

PURSUIT GOLD CORP.

Condensed Interim Financial Statements

For the three months ended February 29, 2024 and February 28, 2023

Expressed in Canadian Dollars

PURSUIT GOLD CORP.

Condensed Interim Statements of Financial Position (Expressed in Canadian Dollars)

	February 29, 2024	November 30, 2023
ASSETS		
Current assets		
Cash	\$ 5,463	\$ 7,506
GST Receivable	3,642	5,030
Prepaid Expenses	<u>3,500</u>	<u>1,117</u>
Total current assets	<u>12,605</u>	<u>13,653</u>
Total assets	<u>\$ 12,605</u>	<u>\$ 13,653</u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (Notes 3 and 6)	\$ 84,189	\$ 87,533
Promissory notes (Note 4)	<u>31,747</u>	<u>16,268</u>
Total liabilities	<u>115,936</u>	<u>103,801</u>
SHAREHOLDERS' EQUITY (DEFICIT)		
Share capital (Note 5)	576,400	556,400
Contributed Surplus	93,495	93,495
Deficit	<u>(773,226)</u>	<u>(740,043)</u>
	<u>(103,331)</u>	<u>(90,148)</u>
	<u>\$ 12,605</u>	<u>\$ 13,653</u>

NATURE OF OPERATIONS AND GOING CONCERN (Note 1)
PROPOSED TRANSACTION (Note 7)

These financial statements were approved for issue by the Audit Committee of the Board of Directors on April 29, 2024 and are signed on its behalf by:

Approved by "Kostantinos Sakarellos", Director "Richard Rosner", Director

PURSUIT GOLD CORP.Condensed Interim Statements of Net Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

	Three Months Ended February 29, 2024	Three Months Ended February 28, 2023
EXPENSES		
Consulting fees (Note 6)	\$ 7,500	\$ 7,500
General and administrative	3,341	328
Insurance	2,393	3,340
Professional fees	16,032	41,151
Transfer Agent and Filing fees	<u>3,917</u>	<u>7,019</u>
NET LOSS AND COMPREHENSIVE LOSS	<u>(33,183)</u>	<u>(59,338)</u>
NET LOSS PER SHARE, BASIC AND DILUTED	\$ <u>(0.00)</u>	\$ <u>(0.00)</u>
WEIGHTED AVERAGE SHARES OUTSTANDING	<u>16,323,725</u>	<u>15,654,000</u>

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

PURSUIT GOLD CORP.Condensed Interim Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)

	Number of Common Shares	Share Capital	Contributed Surplus	Deficit	Total Equity
Balance, November 30, 2022	15,654,000	\$ 467,400	\$ 26,328	\$ (437,799)	\$ 55,929
Net loss for the period	-	-	-	(59,338)	(59,338)
Balance, February 28, 2023	15,654,000	\$ 467,400	\$ 26,328	\$ (497,137)	\$ (3,409)
Balance, November 30, 2023	16,249,000	\$ 556,400	\$ 93,495	\$ (740,043)	\$ (90,148)
Issuance of common shares from the exercise of options (Note 5)	200,000	20,000	-	-	20,000
Net loss for the period	-	-	-	(33,183)	(33,183)
Balance, February 29, 2024	16,449,000	\$ 576,400	\$ 93,495	\$ (773,226)	\$ (103,331)

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

PURSUIT GOLD CORP.

Condensed Interim Statements of Cash Flows (Expressed in Canadian Dollars)

	Three Months Ended February 29, 2024	Three Months Ended February 28, 2023
CASH (USED IN) PROVIDED BY		
OPERATING ACTIVITIES		
Net loss	\$ (33,183)	\$ (59,338)
Items not affecting cash		
Accrued promissory note interest	<u>479</u>	<u>-</u>
	(32,704)	(59,338)
Changes in non-cash working capital accounts:		
GST Receivable	1,388	(1,382)
Prepaid expenses	(2,383)	3,339
Accounts payable and accrued liabilities	<u>(3,344)</u>	<u>24,115</u>
	<u>(37,043)</u>	<u>(33,266)</u>
FINANCING ACTIVITIES		
Promissory notes	15,000	-
Proceeds from exercise of options	<u>20,000</u>	<u>-</u>
	<u>35,000</u>	<u>-</u>
NET CHANGE IN CASH	(2,043)	(33,266)
CASH, BEGINNING	<u>7,506</u>	<u>79,234</u>
CASH, ENDING	\$ <u>5,463</u>	\$ <u>45,968</u>

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

PURSUIT GOLD CORP.

