comprehensive regulation which may cause substantial delays or require capital outlays in excess of those anticipated causing an adverse effect on Tech One.*

Exploration and exploitation activities are subject to federal, provincial, state and local laws, regulations and policies, including laws regulating the removal of natural resources from the ground and the discharge of materials into the environment. Exploration and exploitation activities are also subject to federal, provincial, state and local laws and regulations which seek to maintain health and safety standards by regulating the design and use of drilling methods and equipment.

Environmental and other legal standards imposed by federal, provincial, state or local authorities may be changed and any such changes may prevent Tech One from conducting planned activities or may increase its costs of doing so, which would have material adverse effects on its business. Moreover, compliance with such laws may cause substantial delays or require capital outlays in excess of those anticipated, thus causing an adverse effect on Tech One. Additionally, Tech One may be subject to liability for pollution or other environmental damages that Tech One may not be able to or elect not to insure against due to prohibitive premium costs and other reasons. Any laws, regulations or policies of any government body or regulatory agency may be changed, applied or interpreted in a manner which will alter and negatively affect Tech One's ability to carry on its business.

*Title to mineral properties is a complex process and Tech One may suffer a material adverse effect in the event one or more of its property interests are determined to have title deficiencies.*

Acquisition of title to mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral properties may be disputed. Although Tech One has either staked property or entered into property option agreements or joint venture agreements on its existing project interests, Tech One cannot give an assurance that title to such property will not be challenged or impugned. Further, Tech One cannot give an assurance that the existing description of mining titles will not be changed due to changes in policy, rulings, or law in the jurisdiction where the property is located. Mineral properties sometimes contain claims or transfer histories that examiners cannot verify. A successful claim that Tech One does not have title to one or more of its properties could cause Tech One to lose any rights to explore, develop and mine any minerals on that property, without compensation for its prior expenditures relating to such property.

The properties optioned by Tech One may now or in the future be the subject of first nations land claims. The legal nature of aboriginal land claims is a matter of considerable complexity. The impact of any such claim on Tech One's ownership interest in the properties optioned by Tech One cannot be predicted with any degree of certainty and no assurance can be given that a broad recognition of aboriginal rights in the

area in which the properties optioned by Tech One are located, by way of a negotiated settlement or judicial pronouncement, would not have an adverse effect on Tech One's activities. Even in the absence of such recognition, Tech One may at some point be required to negotiate with first nations in order to facilitate exploration and development work on the properties optioned by Tech One.

*Because Tech One's property interests may not contain mineral deposits and because it has never made a profit from its operations, Tech One's securities are highly speculative and investors may lose all of their investment in Tech One.*

Tech One's securities must be considered highly speculative, generally because of the nature of its business and its stage of operations. Tech One currently has exploration stage property interests which may not contain mineral deposits. Tech One may or may not acquire additional interests in other mineral properties but Tech One does not have plans to acquire rights in any specific mineral properties as of the date of this Material Change Report. Accordingly, Tech One has not generated significant revenues nor has it realized a profit from its operations to date and there is little likelihood that Tech One will generate any revenues or realize any profits in the short term. Any profitability in the future from Tech One's business will be dependent upon locating and exploiting mineral deposits on Tech One's current properties or mineral deposits on any additional properties that Tech One may acquire. The likelihood that any mineral properties that Tech One may acquire or have an interest in will contain commercially exploitable mineral deposits is extremely remote. Tech One may never discover mineral deposits in respect to its current properties or any other area, or Tech One may do so and still not be commercially successful if Tech One is unable to exploit those mineral deposits profitably. Tech One may not be able to operate profitably and may have to cease operations, the price of its securities may decline and investors may lose all of their investment in Tech One.

*As Tech One faces intense competition in the mineral exploration and exploitation industry, Tech One will have to compete with Tech One's competitors for financing and for qualified managerial and technical employees.*

Tech One's competition includes large established mining companies with substantial capabilities and with greater financial and technical resources than Tech One. As a result of this competition, Tech One may have to compete for financing and be unable to acquire financing on terms it considers acceptable. Tech One may also have to compete with the other mining companies for the recruitment and retention of qualified managerial and technical employees. If Tech One is unable to successfully compete for financing or for qualified employees, Tech One's exploration programs may be slowed down or suspended, which may cause Tech One to cease operations as a company.

*Tech One's operations are subject to human error.*

Despite efforts to attract and retain qualified personnel, as well as the retention of qualified consultants, to manage Tech One's interests and even when those efforts are successful, people are fallible and human error could result in significant uninsured losses to Tech One. These could include loss or forfeiture of mineral claims or other assets for non-payment of fees or taxes, significant tax liabilities in connection with any tax planning effort Tech One might undertake and legal claims for errors or mistakes by Tech One personnel.

*Tech One's future is dependent upon its ability to obtain financing and if Tech One does not obtain such financing, Tech One may have to cease its exploration activities and investors could lose their entire investment.*

There is no assurance that Tech One will operate profitably or will generate positive cash flow in the future. Tech One requires additional financing in order to proceed with the exploration and development of its property. Tech One will also require additional financing for the fees it must pay to maintain its status in relation to the rights to Tech One's property and to pay the fees and expenses necessary to operate as a public company. Tech One will also need more funds if the costs of the exploration of its mineral claims are greater than Tech One has anticipated. Tech One will require additional financing to sustain its business operations if it is not successful in earning revenues. Tech One will also need further financing if it decides to obtain additional mineral properties. Tech One currently does not have any arrangements for further financing and it may not be able to obtain financing when required. Tech One's future is dependent upon its ability to obtain financing. If Tech One does not obtain such financing, its business could fail and investors could lose their entire investment.

*Dependence on management.*

Tech One will be very dependent upon the personal efforts and commitment of its directors and officers. If one or more of Tech One's proposed executive officers become unavailable for any reason, a severe disruption to the business and operations of Tech One could result and Tech One may not be able to replace them readily, if at all. As Tech One's business activity grows, Tech One will require additional key financial, administrative and mining personnel as well as additional operations staff. There can be no assurance that Tech One will be successful in attracting, training and retaining qualified personnel as competition for persons with these skill sets increase. If Tech One is not successful in attracting, training and retaining qualified personnel, the efficiency of its operations could be impaired, which could have an adverse impact on Tech One's future cash flows, earnings, results of operations and financial condition.