Notes to the Condensed Interim Financial Statements

Three Months Ended February 29, 2024 and February 28, 2023

(Expressed in Canadian Dollars)

1. Nature of Operations and Going Concern

Pursuit Gold Corp. (the "Company") was incorporated under the British Columbia Business Corporations Act on September 15, 2020. The head office and registered and records office of the Company is located at 905 West Pender Street, 6th Floor, Vancouver, British Columbia V6C 1L6. On January 26, 2022, the Company's common shares began trading on the Canadian Securities Exchange ("CSE") under the symbol trading symbol PUGS.

The Company is engaged in the acquisition, exploration and development of resource properties.

Going Concern

These financial statements have been prepared on the basis that the Company will continue as a going concern. The proposed business of the Company involves a high degree of risk and there is no assurance that the Company will identify an appropriate business for acquisition or investment, and even if so identified and warranted, it may not be able to finance such an acquisition or investment. Additional funds will be required to enable the Company to pursue such an initiative and the Company may be unable to obtain such financing on terms which are satisfactory to it, particularly in the current economic environment. Furthermore, there is no assurance that the business will be profitable. Those factors raise significant doubt as to the Company's ability to continue as a going concern. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence. Such adjustments could be material.

2. Basis of Preparation and Significant Accounting Policies

The financial statements were authorized for issuance on April 29, 2024 by the directors of the Company.

(a) Statement of Compliance with International Financial Reporting Standards

The Company's condensed interim consolidated financial statements have been prepared in accordance with IFRS applicable to the preparation of interim statements, including IAS 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB"). These condensed interim financial statements should be read in conjunction with the Company's annual financial statements for the year ended November 30, 2023 which have been prepared according to IFRS as issued by the IASB.

(b) Use of Estimates and Judgments

The preparation of the Company's financial statements in accordance with IFRS requires the Company to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates. 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 and in any future periods affected.

Areas requiring a significant degree of estimation and judgment include fair value measurements for financial instruments, the recoverability of exploration and evaluation assets, share-based payments, the recoverability and measurement of deferred tax assets and liabilities and assessment of the Company's ability to continue as a going concern.

PURSUIT GOLD CORP.

Notes to Financial Statements

Three Months Ended February 29, 2024 and February 28, 2023

(Expressed in Canadian Dollars)

3. Accounts Payable and Accrued Liabilities

The Company had the following accounts payable and accrued liabilities as of February 29, 2024 and November 30, 2023:

	February 29, 2024	November 30, 2023
Accounts payable	\$ 66,189	\$ 64,425
Accrued liabilities	18,000	23,108
	\$ 84,189	\$ 87,533

4. Promissory Notes

On October 10, 2023, the Company received \$16,000 in promissory notes. The promissory notes bear interest at a rate of 12% per annum, are unsecured and due on demand. At February 29, 2024, the Company recorded \$479 in accrued interest.

On December 21, 2023, the Company received a \$15,000 promissory note. The promissory note is not interest bearing, is unsecured and is due on demand.

5. Share Capital

a. Authorized

The Company has authorized an unlimited number of common shares with no par value.

b. Issued share capital

During the period ended February 29, 2024, the Company issued 200,000 common shares related to the exercise of stock options for total proceeds of \$20,000.

During the year ended November 30, 2023, the Company did not issue any common shares.

c. Loss per share

The calculation of basic loss per share for the period ended February 29, 2024 was based on the loss attributable to common shareholders of \$33,183 (February 29, 2023: \$59,338) and the weighted average number of common shares outstanding of 15,934,009 (February 28, 2023: 15,654,000).

d. Stock Options

The Company has a share purchase option plan under which directors, officers, employees and consultants of the Company are eligible to receive share purchase options. The aggregate number of shares available to be issued upon the exercise of all share purchase options granted under the plan shall not exceed 10% of the issued and outstanding shares of the Company. The plan limits the maximum number of share purchase options issuable in any one 12-month period to any one optionee to 5% of the total common shares outstanding. The Board of Directors shall determine the terms and provisions of the options at the time of grant. The exercise price of each share purchase option shall not be less than the market price of the common shares on the date of the grant less the discount permitted by the Exchange. The maximum term of share purchase options shall not exceed 5 years, or such other term as permitted by the Exchange.