*Tech One's directors and officers are engaged in other business activities and accordingly may not devote sufficient time to Tech One's business affairs, which may affect its ability to conduct operations and generate revenues.*

Tech One's directors and officers are involved in other business activities. As a result of their other business endeavours, the directors and officers may not be able to devote sufficient time to Tech One's business affairs, which may negatively affect its ability to conduct its ongoing operations and its ability to generate revenues. In addition, the management of Tech One may be periodically interrupted or delayed as a result of its officers' other business interests.

*Conflicts of Interest.*

Certain directors and officers of Tech One are, and may continue to be, involved in the mining and mineral exploration industry through their direct and indirect participation in corporations, partnerships or joint ventures which are potential competitors of Tech One. Situations may arise in connection with potential acquisitions in investments where the other interests of these directors and officers may conflict with the interests of Tech One. Directors and officers of Tech One with conflicts of interest will be subject to the procedures set out in applicable corporate and securities legislation, regulation, rules and policies.
*Exploration and Development.*

All of Tech One's operations are at the exploration stage and there is no guarantee that any such activity

will result in commercial production of mineral deposits. The exploration for mineral deposits involves significant risks which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. Major expenses may be required to locate and establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the exploration programs planned by Tech One or any future development programs will result in a profitable commercial mining operation. There is no assurance that Tech One's mineral exploration activities will result in any discoveries of commercial quantities of ore. There is also no assurance that, even if commercial quantities of ore are discovered, a mineral property will be brought into commercial production. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as size, grade and proximity to infrastructure, metal prices which are highly cyclical; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted. The long-term profitability of Tech One will be in part directly related to the cost and success of its exploration programs and any subsequent development programs.

*Environmental Risks and Other Regulatory Requirements.*

The current or future operations of Tech One, including future exploration and development activities and commencement of production on its property or properties, will require permits or licences from various federal and local governmental authorities, and such operations are and will be governed by laws and regulations governing prospecting, development, mining, production, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. Companies engaged in the development and operation of mines and related facilities generally experience increased costs and delays as a result of the need to comply with the applicable laws, regulations and permits. There can be no assurance that all permits which Tech One may require for the conduct of its operations will be obtainable on reasonable terms or that such laws and regulations would not have an adverse effect on any project which Tech One might undertake.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions 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 such activities and may have civil or criminal fines or penalties imposed upon them for violation of applicable laws or regulations.

Amendments to current laws, regulations and permits governing operations and activities of mining companies and mine reclamation and remediation activities, or more stringent implementation thereof, could have a material adverse impact on Tech One and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in the development of new mining properties.

*Aboriginal Accommodation Risks.*

Aboriginal title claims and rights to consultation and accommodation may affect our existing operations as well as potential development projects. Governments in many jurisdictions must consult with aboriginal peoples with respect to grants of mineral rights and the issuance or amendment of project authorizations. Consultation and other rights of aboriginal people may require accommodations, including undertakings

regarding employment and other matters in impact and benefit agreements. This may affect our ability to assure within a reasonable time frame effective mineral titles in these jurisdictions, including in some parts of Canada in which aboriginal title is claimed, and may affect the timetable and costs of exploration and, if warranted, development of mineral properties in these jurisdictions. The risk of unforeseen aboriginal title claims also could affect existing exploration activities as well as potential development projects and possible future acquisitions. These legal requirements may affect our ability to expand or transfer existing projects or acquire possible new projects.

*No Operating History.*

Exploration projects have no operating history upon which to base estimates of future cash flows. Substantial expenditures are required to develop mineral projects. It is possible that actual costs and future economic returns may differ materially from Tech One's estimates. There can be no assurance that the underlying assumed levels of expenses for any project will prove to be accurate. Further, it is not unusual in the mining industry for new mining operations to experience unexpected problems during start-up, resulting in delays and requiring more capital than anticipated. There can be no assurance that Tech One's projects will move beyond the exploration stage and be put into production, achieve commercial production or that they will produce revenue, operate profitably or provide a return on investment in the future. Mineral exploration involves considerable financial and technical risk. There can be no assurance that the funds required for exploration and future development can be obtained on a timely basis. There can be no assurance that Tech One will not suffer significant losses in the near future or that Tech One will ever be profitable.

*History of Net Losses; Accumulated Deficit; Lack of Revenue from Operations.*

Tech One has incurred net losses to date. Tech One has not yet earned any ongoing revenue from the exploration activities on its properties, nor has Tech One yet determined that commercial development is warranted on any of its properties. Even if Tech One commences development of certain of its properties, Tech One may continue to incur losses. There is no certainty that Tech One will produce revenue, operate profitably or provide a return on investment in the future.

*Commodity Prices.*

The price of the Common Shares and Tech One's financial results may be significantly adversely affected by a decline in the price of mineral commodities. Metal prices fluctuate widely and are affected by numerous factors beyond Tech One's control. The level of interest rates, the rate of inflation, world supply of mineral commodities, global and regional consumption patterns, speculative trading activities, the value of the United States dollar and stability of exchange rates can all cause significant fluctuations in prices. Such external economic factors are in turn influenced by changes in international investment patterns and monetary systems, political systems and political and economic developments. The price of mineral commodities has fluctuated widely in recent years and future serious price declines could cause potential commercial production to be uneconomic. A severe decline in the price of minerals would have a material adverse effect on Tech One.

*Dividend Policy.*

No dividends on the Common Shares have been paid by Tech One to date. Tech One anticipates that it will retain any earnings and other cash resources for the foreseeable future for the operation and development of its business. Tech One does not intend to declare or pay any cash dividends in the foreseeable future. Payment of any future dividends will be at the discretion of Tech One's Board after taking into account

many factors, including Tech One's operating results, financial condition and current and anticipated cash needs.

*Permitting.*

Tech One's mineral property interests are subject to receiving and maintaining permits from appropriate governmental authorities. There is no assurance that delays will not occur in connection with obtaining all necessary renewals of existing permits, additional permits for any possible future developments or changes to operations or additional permits associated with new legislation. Prior to any development of any of their properties, Tech One must receive permits from appropriate governmental authorities. There can be no assurance that Tech One will continue to hold all permits necessary to develop or continue its activities at any particular property. 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 activities to cease or be curtailed, and may include corrective measures requiring capital expenditures or remedial actions. Amendments to current laws, regulations and permitting requirements, or more stringent application of existing laws, may have a material adverse impact on Tech One, resulting in increased capital expenditures and other costs or abandonment or delays in development of properties.

*Influence of Third Party Stakeholders.*

The mineral properties in which Tech One holds an interest, or the exploration equipment and road or other means of access which Tech One intends to utilize in carrying out its work programs or general business mandates, may be subject to interests or claims by third party individuals, groups or companies. In the event that such third parties assert any claims, Tech One's work programs may be delayed even if such claims are not meritorious. Such claims may result in significant financial loss and loss of opportunity for Tech One.

*Insurance.*

Exploration, development and production operations on mineral properties involve numerous risks, including unexpected or unusual geological operating conditions, ground or slope failures, fires, environmental occurrences and natural phenomena such as prolonged periods of inclement weather conditions, floods and earthquakes. It is not always possible to obtain insurance against all such risks and Tech One may decide not to insure against certain risks because of high premiums or other reasons. Such occurrences could result in damage to, or destruction of, mineral properties or production facilities, personal injury or death, environmental damage to Tech One's properties or the properties of others, delays in exploration, development or mining operations, monetary losses and possible legal liability. Tech One expects to maintain insurance within ranges of coverage which it believes to be consistent with industry practice for companies of a similar stage of development. Tech One expects to carry liability insurance with respect to its mineral exploration operations, but is not expected to cover any form of political risk insurance or certain forms of environmental liability insurance, since insurance against political risks and environmental risks (including liability for pollution) or other hazards resulting from exploration and development activities is prohibitively expensive. Should such liabilities arise, they could reduce or eliminate future profitability and result in increasing costs and a decline in the value of the securities of Tech One. If Tech One is unable to fully fund the cost of remedying an environmental problem, it might be required to suspend operations or enter into costly interim compliance measures pending completion of a permanent remedy. The lack of, or insufficiency of, insurance coverage could adversely affect Tech One's future cash flow and overall profitability.

## PROMOTERS

Lawrence Hay may be considered a promoter of Tech One within the meaning of applicable securities legislation by reason of his initiative and involvement in the formation and establishment of Tech One. For a description of the number and percentage of Common Shares in Tech One to be beneficially owned, directly or indirectly, or over which direction or control will be exercised by Mr. Hay, please see above "*Options to Purchase Securities*"; "*Directors and Executive Officers*"; "*Statement of Executive Compensation*" and "*Interest of Management and Others in Material Transactions*".

## LEGAL PROCEEDINGS

### Legal Proceedings

There are no legal proceedings outstanding, threatened or pending as of the date immediately prior to the completion of the Amalgamation by or against Tech One or to which it is a party or its business or any of its assets is the subject of, nor to the knowledge of the sole director and officer of Tech One are any such legal proceedings contemplated which could become material to Tech One.

### Regulatory Actions

There have not been any penalties or sanctions imposed against Tech One by a court relating to provincial or territorial securities legislation or by a securities regulatory authority, nor have there been any other penalties or sanctions imposed by a court or regulatory body against Tech One, and Tech One has not entered into any settlement agreements before a court relating to provincial or territorial securities legislation or with a securities regulatory authority.

## INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Neither the sole director and officer of Tech One, nor any associate or affiliate of the foregoing person, has, or has had, any material interest, direct or indirect, in any transaction that has materially affected or will materially affect Tech One.

## AUDITORS, TRANSFER AGENTS AND REGISTRARS

The auditor of Tech One is Manning Elliott LLP, Chartered Professional Accountants, located at 1030 W Georgia St #1700, Vancouver, BC V6E 2Y3.

There is no transfer agent and registrar for Tech One.

## MATERIAL CONTRACTS

Except for the Share Purchase Agreement, which was SEDAR filed on August 31, 2021, and contracts entered into by Tech One in the ordinary course of business, and except as described elsewhere in this Material Change Report, Tech One has no other current material contracts.

## INTEREST OF EXPERTS

All scientific and technical information in this Material Change Report has been reviewed and approved by Michael Rosko, who is a qualified person under NI 43-101. As of the date immediately prior to the

completion of the Amalgamation, Mr. Rosko and his firm beneficially own, directly or indirectly, 0.00% of the outstanding Common Shares.

The auditor of Tech One is Manning Elliott LLP, Charter Professional Accountants. Manning Elliott LLP has informed Tech One that it is independent with respect to Tech One within the meaning of the *Code of Professional Conduct* of the Chartered Professional Accountants of British Columbia.

## OTHER MATERIAL FACTS

Other than as set out elsewhere in this Material Change Report, there are no other material facts about Tech One its securities which are necessary in order for this Material Change Report to contain full, true and plain disclosure of all material facts relating to Tech One and its securities.

**APPENDIX "B"**

**AUDITED FINANCIAL STATEMENTS OF TECH ONE LITHIUM RESOURCES CORP. FROM THE PERIOD OF INCORPORATION TO MAY 31, 2021**

Financial Statements of

# Tech One Lithium Resources Corp.

For the period from incorporation on March 11, 2021 to May 31, 2021

(Expressed in Canadian Dollars)

manning elliott

17th floor, 1030 West Georgia St., Vancouver, BC, Canada V6E 2Y3

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## INDEPENDENT AUDITORS' REPORT

To the Shareholders and the Board of Directors of Tech One Lithium Resources Corp.

**Opinion**

We have audited the financial statements of Tech One Lithium Resources Corp. (the "Company") which comprise the statement of financial position as at May 31, 2021, and the statements of loss and comprehensive loss, changes in equity and cash flows for period from incorporation on March 11, 2021 to May 31, 2021, and the related notes comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at May 31, 2021, and its financial performance and its cash flows for the period from incorporation on March 11, 2021 to May 31, 2021 in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

**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 *Auditors' 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.

**Emphasis of Matter - Material Uncertainty Related to Going Concern**

We draw attention to Note 1 of the accompanying financial statements, which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

**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 as issued by the International Accounting Standards Board, 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.

**Auditors' 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 auditors' 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 auditors' 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 auditors' 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 audits.

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.

Manning Elliott LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, British Columbia
July 27, 2022

**TECH ONE LITHIUM RESOURCES CORP.**
**Statements of Financial Position**
**As at May 31, 2021**
**(Expressed in Canadian dollars)**

| | Note | | 2021 |
|---|---|---|---|
| **ASSETS** | | | |
| **Current assets** | | | |
| Cash | | $ | 462,696 |
| Exploration and evaluation assets | 4 | | 254,520 |
| **Total assets** | | **$** | **717,216** |
| **LIABILITIES** | | | |
| **Current liabilities** | | | |
| Accounts payable and accrued liabilities | | $ | 9,500 |
| **SHAREHOLDERS' EQUITY** | | | |
| Share capital | 5 | | 882,640 |
| Deficit | | | (174,924) |
| | | | 707,716 |
| **Total liabilities and shareholders' equity** | | **$** | **717,216** |

Nature of business and going concern (Note 1)
Commitments (Note 10)

Approved and authorized for issue on behalf of the Board of Directors on July 27, 2022:

*"Nader Vatanchi"*
Director

*"Ian Graham"*
Director

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

**TECH ONE LITHIUM RESOURCES CORP.**
## Statement of Loss and Comprehensive Loss
**For the period from incorporation on March 11, 2021 to May 31, 2021**
**(Expressed in Canadian dollars)**

| | | 2021 |
|---|---|---|
| **Expenses** | | |
| Consulting fees | $ | 165,250 |
| Interest and bank charges | | 580 |
| Legal and accounting | | 3,500 |
| Office and general | | 5,594 |
| **Net loss and comprehensive loss** | **$** | **(174,924)** |
| Loss per share – basic and diluted | $ | (0.03) |
| Weighted average number of common shares outstanding | | 6,025,484 |

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

## TECH ONE LITHIUM RESOURCES CORP.
## Statement of Changes in Equity
**For the period from incorporation on March 11, 2021 to May 31, 2021**
**(Expressed in Canadian dollars)**

| | Common shares | | | |
|---|---|---|---|---|
| | Number of shares | Amount | Deficit | Total |
| | | $ | $ | $ |
| Balance upon incorporation, March 11, 2021 | - | - | - | - |
| Issuance of common shares for cash | 23,500,000 | 882,640 | - | 882,640 |
| Net loss for the period | - | - | (174,924) | (174,924) |
| **Balance, May 31, 2021** | 23,500,000 | 882,640 | (174,924) | 707,716 |

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

## TECH ONE LITHIUM RESOURCES CORP.
## Statement of Cash Flows
**For the period from incorporation on March 11, 2021 to May 31, 2021**
**(Expressed in Canadian dollars)**

| | | 2021 |
|---|---|---|
| **Cash provided by (used in):** | | |
| **Operating activities** | | |
| Net loss for the period | $ | (174,924) |
| Changes in non-cash working capital items: | | |
| Accounts payable and accrued liabilities | | 9,500 |
| Cash used in operating activities | | (165,424) |
| **Investing activities** | | |
| Exploration and evaluation asset expenditures | | (254,520) |
| Cash used in investing activities | | (254,520) |
| **Financing activities** | | |
| Shares issued for cash | | 882,640 |
| Cash provided by financing activities | | 882,640 |
| Change in cash | | 462,696 |
| Cash – beginning of period | | - |
| **Cash – end of period** | **$** | **462,696** |
| **Supplemental cash flow information** | | |
| Interest paid | | - |
| Income taxes paid | | - |

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

## NOTE 1 – NATURE OF BUSINESS AND GOING CONCERN

Tech One Lithium Resources Corp. ("Tech One" or the "Company") was incorporated under the Business Corporations Act of British Columbia on March 11, 2021. On March 15, 2021, the Company changed its name to Tech One Lithium Resources Corp. The address of the Company's head office and registered office is 106-461 16th Street, North Vancouver, BC V7M 1V1, Canada.

The Company is in the exploration stage and its principal business activity is the exploration and evaluation of mineral properties in Canada and Argentina. The Company is in the process of exploring and evaluating its mineral properties and has not yet determined whether these properties contain reserves that are economically recoverable. As at May 31, 2021, the Company has not yet determined whether its property contains ore reserves that are economically recoverable. The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development of and future profitable production from the properties or realizing proceeds from their disposition.

The Company's financial statements have been prepared on the basis of accounting principles applicable to a going concern, which presumes that the Company will realize its assets and discharge its liabilities in the normal course of business for at least the next twelve months. The Company has experienced losses and negative cash flow from operations since incorporation. As at May 31, 2021, the Company had not yet generated revenues. These factors indicate the existence of a material uncertainty that casts significant doubt about the Company's ability to continue as a going concern. The Company's ability to continue as a going concern and to realize the carrying value of its assets and discharge its liabilities when due is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs.

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

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. As the Company does not currently have significant operations, the impact of the pandemic has been minimal. The Company continues to monitor the situation and is taking all necessary precautions in order to follow rules and best practices as set out by the federal and provincial governments.

On April 23, 2021, the shareholders of the Company entered into a share purchase agreement with Spey Resources Corp. ("Spey") (the "Transaction"). The Transaction completed on April 26, 2021, pursuant to which Spey purchased all of the Company's issued and outstanding common shares by issuing 23,500,000 common shares to the shareholders of the Company. Subsequent to the Transaction, the shareholders of the Company obtained control of Spey and as a result of obtaining control, the Transaction was treated as a reverse acquisition for accounting purposes. For the purposes of the reverse acquisition, the Company is deemed to have acquired Spey.

### Statement of compliance and basis of presentation

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). They are prepared on a historical cost basis, except for certain financial instruments classified as fair value through profit or loss which have been measured at fair value. These financial statements do not reflect the adjustments resulting from the Transaction noted above. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The financial statements of the Company for the period from incorporation on March 11, 2021 to May 31, 2021 were approved and authorized for issuance by the Board of Directors on July 27, 2022.

These financial statements are presented in Canadian dollars which is the Company's functional currency.

## NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

### a. Significant accounting judgments and estimates

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, profit and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods. There are no significant estimates applied in the preparation of these financial statements.

Judgements are choices in accounting policies and disclosures which management believes are supported by facts and circumstances existing at the date of the financial statements. The following are critical judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the financial statements:

- The determination that the Company has no decommissioning liabilities;
- The determination of recoverability of exploration and evaluation assets;
- The provision of deferred income taxes is based on judgements in applying income tax law and estimates about timing, likelihood and reversal of temporary differences between accounting and tax basis of the assets and liabilities; and
- The determination that the Company will continue as a going concern for the next year.

### b. Income (loss) per share

Basic income (loss) per share is computed by dividing the net income (loss) for the period by the weighted average number of common shares outstanding during the period. To compute diluted income (loss) per share, adjustments are made to common shares outstanding, if applicable. The weighted average number of common shares outstanding is adjusted to include the number of additional common shares that would be outstanding if, at the beginning of the period or at the time of issuance, all options and warrants were exercised. The proceeds from exercise are assumed to be used to purchase the Company's common shares at their average market price during the period. If this computation is anti-dilutive, diluted income (loss) per share is the same as basic income (loss) per share. For the periods presented, this calculation proved to be anti-dilutive.

### c. Income taxes

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting nor taxable loss; and differences relating to investments in subsidiaries to the extent that they are unlikely to reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of the underlying assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it more likely than not that a deferred tax asset will be recovered, it does not recognize the asset.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

**NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (continued)**

**d. Provisions**

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably.

**e. Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets – Classification

The Company classifies its financial assets in the following categories:

- Those to be measured subsequently at fair value (either through Other Comprehensive Income ("OCI"), or through profit or loss), and
- Those to be measured at amortized cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses are either recorded in profit or loss or OCI.

Fair value hierarchy

The following table summarizes the fair value hierarchy under which the Company's financial instruments are valued.

Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and
Level 3 - Inputs for the asset or liability that are not based upon observable market data.

Cash is carried at fair value using a level 1 fair value measurement.

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

Financial assets - Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Financial assets are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Subsequent measurement of financial assets depends on their classification. There are three measurement categories under which the Company classifies its debt instruments:

- Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included as finance income using the effective interest method.

**NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (continued)**

**e. Financial instruments (continued)**

- Fair value through OCI ("FVOCI"): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains and losses, interest revenue, and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains (losses). Interest income from these financial assets is included as finance income using the effective interest rate method.

- Fair value through profit or loss: Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss on an investment that is subsequently measured at FVTPL is recognized in profit or loss and presented net as revenue in the Statement of Loss and Comprehensive Loss in the period in which it arises.

Cash is measured at FVTPL. The Company has not designated any financial assets as amortized cost and FVOCI.

Financial liabilities

The Company classifies its financial liabilities into the following categories:

- Financial liabilities at FVTPL; and
- Amortized cost.

A financial liability is classified as at FVTPL if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognized in profit or loss as incurred. The fair value changes to financial liabilities at FVTPL are presented as follows:

- the amount of change in the fair value that is attributable to changes in the credit risk of the liability is presented in OCI; and
- the remaining amount of the change in the fair value is presented in profit or loss.

The Company does not designate any financial liabilities at FVTPL. The Company has designated its accounts payable as amortized cost.

Other non-derivative financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest method.

**f. Share capital**

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and common share warrants are recognized as a deduction from equity. Common shares issued for non-monetary consideration are measured based on their market value at the date the common shares are issued. The Company has adopted the residual method with respect to the measurement of common shares and warrants issued as equity units.

**g. Functional currency**

The majority of transactions are in Canadian dollars and therefore the reporting and functional currency of the Company is the Canadian dollar.

**NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (continued)**

**h. Exploration and evaluation assets**

The cost of acquiring and maintaining the Company's interest in its exploration and evaluation assets are capitalized on a property-by-property basis pending determination of the technical feasibility and the commercial viability of the project. The capitalized costs are presented as either tangible or intangible exploration and evaluation assets according to the nature of the assets acquired. When a license is relinquished or a project is abandoned, the related costs are recognized in profit and loss immediately.

All costs directly related to the acquisition and exploration are capitalized once the legal rights to explore the exploration and evaluation assets are acquired or obtained. When the technical and commercial viability of a mineral resource has been demonstrated and a development decision has been made, the capitalized costs of the related property are first tested for impairment, then transferred to mining assets and depreciated using the units of production method on commencement of commercial production.

Management reviews the carrying value of capitalized exploration and evaluation assets at least annually. The review is based on the Company's intentions for development of an undeveloped property. If a project does not prove viable, all unrecoverable costs associated with the project net of any previous impairment provisions are written off. Subsequent recovery of the resulting carrying value depends on successful development or sale of the undeveloped property. Amounts shown for exploration and evaluation assets, net of write-downs and recoveries, are not intended to represent present or future values.

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 exploration and evaluation assets. The Company has investigated title to all of its exploration and evaluation assets and, to the best of its knowledge, title to all of its properties are in good standing.

**i. Impairment**

The Company's tangible and intangible assets are reviewed for indications of impairment at each statement of financial position date. If indications of impairment exist, the asset's recoverable amount is estimated. An impairment loss is recognized when the carrying amount of an asset, or its cash-generating unit, exceeds its recoverable amount. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are 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 in the unit on a pro-rata basis.

The recoverable amount is the greater of the asset's fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, as if no impairment loss had been recognized. An impairment loss with respect to goodwill is never reversed.

**j. Decommissioning liabilities**

The Company is subject to various government laws and regulations relating to environmental disturbances caused by exploration and evaluation activities and may from time to time incur decommissioning liabilities and the associated retirement costs related to site reclamation and abandonment. The fair value of the liability for a decommissioning liability is recorded when it is incurred and the corresponding increase to the asset is depreciated over the life of the asset. The liability is increased over time to reflect an accretion element considered in the initial measurement at fair value. As at May 31, 2021, the Company had not incurred any decommissioning liabilities related to the exploration and development of its mineral properties.

## NOTE 3 – ACCOUNTING STANDARDS ISSUED BUT NOT YET IMPLEMENTED

A number of amendments to standards and interpretations applicable to the Company are not yet effective for the period ended May 31, 2021 and have not been applied in preparing these financial statements nor does the Company expect these amendments to have a significant effect on its financial statements.

## NOTE 4 – EXPLORATION AND EVALUATION ASSETS

Exploration and evaluation expenditures for the period ended May 31, 2021 are as follows:

| | Candella II Project |
|---|---|
| | $ |
| Balance, beginning of period | - |
| Acquisition cost | 127,180 |
| Exploration expenditures | 127,340 |
| **Balance, May 31, 2021** | **254,520** |

### Candella II Project

On March 18, 2021, the Company entered into a mineral property option agreement (the "Agreement") with A.I.S Resources Ltd. (the "Optionor"). The Company has an option to acquire up to a 100% interest in the mining tenement known as Candella II located in Salar de Incahuasi, Province of Salta, Argentina (the “Concession”).

On April 28, 2021, the Company entered into an amended and restated exploration and mineral property purchase agreement (the "Amended Agreement") with the Optionor, which supersedes the Agreement, to include a clause to appoint the Optionor as the exclusive project manager for any exploration conducted on the Concession.

Pursuant to the terms of the Agreement and the Amended Agreement, the Company can acquire an 80% interest in the Concession as follows:

- Making a cash payment of US$100,000 upon signing of the Agreement (paid);
- Making a cash payment of US$100,000 on or before September 17, 2021;
- Making a cash payment of US$1,000,000 on or before March 17, 2022; and
- Incurring minimum exploration expenditures totaling US$500,000 on or before March 17, 2022 (US$100,000 incurred as of May 31, 2021).

Upon completion of the above and acquiring its 80% interest in the Concession, the Company can obtain an additional 20% interest, thereby bringing its ownership to 100%, in the concession by making a cash payment of US$6,000,000 on or before March 17, 2023, which may be increased subject to confirmation of indicated and inferred resource estimates on the Concession at the time of payment.

## NOTE 5 – SHARE CAPITAL

### Authorized

The Company’s authorized share capital consists of an unlimited numbers of common shares without par value.

### Issued and Outstanding

As at May 31, 2021, there were 23,500,000 issued and outstanding common shares.

During the period from incorporation on March 11, 2021 to May 31, 2021, the Company had the following transactions:

On March 20, 2021, the Company completed a private placement of 15,640,000 common shares at a price of $0.001 per share for gross proceeds of $15,640.

On March 27, 2021, the Company completed a private placement of 1,000,000 common shares at a price of $0.01 per share for gross proceeds of $10,000.

**NOTE 5 – SHARE CAPITAL (continued)**

**Issued and Outstanding (continued)**

On April 16, 2021, the Company completed a private placement of 5,720,000 common shares at a price of $0.10 per share for gross proceeds of $572,000.

On April 23, 2021, the Company completed a private placement of 1,140,000 common shares at a price of $0.25 per share for gross proceeds of $285,000.

**NOTE 6 – RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION**

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. 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.

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers. During the period from incorporation on March 11, 2021 to May 31, 2021, the Company did not incur any key management personnel compensation.

**NOTE 7 – FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

The Company's financial instruments consist of cash. The carrying value of the financial instrument approximates its fair value due to its immediate or short-term maturity.

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

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

Level 2 – Fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (derived from prices). The Company does not have any financial instruments classified under Level 2.

Level 3 – Valuations in the level are those with inputs for the asset or liability that are not based on observable market data. The Company does not have any financial instruments classified under Level 3.

Assets measured at fair value on a recurring basis were presented on the Company's statement of financial position as follows:

| | Fair Value Measurements Using | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | May 31, 2021 |
| Cash | $ 462,696 | – | – | $ 462,696 |

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

Credit Risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's cash is held at a large Canadian financial institution in interest bearing accounts. The carrying amount of financial assets represents the maximum credit exposure

## NOTE 7 – FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through its capital management and ensuring that sufficient financial resources to meet liabilities as they come due. As at May 31, 2021, the Company had a cash balance of $462,696 to settle current liabilities of $9,500. Liquidity risk is assessed as low.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, commodity and equity prices and foreign exchange rates. The Company does not have any financial assets exposed to market rate risk.

Foreign Exchange and Interest Rate Risk

The Company is not exposed to any significant foreign exchange rate risk or interest rate risk.

## NOTE 8 – CAPITAL MANAGEMENT

The Company's capital structure consists of shareholders' equity. The Company's objective when managing capital is to maintain adequate levels of funding to support the development of its businesses and maintain the necessary corporate and administrative functions to facilitate these activities. This is done primarily through equity financing. Future financings are dependent on market conditions and there can be no assurance the Company will be able to raise funds in the future. The Company has no surplus as at May 31, 2021. There were no changes to the Company's approach to capital management during the period ended May 31, 2021. The Company is not subject to externally imposed capital requirements. The Company may raise additional debt or equity financing in the near future to meet its obligations

## NOTE 9 – INCOME TAX

In assessing deferred income tax assets, management considers whether it is probable that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income, and tax planning strategies in making this assessment and concluding the deferred tax assets were not realized.

The following table reconciles the amount income tax recoverable on application of the combined statutory Canadian federal and provincial income tax rates:

| | **2021** |
|---|---|
| Canadian statutory income tax rate | 27% |
| | $ |
| Loss for the year before income taxes | (174,924) |
| Expected income tax recovery | (47,000) |
| Change in deferred tax assets not recognized | 47,000 |
| Income taxes recoverable | - |

The nature and effect of the Company's deferred tax assets is as follows:

| | **2021** |
|---|---|
| | $ |
| Non capital losses carried forward | 47,000 |
| Deferred tax assets not recognized | (47,000) |
| Net deferred tax asset | - |

As at May 31, 2021, the Company had non-capital losses carried forward of approximately $175,000 which may be applied to reduce future years' taxable income, subject to final determination by taxation authorities, expiring in 2041.

**NOTE 10 – COMMITMENTS**

The Company is committed to certain payments for exploration expenditures as described in Note 4.

**APPENDIX "C"**

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL RESULTS FOR TECH ONE LITHIUM RESOURCES CORP. FOR THE PERIOD OF INCORPORATION TO MAY 31, 2021**

# Tech One Lithium Resources Corp.

## MANAGEMENT'S DISCUSSION AND ANALYSIS
## OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

**For the three-month period ended May 31, 2021**

This management's discussion and analysis of the financial condition as of October 25, 2021 provides an analysis of the Tech One Lithium Resources Corp.'s (the "Company") financial results and progress for the period ended May 31, 2021. This MD&A should be read in conjunction with the Company's condensed interim financial statements and notes thereto for the three-month period ended May 31, 2021 which were prepared in accordance with accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations of the IFRS Interpretations Committee ("IFRIC"). All amounts are expressed in Canadian dollars.

Certain statements and information related to the Company's business contained in this Management's Discussion and Analysis are of a forward-looking nature. They are based on opinions, assumptions or estimates made by the Company's management or on opinions, assumptions or estimates made available to or provided to and accepted by the Company's management. Such statements and information are reflecting management's current views and expectations of future events or results and are subject to a variety of risks and uncertainties that are beyond management control. Readers are cautioned that these risks and uncertainties could cause actual events or results to significantly differ from those expressed, expected or implied and should therefore not rely on any forward-looking statements.

**Description of Business**

Tech One Lithium Resources Corp. ("Tech One" or the "Company") was incorporated under the Business Corporations Act of British Columbia on March 11, 2021. On March 15, 2021, the Company changed its name to Tech One Lithium Resources Corp. The address of the Company's head office and registered office is 106-461 16th Street, North Vancouver, BC V7M 1V1, Canada.

The Company is in the exploration stage and its principal business activity is the exploration and evaluation of mineral properties in Canada and Argentina. The Company is in the process of exploring and evaluating its mineral properties and has not yet determined whether these properties contain reserves that are economically recoverable. As at May 31, 2021, the Company has not yet determined whether its property contains ore reserves that are economically recoverable. The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development of and future profitable production from the properties or realizing proceeds from their disposition.

The Company's continuing operations, as intended, are dependent upon its ability to identify, evaluate and negotiate an acquisition of or participation in an interest in properties, assets or businesses.

On April 23, 2021, the Company and the shareholders of the Company (the "Vendors") entered into a share purchase agreement with Spey Resources Corp. ("Spey"). The transaction was completed on April 26, 2021, pursuant to which the Company and the Vendors sold all of the Company's issued and outstanding shares to Spey. As consideration for Spey's purchase of the Company's shares, Spey issued an aggregate of 23,500,000 shares to the Vendors.

## Overall Performance

The ability of the Company to continue as a going concern is dependent on its ability to obtain additional equity financing and achieve future profitable operations. As at May 31, 2021, the Company had working capital of $453,196 had not yet achieved profitable operations and has an accumulated deficit of $174,924 since its inception. The Company expects to incur further losses in the development of its business. All of these circumstances comprise a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to do so in the future. If the going concern assumption were not appropriate for the Company's financial statements, it could be necessary to restate the Company's assets and liabilities on a liquidation basis.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or ability to raise funds.

## EXPLORATION AND EVALUATION ASSETS

Exploration and evaluation expenditures for the period ended May 31, 2021 are as follows:

| | Candella II Project |
|---|---|
| | $ |
| Balance, beginning of period | - |
| Acquisition cost | 127,180 |
| Exploration expenditures | 127,340 |
| Balance, May 31, 2021 | 254,520 |

Candella II Project

On March 18, 2021, the Company entered into a mineral property option agreement (the "Agreement") with A.I.S Resources Ltd. (the "Optionor"). The Company has an option to acquire up to a 100% interest in the mining tenement known as Candella II located in Salar de Incahuasi, Province of Salta, Argentina (the "Concession").

On April 28, 2021, the Company entered into an amended and restated exploration and mineral property purchase agreement (the "Amended Agreement") with the Optionor, which supersedes the Agreement, to include a clause to appoint the Optionor as the exclusive project manager for any exploration conducted on the Concession.

Pursuant to the terms of the Agreement and the Amended Agreement, the Company can acquire an

80% interest in the Concession as follows:

- Making a cash payment of US$100,000 upon signing of the Agreement (paid);
- Making a cash payment of US$100,000 on or before September 18, 2021 (paid);
- Making a cash payment of US$1,000,000 on or before March 18, 2022; and
- Incurring minimum exploration expenditures totaling US$500,000 on or before March 18, 2022 (US$100,000 incurred as of May 31, 2021).

Upon completion of the above and acquiring its 80% interest in the Concession, the Company can obtain an additional 20% interest, thereby bringing its ownership to 100%, in the concession by making a cash payment of US$6,000,000 on or before March 17, 2023, which may be increased subject to confirmation of indicated and inferred resource estimates on the Concession at the time of payment.

**Results of Operations**

Three Month Period ended May 31, 2021

The Company reported net loss for the period ended May 31, 2021 of $174,924. General and administrative expenses amounted to $174,924 of which of consulting services, legal and accounting of $3,500, office and general for $5,594 and interest and bank charges of $580.

**Summary of Quarterly Results**

| Quarter ended | Three month ended May 31, 2021 $ |
|---|---|
| Revenue | Nil |
| Expenses | (174,924) |
| Net and comprehensive loss | (174,924) |
| Loss per share – Basic and diluted | (0.03) |

As the Company was incorporated on March 11, 2021 there is only three quarters to present. During the three-month period ended May 31, 2021, the Company incurred costs comprised mainly of legal, audit and accounting services which related to the completing the Plan of Arrangement.

**Liquidity and Capital Resources**

As at May 31, 2021, the Company has a working capital of $ 453,196 compared mainly due to the cash received from private placement reduced by the accounts payable of $9,500 as of May 31, 2021.

For the period ended May 31, 2021, the Company used cash of $165,424 in operating activities, due to filing and listing costs, operating expenses and change in accounts payable and receivables.

The Company's principal assets are at an exploration stage and as a result the Company has no current source of operating cash flows. The Company relies on its ability obtain equity financing to fund administration expenses and future exploration programs. The ability of the Company to continue as a going concern and to realize the carrying value of its assets and discharge its liabilities when due is dependent on the successful

completion of a financing or by monetizing assets. There is no certainty that these and other strategies will be successful.

**Share Capital**

The Company's authorized capital consists of an unlimited number of common shares without nominal or par value. As of the date of this MD&A, the Company has 23,500,000 issued and outstanding common shares.

During the period ended May 31, 2021:

As at May 31, 2021, there were 23,500,000 issued and outstanding common shares.

During the period from incorporation on March 11, 2021 to May 31, 2021, the Company had the following transactions:

On March 20, 2021, the Company completed a private placement of 15,640,000 common shares at a price of $0.001 per share for gross proceeds of $15,640.

On March 27, 2021, the Company completed a private placement of 1,000,000 common shares at a price of $0.01 per share for gross proceeds of $10,000.

On April 16, 2021, the Company completed a private placement of 5,720,000 common shares at a price of $0.10 per share for gross proceeds of $572,000.

On April 23, 2021, the Company completed a private placement of 1,140,000 common shares at a price of $0.25 per share for gross proceeds of $285,000.

**Stock Options**

As of the date of the MD&A, there are nil stock options outstanding.

**Warrants**

As of the date of the MD&A, there are nil share purchase warrants outstanding.

**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. 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.

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management

personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers. During the period from incorporation on March 11, 2021 to May 31, 2021, the Company did not incur any key management personnel compensation.

**Off Balance Sheet Agreements**

The Company has not engaged in any off-balance sheet arrangements during the period ended May 31, 2021.

**Critical Accounting Policies and Estimates**

The details of the Company's accounting policies are presented in Note 2 of the condensed interim financial statements ended May 31, 2021.

**Capital Management**

Capital is comprised of items within the Company's shareholder's deficiency. As at May 31, 2021, the Company's shareholder's deficiency was $174,924. The Company's objectives when managing capital are to maintain financial strength and to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term. Protecting the ability to pay current and future liabilities includes maintaining capital above minimum regulatory levels, current financial strength rating requirements and internally determined capital guidelines and calculated risk management levels.

The Company is dependent on the capital markets as its sole source of operating capital and the Company's capital resources are largely determined by the strength of the junior resource markets and by the status of the Company's projects in relation to these markets, and its ability to compete for investor support for its projects. The Company is not subject to any externally imposed capital requirements.

**Financial Instruments**

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 – Inputs that are not based on observable market data.

The fair value of cash is based on Level 1 inputs of the fair value hierarchy.

The fair value of the Company's accounts payable approximates their carrying values due to their short-term nature.

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

*Credit risk*
Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The

Company believes it has no significant credit risk.

*Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's accounts payable are due within one year. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital markets is hindered, whether as a result of stock market conditions generally or as a result of conditions specific to the Company. The Company's approach to managing liquidity risk is to ensure it will have sufficient liquidity to meet liabilities when due. As at May 31, 2021, the Company has cash of $462,696 to settle current liabilities of $9,500.

*Market risk*
Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

(a) Interest rate risk

The Company has cash balances and no interest-bearing debt. The interest rate risk on cash is not considered significant.

(b) Foreign currency risk

The Company does not have assets or liabilities in a foreign currency.

(c) Price risk

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices and the stock market to determine the appropriate course of action to be taken by the Company.

**Risk and Uncertainties**

The Company's operations and results are subject to a number of different risks at any given time. These factors include, but are not limited to, disclosure regarding exploration, additional financing, project delay, titles to properties, price fluctuations and share price volatility, operating hazards, insurable risk and limitations of insurance, management, foreign country and regulatory requirements, currency fluctuations and environmental regulation risk.

a) the state of the capital markets, which will affect the ability of the Company's to finance mineral property acquisitions and expand its contemplated exploration programs;

b) the prevailing market prices for base metals and precious metals;

c) the consolidation and potential abandonment of the Company's property as exploration results provide further information relating to the underlying value of the property; and

d) the ability of the Company to identify and successfully acquire additional mineral properties in which the Company may acquire an interest whether by option, joint venture or otherwise, in addition to or as an alternative to the property.

**Other Risk Factors**

*Additional Financing*

The Company has limited financial resources and provides no assurance that it will obtain additional funding for future acquisitions and development of projects or to fulfill its obligations under applicable agreements. The Company provides no assurance that it will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of the Company's properties with the possible dilution or loss of such interests. Further, revenues, financings and profits, if any, will depend upon various factors, including the success, if any, of exploration programs and general market conditions for natural resources. The Company provides no assurance that it can operate profitably or that it will successfully implement its plans for its further exploration and development of its properties.

*Permits and Licenses*

The Company will require licenses and permits from various governmental and non-governmental authorities for its operations. The Company has obtained, or plans to obtain, all necessary licenses and permits required to carry on the activities it is currently conducting or which it proposes to conduct under applicable laws and regulations. However, such licenses and permits are subject to change in regulations and in various operating circumstances. The Company provides no assurance that it will obtain all necessary licenses and permits required to carry out exploration, development and mining operations.

*Political Regulatory Risks*

Any changes in government policy may result in changes to laws affecting ownership of assets, mining policies, monetary policies, taxation, rates of exchange, environmental regulations, and labor relations, repatriation of income and return of capital. This may affect both the Company's ability to undertake exploration and development activities in respect of the properties in the manner currently contemplated, as well as its ability to continue to explore, develop and operate the properties. The possibility that future governments may adopt substantially different policies, which might extend to expropriation of assets, cannot be ruled out.

*Currency Risk*

Currency fluctuations may affect the cash flow which the Company may realize from its operations, since most mineral commodities are sold in a world market in United States dollars. The Company's costs are incurred primarily in Canadian dollars.

*Dependence on Key Individuals*

The Company is dependent on a relatively small number of key personnel, the loss of any one of whom could have an adverse effect on the Company. In addition, the Company will be highly dependent upon contractors and third parties in the performance of its exploration and development activities. The Company provides no guarantee that such contractors and third parties will be available to carry out such activities on behalf of the Company or be available upon commercially acceptable terms.

*Competitive Factors in the Precious and Base Metals Markets*

Most mineral resources including precious and base metals are essentially commodities markets in which

one would expect to be a small producer with an insignificant impact upon world production. As a result, production, if any, would be readily sold and would likely have no impact on world market prices. The significant downturn in the world economies in recent months has driven the commodities prices much lower which has made raising capital more difficult than past years.

**Outstanding Share Data**

The following table summarizes the outstanding share capital as of the date of the MD&A:

| | Number | Exercise Price | Expiry Date |
|---|---|---|---|
| Common Shares | 23,500,000 | n/a | n/a |
| Stock Options | - | - | - |
| Warrants | - | - | - |

**Forward-Looking Information**

This MD&A, which contains certain forward-looking statements, are intended to provide readers with a reasonable basis for assessing the financial performance of the Company. All statements, other than statements of historical fact, are forward-looking statements. The words “believe”, “expect”, “anticipate”, “contemplate”, “target”, “plan”, “intends”, “continue”, “budget”, “estimate”, “may”, “will”, “schedule” and similar expressions identify forward looking statements. Forward looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company, are inherently subject to significant business, economic and competitive uncertainties and contingencies.

Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements. Such factors include, but are not limited to, fluctuations in the currency markets such as Canadian dollar, fluctuations in the prices of commodities, changes in government legislation, taxation, controls, regulations and political or economic developments in Canada, the United States, or other countries in which the Company carries or may carry on business in the future, risks associated with mining or development activities, the speculative nature of exploration and development, including the risk of obtaining necessary licenses and permits, and quantities or grades of reserves. Many of these uncertainties and contingencies can affect the Company’s actual results and could cause actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, the Company. Readers are cautioned that forward-looking statements are not guarantees of future performance. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those acknowledged in such statements. The Company disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except to the extent required by applicable laws.