Option-pricing models require the use of estimates and assumptions including the expected volatility. Changes in the underlying assumptions can materially affect the fair value estimates and, therefore, existing models do not necessarily provide reliable measures of the fair value of the Company's share purchase options.

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Notes to Financial Statements

Three Months Ended February 29, 2024 and February 28, 2023

(Expressed in Canadian Dollars)

5. Share Capital (continued)*d. Stock Options (continued)*

A summary of the Company's options and the changes for the period/year are as follows:

	February 29, 2024	Weighted Average Exercise Price	November 30, 2023	Weighted Average Exercise Price
	Number		Number	
Outstanding, beginning of the period/year	1,000,000	\$ 0.10	500,000	\$ 0.10
Granted	-	0.10	800,000	0.10
Exercised	(200,000)	0.10	(300,000)	0.10
Outstanding, end of the period/year	800,000	\$ 0.10	1,000,000	\$ 0.10

During the period ended February 29, 2024, 200,000 stock options with an exercise price of \$0.10 were exercised for proceeds of \$20,000.

During the year ended November 30, 2023, the Company granted 800,000 stock options with an exercise price of \$0.10 to certain directors of the Company. These stock options have an expiry date of May 5, 2028 and vest 100% upon grant. The weighted average grant-date fair value of the stock options granted during the year is \$0.08. The Company recorded total share based payments of \$67,167.

During the year ended November 30, 2023, 300,000 stock options with an exercise price of \$0.10 were exercised for proceeds of \$30,000. The weighted average market price at the time of exercise was \$0.09.

A summary of the Company's stock options as at February 29, 2024 is as follows:

Number Outstanding	Vested	Exercise Price	Expiry Date
800,000	800,000	\$ 0.10	May 5, 2028

The weighted average fair value of the stock options granted was determined by using the Black-Scholes option pricing model with the following assumptions:

	February 29, 2024	November 30, 2023
Risk-free interest rate	-	3.02%
Estimated volatility	-	121.86%
Expected life	-	5 years
Expected dividend yield	-	0.00%

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Notes to Financial Statements

Three Months Ended February 29, 2024 and February 28, 2023

(Expressed in Canadian Dollars)

5. Share Capital (continued)

e. Warrants

The following table summarizes information about the warrants at February 29, 2024 and November 30, 2023, and the changes for the year/period then ended:

	February 29, 2024		November 30, 2023	
	Number	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
Outstanding, beginning of period/year	-	\$ -	519,500	\$ 0.20
Exercised	-	-	(295,000)	0.20
Expired	-	-	(224,500)	0.20
Outstanding, end of period/year	-	\$ -	-	-

During the year ended November 30, 2023, 295,000 warrants with an exercise price of \$0.20 were exercised for proceeds of \$59,000, and 224,500 warrants expired without exercise.

6. Related Party Transactions

During the period ended February 29, 2024, the Company incurred consulting fees of \$7,500 (February 28, 2023: \$7,500) and accounting fees in the amount of \$2,500 (February 28, 2023: \$2,500) to the Chief Financial Officer of the Company. Included in accounts payable and accrued liabilities is \$16,250 (November 30, 2023: \$15,750) due to the Chief Financial Officer of the Company (Note 3).

7. Proposed Transaction

On July 14, 2023, the Company entered into a definitive amalgamation agreement (the "Amalgamation Agreement") with South American Lithium Corp. ("SALi"), a private Alberta corporation, pursuant to which the Company and SALi will carry out an amalgamation (the "Proposed Transaction") that will result in the reverse takeover of the Company by SALi, and that will constitute a "fundamental change" of the Company under the policies of the Canadian Securities Exchange ("CSE"). Completion of the Proposed Transaction is subject to the satisfaction of a number of conditions, including receipt of all necessary shareholder and CSE approval for listing of the combined company (the "Resulting Issuer").

SALi is a mineral exploration company focused on exploration for lithium resources in Argentina. Following the completion of the Proposed Transaction, the Resulting Issuer will carry on the business of SALi. Upon completion of the Proposed Transaction, the Resulting Issuer will change its name to "South American Lithium Corp." or such other similar name as the parties may agree.

In accordance with the terms of the Amalgamation Agreement, the Proposed Transaction is structured as a three cornered amalgamation whereby SALi will amalgamate with a wholly owned subsidiary of the Company (the "Amalgamation") and the current shareholders of SALi will become shareholders of the Resulting Issuer. Prior to the Amalgamation, SALi will continue its corporate existence out of Alberta and into British Columbia to become a British Columbia company (the "Continuation"). Pursuant to the Amalgamation, all SALi common shares outstanding will be exchanged for common shares of the Resulting Issuer (each a "Resulting Issuer Share"), and outstanding convertible securities of SALi will become exercisable to acquire Resulting Issuer Shares.

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Notes to Financial Statements

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(Expressed in Canadian Dollars)

7. Proposed Transaction (continued)

It is a condition to completion of the Proposed Transaction that SALi completes a non-brokered market financing for gross proceeds of a minimum of \$1,200,000 (the "SALi Private Placement"). Without taking the securities to be issued under the SALi Private Placement into consideration, upon completion of the Proposed Transaction, it is anticipated that existing shareholders of the Company will hold approximately 30.7% of the outstanding authorized share structure of the Resulting Issuer on an undiluted basis and the former holders of SALi Common Shares will hold approximately 69.3%. No finder's fee is payable in relation to the completion of the Proposed Transaction although SALi may pay compensation in either cash or securities or both to qualified finders in connection with the SALi Private Placement.

Completion of the Proposed Transaction would be subject to the satisfaction of various customary conditions precedent, including without limitation: (i) the receipt of all necessary shareholder, board, court and regulatory consents and approvals; (ii) completion of due diligence investigations by each party to its satisfaction; and (iii) there being no material adverse change in the business or operations of any of the parties from the execution of the Letter of Intent by the parties until the closing of the Proposed Transaction.

On January 31, 2024, the Company signed a Reinstatement and Amendment to Amalgamation Agreement (the "Reinstatement Agreement"), as the Amalgamation Agreement had lapsed. The Reinstatement Agreement serves to reinstate the Amalgamation Agreement on the terms originally set forth therein, as well as amend the minimum amount of the SALi private placement to be the net proceeds sufficient to provide the Resulting Issuer with the working capital required to satisfy the listing requirements of the CSE, on terms mutually agreeable to the Company and SALi.

8. Management of Capital

The Company's capital structure consists of cash and share capital.

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to acquire a business or asset. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

In order to carry out the planned activities and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to external capital requirements. There were no changes in the Company's approach to capital management during the period.

9. Financial Instruments

(a) Categories of Financial Instruments and Fair Value Measurements

As at February 29, 2024, the Company's financial instruments consist of cash, accounts payable, and promissory notes.

In management's opinion, the Company's carrying values of cash, accounts payable, and promissory notes approximate their fair values due to the immediate or short-term maturity of these instruments.

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.

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Three Months Ended February 29, 2024 and February 28, 2023

(Expressed in Canadian Dollars)

9. Financial Instruments (continued)

(b) Management of Financial Risks

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash. The Company manages its credit risk relating to cash through the use of a major financial institution which has a high credit quality as determined by rating agencies. The Company assessed credit risk as low.

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 liquidity and operating results may be adversely affected if its access to the capital market is hindered. The Company has no source of revenue and has obligations to meet its administrative overheads and to settle amounts payable to its creditors. The Company has been successful in raising equity financing; however, there is no assurance that it will be able to do so in the future. The Company assessed liquidity risk as high.

Foreign Exchange Risk

Foreign exchange risk is the risk that the Company's financial instruments will fluctuate in value as a result of movements in foreign exchange rates. The Company is not exposed to foreign exchange risk.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk.