

**SALI LITHIUM CORP.  
(formerly Pursuit Gold Corp.)**

**FORM 2A  
LISTING STATEMENT**

**in connection with the listing of SALi Lithium Corp., the entity formed upon the reverse take-over of Pursuit Gold Corp. by 1477445 B.C. Ltd. (formerly South American Lithium Corp.)**

**All information contained in this Listing Statement with respect to 1477445 B.C. Ltd. was supplied by 1477445 B.C. Ltd. for inclusion herein.**

**May 29, 2024**

**This Listing Statement is intended to provide full, true, and plain disclosure about SALi Lithium Corp. It is not, and is not to be construed as, a prospectus. It has not been reviewed by a securities regulatory authority and no securities are being sold or qualified for distribution by the filing of this Listing Statement.**

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### **CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS**

The information provided in this Listing Statement, including information incorporated by reference, may contain “forward-looking information” within the meaning of applicable Canadian securities legislation (referred to herein as “forward-looking statements”). All statements, other than statements of historical fact, made by the Resulting Issuer that address activities, events or developments that the Resulting Issuer expects or anticipates will or may occur in the future are forward-looking statements, including, but not limited to, statements preceded by, followed by or that include words such as “may”, “will”, “would”, “could”, “should”, “believes”, “estimates”, “projects”, “potential”, “expects”, “plans”, “intends”, “anticipates”, “targeted”, “continues”, “forecasts”, “designed”, “goal”, or the negative of those words or other similar or comparable words. Forward-looking statements include, but are not limited to, statements regarding planned exploration and development programs and expenditures; the estimation of mineral resources; proposed exploration plans and expected results of exploration from the El Quemado Project; the Resulting Issuer’s ability to obtain licenses, permits and regulatory approvals required to implement expected future exploration plans; changes in commodity prices and exchange rates; currency and interest rate fluctuations; the Resulting Issuer’s expectations regarding its revenue, expenses and operations; anticipated cash needs and needs for additional financing; intention to grow the business and its operations; expected business objectives and milestones, including costs of the foregoing, for the next twelve months.

With respect to forward-looking statements and forward-looking information contained in this Listing Statement, assumptions have been made regarding, among other things:

- future mineral prices;
- the Resulting Issuer’s ability to obtain qualified staff and equipment in a timely and cost-efficient manner;
- the regulatory framework governing royalties, taxes, and environmental matters in the jurisdictions in which the Resulting Issuer conducts its business;
- future expenses and capital expenditures to be made by the Resulting Issuer;
- future sources of funding for the Resulting Issuer’s business;
- the geology of the areas in which the Resulting Issuer is conducting exploration and development activities;
- the intentions of the Board with respect to the executive compensation plans and corporate governance programs described herein;
- the impact of competition on the Resulting Issuer; and
- the Resulting Issuer’s ability to timely obtain necessary financing on acceptable terms.

Actual results could differ materially from those anticipated in these forward-looking statements because of the risk factors set forth below and included elsewhere in this Listing Statement, including:

- general economic, market and business conditions;
- uncertainties surrounding the regulatory framework being applied to the El Quemado Project and the Resulting Issuer’s ability to be, and remain, in compliance;
- volatility in market prices for lithium;
- risks related to the exploration for minerals, including operation and environmental risks and hazards;
- current global financial conditions, including fluctuations in interest rates, foreign exchange rates and stock market volatility;
- the Resulting Issuer’s status and stage of development;



- geological, technical, drilling and processing problems, including the availability of equipment and labour for exploration;
- failure by counterparties to make payments or perform their operational or other obligations to the Resulting Issuer in compliance with the terms of contractual arrangements between the Resulting Issuer and such counterparties;
- risks related to the timing of completion of the Resulting Issuer's work programs;
- competition for, among other things, capital, and skilled personnel;
- actions by governmental authorities, including changes in government regulation and taxation;
- risks inherent in the exploration for minerals which may create liabilities for the Resulting Issuer in excess of the Resulting Issuer's insurance coverage;
- failure to accurately estimate abandonment and reclamation costs;
- failure of third parties' reviews, reports, and projections to be accurate;
- the availability of capital on acceptable terms;
- political risks;
- changes to royalty or tax regimes;
- the failure of the Resulting Issuer to maintain its mineral property interests in good standing;
- competing claims made in respect of the Resulting Issuer's properties or assets;
- operating and capital costs;
- unforeseen title defects;
- the potential for management estimates and assumptions to be inaccurate;
- risks associated with establishing and maintaining systems of internal controls;
- volatility in the market price of the Resulting Issuer Shares;
- the effect that the issuance of additional securities by the Resulting Issuer could have on the market price of the Resulting Issuer Shares;
- failure to engage or retain key personnel;
- discretion in the use of funds available to the Resulting Issuer; and
- the other factors discussed under "*Part V - Risk Factors*".

Investors are cautioned not to place undue reliance on forward-looking statements. The forward-looking statements contained herein are made as of the date of this Listing Statement and, accordingly, are subject to change subsequently. The Resulting Issuer disclaims any intent or obligation to update publicly or otherwise revise any forward-looking statements or the foregoing list of assumptions or factors, whether because of new information, future events or otherwise, except in accordance with applicable securities laws. Investors are urged to read the Company's and Resulting Issuer's filings with Canadian securities regulatory authorities, which can be viewed online under the Company/Resulting Issuer's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

#### **QUALIFIED PERSON**

All scientific and technical information contained in this Listing Statement was reviewed and approved by Leandro Andrés Sastre Salim, B.Sc. (Geo) AIG (#8448) of Andes Exploration SAS, who is a qualified person for the purposes of NI 43-101.

## **EXCHANGE RATE AND CURRENCY**

This Listing Statement contains references to the Canadian dollar and the United States dollar. References to CAD or “\$” are to Canadian currency, unless otherwise indicated. All references to “US\$” are to United States dollars. On January 31, 2024, the daily exchange rate for CAD in terms of the US\$ was \$1.00 = US\$ 1.3397 (the “**Exchange Rate**”)<sup>1</sup>.

## **INFORMATION INCORPORATED BY REFERENCE**

For further information in respect of the Company prior to completion of the Transaction, see the following publicly filed documents of the Company, each of which is incorporated by reference in, and form part of, this Listing Statement:

1. The Company’s MD&A for the fiscal years ended November 30, 2023 and November 30, 2022 and the three-month period ended February 29, 2024 are filed on SEDAR+ and incorporated by reference in this Listing Statement.
2. The Company’s audited financial statements for the fiscal years ended November 30, 2023 and November 30, 2022 and the condensed interim financial statements for the three months ended February 29, 2024 and February 28, 2023 are filed on SEDAR+ and incorporated reference in this Listing Statement.

Copies of these documents may be obtained at [www.sedarplus.ca](http://www.sedarplus.ca) or upon request without charge by contacting the Company at 604-506-3325 or [pursuitgold@gmail.com](mailto:pursuitgold@gmail.com).

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<sup>1</sup> Based on the daily exchange rate pulled from <https://www.bankofcanada.ca/rates/exchange/daily-exchange-rates/>

## ***Glossary of Terms***

The following is a glossary of certain terms used in this Listing Statement. The terms and abbreviations used in the financial statements attached to this Listing Statement as schedules are defined separately and the terms and abbreviations defined below are not used therein, except where otherwise indicated. Words importing the singular, where the context requires, include the plural and vice versa and words importing any gender include all genders.

**"ABCA"** means the *Business Corporations Act* (Alberta) including regulations thereunder, as amended from time to time.

**"Amalco"** means 14841799 B.C. Ltd., the amalgamated company resulting from the amalgamation of Subco and SALi pursuant to the Amalgamation.

**"Amalco Share"** means a common share in the capital of Amalco.

**"Amalgamation"** means the three-cornered amalgamation involving the Company, SALi, and Subco under section 270 of the BCBCA to be carried out pursuant to the Amalgamation Agreement.

**"Amalgamation Agreement"** means the amalgamation agreement dated as of July 14, 2023 among the Company and SALi, as reinstated and amended on January 31, 2024 and as extended in writing on April 30, 2024.

**"BCBCA"** means *Business Corporations Act* (British Columbia) including regulations thereunder, as amended from time to time.

**"Board"** in reference to a corporation means the board of directors.

**"Builder Shares"** means any security issued or issuable upon conversion of another security to: (a) any Person for less than \$0.02 per security; (b) a Related Person to the Listed Issuer for the purchase of an asset with no acceptable supporting valuation; (c) a Related Person to settle a debt or obligation for less than the last issued price per security; or (d) a Related Person for the primary purpose of increasing that principal's interest in the Listed Issuer without a corresponding tangible benefit to the Listed Issuer.

**"CEO"** means chief executive officer.

**"CFO"** means chief financial officer.

**"Company"** or **"Pursuit"** means Pursuit Gold Corp., a company incorporated under the BCBCA on September 15, 2020.

**"Continuation"** means the continuation of SALi out of the province of Alberta and into the province of British Columbia, pursuant to the provisions of the ABCA and the BCBCA, respectively.

**"Control Person"** means any Person or combination of Persons holding a sufficient number of any securities of a Listed Issuer to affect materially the control of that Listed Issuer, but any holding of any Person or combination of Persons holding more than 20% of the voting rights attached to all outstanding voting securities of a Listed Issuer shall, in the absence of evidence to the contrary, be deemed to affect materially the control of that Listed Issuer or Dealer.

**"CSE"** or the **"Exchange"** means the Canadian Securities Exchange.

**"Concurrent Financing"** means the non-brokered private placement of units by SALi priced at \$0.30 per unit, with each unit comprising one common share and one share purchase warrant exercisable for a period of 24 months from the time of listing of the Resulting Issuer at an exercise price of \$0.65 to acquire one common share of SALi or the Resulting Issuer.

**“El Quemado Project”** or **“El Quemado”** or the **“Project”** means the lithium exploration project located in Salta Province, Argentina and comprising the LATAM Rights and the Mineral Antosana Rights.

**“Enhanced Escrow Agreement”** means the escrow agreement among the Resulting Issuer, Odyssey Trust Company, and certain shareholders of the Resulting Issuer in connection with the Transaction providing for escrow in accordance with the provisions of section 2A.5(8)(e) of Policy 2 of the CSE.

**“Extension”** means the extension agreement entered into between Pursuit and SALi as of April 30, 2024 extending the termination date of the Amalgamation Agreement.

**“Financial Statements”** means the audited financial statements of the Company for the fiscal years ended November 30, 2023 and 2022 and the interim three month period ended February 29, 2024.

**“Fundamental Change”** has the meaning ascribed to that term under Policy 1 – Interpretation and General Provisions of the CSE.

**“LATAM Rights”** mean the 20 mining concessions acquired by SALi Argentina from Latin Minerals Inc. covering approximately 8,008.11 hectares and forming part of the El Quemado Project.

**“LATAM Title Report”** means the title report and opinion prepared for Pursuit by Pérez Alsina concerning the LATAM Rights forming part of the El Quemado Project.

**“Listed Issuer”** means an issuer which has any of its securities qualified for Listing on the Exchange and, as the context requires, an issuer which has applied to have its securities qualified for Listing on the Exchange.

**“Mineral Antosana”** means Minera Antosana S.A., a private Argentinian company, that is owned as to 70% by SALi Argentina.

**“Minera Antosana Rights”** means the 26 mining concessions owned by Minera Antosana and forming part of the El Quemado Project.

**“Name Change”** means an amendment of the notice of articles of the Company to change the name of the Company from “Pursuit Gold Corp.” to “South American Lithium Corp.”, or such other name as the Company and SALi may determine, to be completed in connection with the Amalgamation.

**“NI 43-101”** means National Instrument 43-101 *Standards of Disclosure for Mineral Projects* of the Canadian Securities Administrators.

**“NP 46-201”** means National Policy 46-201 – *Escrow for Initial Public Offerings* of the Canadian Securities Administrators.

**“Option Plan”** means the incentive stock option plan of the Company.

**“Option”** means an option to purchase Pursuit Shares, granted pursuant to the Option Plan.

**“Perez Alsina”** means Estudio Pérez Alsina & Frezze Durand, located at Balcarce 376, 1st. Apartment, Salta, Argentina.

**“Person”** includes without limitation a company, corporation, incorporated syndicate or other incorporated organization, sole proprietorship, partnership, trust, and individual.

**“Principal Shareholder”** means a person that owns or beneficially owns, or controls or directs, directly or indirectly, 10% or more of the issued and outstanding common shares of an issuer, as applicable.

**“Pursuit Share”** means a common share in the capital of Pursuit.

**“Quemado Technical Report”** means the NI 43-101 technical report entitled a “A Technical Review of the El Quemado Project (24°49’ S, 66°20’ W) Salta, Argentina” written by Leandro Andrés Sastre Salim, B.Sc. (Geo) AIG (#8448) of Andes Exploration SAS, with an effective date of April 5, 2023

**“Quemado Title Report”** means the title report and opinion prepared for Pursuit by Pérez Alsina concerning the 26 mining concessions held by Minera Antosana and forming part of the El Quemado Project.

**“Related Person”** means, in respect of a Listed Issuer, a person, other than a person that is solely a *bona fide* lender, that, at the relevant time and after reasonable inquiry, is known by the Listed Issuer or a director or senior officer of the Listed Issuer to be: (a) a Control Person of the Listed Issuer; (b) a person of which a person referred to in paragraph (a) is a Control Person; (c) a person of which the Listed Issuer is a Control Person; (d) a person that has (i) beneficial ownership of, or control or direction over, directly or indirectly, or (ii) a combination of beneficial ownership of, and control or direction over, directly or indirectly, securities of the Listed Issuer carrying more than 10% of the voting rights attached to all the Listed Issuer’s outstanding voting securities; (e) a director or senior officer of (i) the Listed Issuer, or (ii) a person described in any other paragraph of this definition; (f) a person that manages or directs, to any substantial degree, the affairs or operations of the Listed Issuer under an agreement, arrangement or understanding between the person and the Listed Issuer, including the general partner of a Listed Issuer that is a limited partnership, but excluding a person acting under bankruptcy or insolvency law; (g) a person of which persons described in any paragraph of this definition beneficially own, in the aggregate, more than 50 per cent of the securities of any outstanding class of securities; (h) an affiliated entity of any person described in any other paragraph of this definition, (i) a Promoter of the Listed Issuer, or, where the Promoter is not an individual, an officer, director or Control Person of the Promoter; and (k) such other Person as may be designated from time to time by the Exchange.

**“Reinstatement Agreement”** means the agreement entered into on January 31, 2024 by Pursuit and SALi, reinstating and amending the Amalgamation Agreement.

**“Resulting Issuer”** means Pursuit, following completion of the Transaction, renamed “SALI Lithium Corp.”.

**“Resulting Issuer Shares”** means common shares of the Resulting Issuer.

**“SALI”** means South American Lithium Corp., a corporation incorporated under the ABCA and continued into British Columbia as a company under the BCBCA as 1477445 B.C. Ltd.

**“SALI Share”** means a common share in the capital of SALi.

**“SALI Option Plan”** means the incentive stock option plan of SALi.

**“Subco”** means 1477430 B.C. Ltd., the wholly owned subsidiary of the Company, incorporated in order to complete the Transaction.

**“Subco Share”** means a common share in the capital of Subco.

**“Transaction”** means the acquisition of all the issued and outstanding shares of SALi pursuant to the Amalgamation Agreement.

**“Yacones Option”** means the option agreement dated June 28, 2023, among Simon Pérez Alsina, SALi and SALi Argentina pursuant to which SALi Argentina has the right to acquire a 100% interest in the Yacones Property.

**“Yacones Property”** means the three mining concessions covering approximately 7,625.53 hectares located in the Los Andes Department, Province of Salta, Argentina.

## SUMMARY OF LISTING STATEMENT

The following is a summary of information relating to Pursuit, SALi, and the Resulting Issuer and should be read together with the more detailed information and financial data and statements contained elsewhere in this Listing Statement. Reference is made to the Glossary of Terms for the definitions of certain abbreviations and terms used in this Listing Statement and in this summary. All information provided in this summary and in the Listing Statement is current as of May 29, 2024.

This Listing Statement has been prepared in accordance with CSE Policy 2 and CSE Form 2A – *Listing Statement* in connection with the Transaction.

<b>Parties</b>	<p>Pursuit is a reporting issuer in the provinces of British Columbia, Alberta, and Ontario, and the outstanding Pursuit Shares are listed on the Exchange under the symbol “PUGS”. For additional information about Pursuit, see <i>“Part II – Information Concerning Pursuit”</i>.</p> <p>Subco is a private company that was incorporated on April 23, 2024 pursuant to the laws of the province of British Columbia, for the purposes of amalgamating with SALi as part of the Amalgamation.</p> <p>SALi is a private company that was incorporated on March 1, 2022 pursuant to the laws of the province of Alberta. Through its wholly owned subsidiary, SALi Argentina, SALi is focused on the exploration of the El Quemado Project, a lithium-bearing pegmatite project. For additional information about SALi, see <i>“Part III – Information Concerning SALi”</i></p>
<b>The Transaction</b>	<p>On July 14, 2023, Pursuit and SALi entered into the Amalgamation Agreement, which provides for the acquisition of SALi by Pursuit pursuant to a three-cornered amalgamation with Subco. On January 31, 2024, the parties entered into the Reinstatement Agreement to reinstate and amend the Amalgamation Agreement and on April 30, 2024, signed an extension agreement (the <b>“Extension”</b>). Copies of the Amalgamation Agreement, Reinstatement Agreement and the Extension are available under the Resulting Issuer’s profile on SEDAR+ at <a href="http://www.sedarplus.ca">www.sedarplus.ca</a>. On May 17, 2024, the parties completed the Amalgamation.</p> <p>The Amalgamation Agreement as amended and reinstated provides the basis upon which the parties completed the Transaction in compliance with Exchange requirements. See <i>“Part I – Information Concerning the Transaction”</i></p>
<b>Fundamental Change</b>	<p>The Transaction was a Fundamental Change for Pursuit and required majority shareholder and CSE approval to close.</p>
<b>Concurrent Financing</b>	<p>As part of the Transaction and as a condition to closing, SALi completed a private placement of its securities to raise minimum proceeds sufficient to fund the Resulting Issuer for at least one year from listing.</p>
<b>Principal Purposes</b>	<p>The Resulting Issuer intends to use its available funds for general working capital purposes and future exploration activities on mineral properties, primarily exploration activities on the El Quemado Project as recommended in the Quemado Technical Report. See <i>“Part II – Information Concerning SALi - Narrative Description of the Business - Business of SALi”</i> and Appendix C - Property Disclosure El Quemado Project.</p>

<b>Interests of Insiders, Promoters, or Control Persons</b>	Except as disclosed herein, no Insider, Promoter or Control Person of Pursuit and the Resulting Issuer and no Associate or Affiliate of the same, had any interest in the Transaction, other than those which arise from the holding of Pursuit or Resulting Issuer Shares.		
<b>Securityholder Approval</b>	Under the policies of the CSE, Pursuit was required to obtain shareholder approval of the Transaction because it was a Fundamental Change which approval it obtained by the written consent of a minimum of 50% plus one of the Pursuit shareholders. Approval from the SALi shareholders as a condition to completing the Continuation and the Amalgamation was obtained by a special and an unanimous written resolution, respectively.		
<b>Directors and Officers of the Resulting Issuer</b>	<p>In connection with completion of the Transaction, Kostas Sakarellos, CEO, president, corporate secretary and a director of Pursuit, and Howard Blank, a director of Pursuit, resigned from their respective positions, while directors Ken Booth and Richard Rosner and CFO Christina Blacker remained with the Resulting Issuer. The following individuals are the officers and directors of the Resulting Issuer:</p> <p>Officers:</p> <ul style="list-style-type: none"> <li>• Dustin Nanos, CEO and President; and</li> <li>• Christina Blacker, CFO and Corporate Secretary</li> </ul> <p>Directors:</p> <ul style="list-style-type: none"> <li>• Dustin Nanos (Non-Independent);</li> <li>• Ken Booth (Independent);</li> <li>• Richard Rosner (Independent); and</li> <li>• Michelle DeCecco, Board Chair (Independent)</li> </ul> <p>See <i>“Information Concerning the Resulting Issuer – Directors, Officers and Management”</i>.</p> <p>The number and percentage of Resulting Issuer Shares over which the Resulting Issuer directors and officers (including their Associates and Affiliates) exercise control are as set forth below.</p>		
	<b>Directors and officers</b>	<b>Number of Pursuit or SALi Shares prior to the completion of the Transaction</b>	<b>Number and Percentage of Resulting Issuer Shares upon completion of the Transaction<sup>(2)</sup></b>
	Christina Blacker, CFO and corporate secretary	101,000 (Pursuit)	101,000/0.2%
	Ken Booth, director	1,207,500 (Pursuit)	1,207,500/2.38%
	Michelle DeCecco, director	200,000 (SALi) 200,000 (Pursuit)	400,000/0.79%
	Dustin Nanos, CEO, president, and director	5,000,000 (SALi)	5,000,000/9.85%
	Richard Rosner, director	700,000 (Pursuit)	700,000/1.38%
	<b>Notes:</b>		

	(1) Percentages based upon issued and outstanding Resulting Issuer Shares on completion of the Amalgamation of 50,752,325. See “Part V – Information Concerning the Resulting Issuer – Directors, Officers and Management”.	
<b>Available Funds</b>	After giving effect to the Transaction, the estimated funds available to the Resulting Issuer will be as follows:	
	<b>Source of funds</b>	<b>Amount of funds (\$)</b>
	Consolidated working capital (deficit) of Pursuit as of April 30, 2024	(\$115,801)
	Consolidated working capital of SALi as of April 30, 2024 <sup>(1)</sup>	\$919,756
	Total Estimated funds available	\$803,995
	<b>Notes:</b> (1) Includes all funds raised under the Concurrent Financing.	
<b>Principal Purposes of Funds</b>	The following table sets forth the proposed use of the available funds by the Resulting Issuer upon Completion of the Qualifying Transaction, and for the 12 months thereafter, to achieve the Resulting Issuer’s business objectives, as disclosed in “Part V – Information Concerning the Resulting Issuer – Stated Business Objectives”.	
	<b>Use of Available Funds</b>	<b>Amount (\$)</b>
	Estimated general and administrative expenses over the 12 months following closing of the Transaction	\$113,000
	Estimated outstanding transaction costs	\$10,000
	Costs associated with Phase I program at El Quemado <sup>(1)</sup>	\$135,108
	Property payments at El Quemado <sup>(1)</sup>	\$535,880
	Unallocated working capital	\$9,967
	<b>Total</b>	<b>\$803,955.00</b>
	<b>Notes:</b> (1) Converted from US dollars using the Exchange Rate	
	<p>The Resulting Issuer will use the funds for general corporate, working capital purposes and future exploration activities on its mineral properties, and primary exploration activities relating to the El Quemado Project as recommended in the El Quemado Report.</p> <p>Notwithstanding the proposed uses of available funds discussed above, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary or prudent. It is difficult, at this time, to definitively project the total funds necessary to achieve the planned activities of the Resulting Issuer. For these reasons, management of Pursuit and SALi consider it to be in the best interests of the Resulting Issuer and its shareholders to afford management a reasonable degree of flexibility as to how the funds are employed among the uses identified above, or for other purposes, as the need arises. For additional information, see “Part V – Information Concerning the Resulting Issuer – Principal Purposes of Funds” and “Part V – Information Concerning the Resulting Issuer – Narrative Description of the Business – Stated Business Objectives”. Further, the above uses of available funds should be considered estimates. See “Forward-Looking Statements”.</p>	



	The Resulting Issuer is expected to have sufficient cash available to pay its operating and administrative costs for at least the next 12 months from completion of the Transaction.	
<b>Dividends</b>	The Resulting Issuer has no restrictions on paying dividends. The Resulting Issuer has no intention of paying any dividends in the foreseeable future.	
<b>Selected Pro Forma Consolidated Financial Information for the Resulting Issuer</b>	The following table sets forth selected financial information for the Resulting Issuer as at November 30, 2023, on a pro forma basis, assuming Completion of the Qualifying Transaction as of that date. This information is derived from the unaudited pro forma consolidated balance sheet of the Resulting Issuer as at November 30, 2023, which is attached hereto as Appendix B, and should be read in conjunction with such financial statements.	
	Total assets	5,042,151
	Total liabilities	349,990
	Working capital	2,071,161
	See Appendix B <i>“Pro Forma Financial Statements for the Resulting Issuer”</i> .	
<b>Trading Price</b>	The Pursuit Shares were listed on the CSE under the trading symbol “PUGS”. The closing price of the Pursuit Shares on July 14, 2023, being the last day the Pursuit Shares traded on the Exchange before being halted, was \$0.59 per Pursuit Share. See <i>“Part II – Information Concerning Pursuit – Trading Price and Volume”</i> .	
<b>Conflicts of Interest</b>	<p>The directors and officers of the Resulting Issuer are aware of the existence of laws governing accountability of directors and officers for corporate opportunity and the laws requiring disclosure by directors and officers of conflicts of interest. The Resulting Issuer will rely upon such laws in respect of any such conflict of interest or in respect of any breach of duty by any of the Resulting Issuer’s directors or officers. Any such conflicts are required to be disclosed by such directors or officers in accordance with the BCBCA and the directors of the Resulting Issuer are required to govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law.</p> <p>Certain directors of the Resulting Issuer are, or may in the future be, directors, officers or shareholders of other companies that are, or may in the future be, engaged in the business of, or enter into transactions with, the Resulting Issuer. Such associations and transactions may give rise to conflicts of interest from time to time.</p> <p>See <i>“Part V – Information Concerning the Resulting Issuer – Directors, Officers and Management”</i>.</p>	
<b>Risk Factors</b>	<p>Resulting Issuer Shares are a high risk, speculative investment. The Resulting Issuer is a newly created company with no history of operations or earnings.</p> <p>The Resulting Issuer is subject to certain risk factors which should be carefully considered in connection with holding Resulting Issuer Shares. See <i>“Part V – Risk Factors”</i> for a more detailed description of the risk factors.</p> <p>Additionally, there are certain risks that the Resulting Issuer will face in its normal course of business, which include, but are not limited to, the following: (i) exploration risks; (ii) limited operating history risks; (iii) additional financing risks; (iv) current global financial condition risks; (v) market price risks; (vi) limited market for securities</p>	

	<p>risks; (vii) commodity prices risks; (viii) risks related to the interpretation of exploration data; (ix) operating and insurance risks; (x) environmental risks; (xi) land title risks; (xii) property commitments risks; (xiii) dependence on properties risks; (xiv) exploration and development risks; (xv) early stage development risks; (xvi) exploitation of future development risks; (xvii) third party reviews, reports and projections risks; (xviii) government regulation risks; (xix) reliance on management risks; (xx) conflicts of interest risks; (xxi) increasing competition risks; (xxii) management growth risks; (xxiii) dividends risks; (xxiv) internal controls risks; (xxv) liability to employees, contractors and consultants risks; (xxvi) disruption of business risks; (xxvii) public health crisis risks; (xxviii) currency rate risks; (xxix) damage to reputation risks; (xxx) substantial capital expenditures risks; (xxxi) availability of infrastructure risks; (xxxii) risks regarding social license to operate; (xxxiii) permits and licensing risks; (xxxiv) climate change risks; (xxxv) disruption from non-governmental organizations risks; (xxxvi) health and safety risks; (xxxvii) operating hazard risks; and (xxxviii) political, social and economic instability in Argentina.</p>
<p><b>CSE Approval</b></p>	<p>As a Fundamental Change for Pursuit, the approval of the CSE is required for the completion of the Transaction.</p>
<p><b>Interests of Experts</b></p>	<p>Dale Matheson Carr-Hilton LaBonte LLP, auditor for Pursuit, provided auditor reports in the audited annual financial statements of Pursuit for the years ended November 30, 2023 and 2022, incorporated by reference in this Listing Statement.</p> <p>Davidson &amp; Company LLP, auditor for SALi, provided an auditor report in the audited annual financial statements of SALi for the year ended February 28, 2023, attached to this Listing Statement as Appendix A.</p> <p>Leandro Andres Sastre Salim, B.Sc. (Geo) AIG of Andes Exploration S.A.S. a “qualified person” for the purposes of NI 43-101 prepared the Quemado Technical Report and has reviewed and approved the technical and scientific information contained in this Listing Statement.</p> <p>To the knowledge of Pursuit and SALi, as of the date hereof, the above-named experts collectively hold less than one percent of the outstanding securities of Pursuit or SALi or of any of Pursuit or SALi’s associates or affiliates.</p>

## **PART I – INFORMATION CONCERNING THE TRANSACTION**

The Transaction involved the acquisition of SALi and SALi Argentina by Pursuit. On July 14, 2023, Pursuit and SALi entered into the Amalgamation Agreement, which provides for the acquisition by Pursuit indirectly through Subco of all the issued and outstanding securities of SALi by way of a three-cornered amalgamation. On January 31, 2024, the parties entered into the Reinstatement Agreement reinstating and amending the Amalgamation Agreement and later the Extension.

In connection with the Amalgamation, the Resulting Issuer reconstituted its board of directors to give effect to the appointment of the Resulting Issuer Board and changed its name from Pursuit Gold Corp. to SALi Lithium Corp.

Upon completion of the Amalgamation, the Resulting Issuer indirectly own SALi Argentina and its rights in the El Quemado Project and the Yacones Option, as well as the 720 claims staked by SALi in Quebec, Canada.

The Transaction was a Fundamental Change for Pursuit and under CSE policies, the approval of the Pursuit shareholders was required. Pursuit obtained written consent from 78.5% of the Pursuit Shareholders approving the Transaction as a Fundamental Change in satisfaction of the requirement for shareholder approval.

As a condition to closing of the Amalgamation, SALi completed the Continuation on April 23, 2024 to continue its corporate existence out of the province of Alberta and into the province of British Columbia as 1477445 B.C. Ltd., a company governed by the BCBCA. Under Alberta law, SALi obtained written shareholder approval of a special resolution to authorize the Continuation, and following the Continuation, SALi shareholders signed unanimous shareholder resolutions approving the Amalgamation, as required under the BCBCA. On May 17, 2024, the parties completed the Amalgamation.

### **The Amalgamation Agreement**

The following is a summary of the material terms of the Amalgamation Agreement as amended. The Amalgamation Agreement incorporates the principal terms for the Transaction and provided the basis upon which the parties effected the Transaction in compliance with CSE requirements. This summary does not purport to be a complete summary of the Amalgamation Agreement and is qualified in its entirety by reference to the full text of the Amalgamation Agreement, a copy of which is attached to this Form 2A as Appendix D, and which is available under the Resulting Issuer's SEDAR+ profile at [www.sedarplus.ca](http://www.sedarplus.ca).

The mechanics of the Amalgamation are as follows:

- (a) at the effective time of the Amalgamation (the “**Effective Time**”), Subco and SALi amalgamated to form Amalco and continued as one company under the BCBCA with the effects set out in section 282 of the BCBCA;
- (b) immediately upon the amalgamation of Subco and SALi to form Amalco:
  - (i) each SALi Share outstanding immediately prior to the Effective Time held by a SALi shareholder that exercises its rights of dissent regarding the Amalgamation (a “**Dissenting Shareholder**”) became an entitlement to be paid the fair value of the Dissenting Shareholder's SALi Share;
  - (ii) each one SALi Share (other than those held by Dissenting Shareholders) issued and outstanding immediately before the Effective Time was exchanged for one Pursuit Share;
  - (iii) each one Subco Share outstanding immediately before the Effective Time was exchanged for one Amalco Share and the Subco Shares were deemed to have been cancelled as of the Effective Time;
  - (iv) in consideration of the issuance of the Pursuit Shares in exchange for the SALi Shares, Amalco issued to Pursuit one Amalco Share for each Pursuit Share so issued;
  - (v) the SALi shareholders ceased to be the holders of the SALi Shares and the names of the SALi shareholders were removed from the share register of holders of SALi Shares;
  - (vi) the SALi Shares were deemed to have been cancelled as of the Effective Time, any and all rights the SALi shareholders may have in or to any securities of SALi were automatically (without any further action) cancelled.

The Amalgamation Agreement contains certain representations and warranties made by each of Pursuit, Subco, and SALi in respect of their respective assets, liabilities, capital, financial position, and operations. In addition, each of Pursuit, Subco, and SALi provide covenants which govern the conduct of their operations and affairs prior to the completion of the Transaction. The Amalgamation completed on May 17, 2024.

### ***Dissent Rights***

The Continuation under the ABCA and the Amalgamation under the BCBCA both provide registered SALi Shareholders with rights of dissent which entitle them to dissent with respect to the Continuation and the Amalgamation. No SALi Shareholder exercised rights of dissent in respect of either the Continuation or the Amalgamation.

### ***Covenants***

Pursuit and SALi each gave to the other usual and customary covenants in respect of the Amalgamation to:

- (a) use commercially reasonable efforts to satisfy the conditions precedent to the obligations under the Amalgamation Agreement;
- (b) take all necessary corporate action and proceedings to complete and authorize the Transaction;
- (c) not take any action that is inconsistent with the Amalgamation Agreement or would reasonably be expected to significantly impede completion of the Transaction;
- (d) conduct each business in the ordinary course, except as contemplated by the Amalgamation Agreement, and to use commercially reasonable efforts to preserve the parties' respective assets, among other things; and
- (e) provide commercially reasonable assistance to make an application to the CSE and to take such actions as are required to receive, in a timely manner, Exchange approval of the Transaction.

Except as set out in the Amalgamation Agreement, Pursuit and SALi have agreed to bear their own costs in connection with the Transaction.

### ***Conditions to the Amalgamation***

#### ***Mutual Conditions***

The respective obligations of Pursuit, Subco and SALi to consummate the Amalgamation were subject to the satisfaction or mutual waiver, on or before the closing date, or such other time specified, of certain conditions including, but not limited to, the following mutual conditions:

- (a) effective upon the completion of the Amalgamation, the board of directors of the Resulting Issuer being reconstituted to consist of the following four directors: Ken Booth; Richard Rosner; Dustin Nanos; and Michelle DeCecco;
- (b) effective upon the completion of the Amalgamation, management of the Resulting Issuer being reconstituted so that Dustin Nanos is appointed as CEO and President and Christina Blacker is appointed as CFO and Corporate Secretary;
- (c) neither Pursuit nor SALi will have issued any further securities without the consent of the other party, other than as contemplated in the Amalgamation Agreement, including in connection with the Concurrent Financing;
- (d) the Concurrent Financing having been completed for net proceeds sufficient to provide the Resulting Issuer with the working capital required to satisfy the minimum listing requirements of the CSE, on terms mutually agreeable to Pursuit and SALi, acting reasonably;
- (e) the Continuation having been completed prior to the Effective Time;

- (f) each of Subco and SALi having received the requisite approval of their respective shareholders for the completion of the Amalgamation as required by the BCBCA, and having taken all necessary steps so that the Amalgamation could be effected;
- (g) all Regulatory Approvals and third party consents or approvals that were necessary or advisable for the consummation of the Transactions, including, but not limited to, receipt of all necessary approvals from the CSE of the Fundamental Change and for the listing thereon of the Resulting Issuer Shares, including the Pursuit Shares issuable in connection with the Amalgamation (subject to the CSE's ordinary listing requirements), all on terms satisfactory to each of the parties hereto, acting reasonably;
- (h) the absence of any material action, cause of action, claim, demand, suit, investigation or other proceedings being in progress, pending or threatened against or affecting any of the parties or any such company's respective officers and directors, at law or in equity, or before any governmental authority, involving the reasonable likelihood of any judgment or liability against any of the parties; and
- (i) there being no prohibition at law, order or decree restraining or enjoining the consummation of the Transaction.

*Additional Conditions to the Obligations of Pursuit and Subco*

The obligation of Pursuit and Subco to consummate the Amalgamation was subject to certain conditions including, but not limited to, the following conditions in favour of Pursuit and Subco:

- (a) SALi having delivered to Pursuit all of the documents that it is required to deliver for closing;
- (b) SALi having delivered to Pursuit the El Quemado Title Opinions and the Yacones Title Opinion, in form satisfactory to Pursuit;
- (c) the time period for the exercise of any rights of dissent having expired and no SALi shareholders having exercised any rights of dissent;
- (d) except for securities issued by SALi pursuant to the Concurrent Financing, no additional SALi securities having been issued in addition to those scheduled to the Amalgamation Agreement;
- (e) there being no Material Adverse Change (as defined in the Amalgamation Agreement) with respect to SALi between the date of the Amalgamation Agreement and the completion of the Amalgamation;
- (f) the representations and warranties of SALi in the Amalgamation Agreement being true and correct in all respects, where made subject to materiality qualifications, and all other representations and warranties of SALi being true and correct in all material respects, as of the closing date;
- (g) SALi having satisfied all its covenants and obligations to be satisfied on or prior to the closing date, having delivered to Pursuit a certificate confirming that fact signed by a senior officer of SALi and dated as of the closing date;
- (h) the board of directors of SALi and SALi shareholders having adopted all necessary resolutions and all other necessary corporate actions having been taken by each to permit the consummation of the Transaction; and
- (i) mutual releases, in form reasonably satisfactory to SALi and Pursuit, of each of director and officer of SALi who is not continuing as a director or officer of Amalco, having been delivered to Pursuit.

*Additional Conditions to the Obligations of SALi*

The obligation of SALi to consummate the Amalgamation was subject to certain conditions including, but not limited to, the following conditions in favour of SALi:

- (a) Pursuit having delivered to SALi all of the documents that it is required to deliver for closing;

- (b) The Resulting Issuer Shares having been conditionally approved for listing on the CSE and Pursuit being a reporting issuer in good standing in the provinces of British Columbia, Alberta, and Ontario and not be in material default of any requirement of any applicable securities laws or the requirements of the CSE and neither Pursuit nor any of its securities being the subject of any cease trade order or regulatory enquiry or investigation in any jurisdiction;
- (c) no additional Pursuit securities having been issued in addition to those scheduled to the Amalgamation Agreement;
- (d) the Pursuit Shares issued on the closing of the Amalgamation being issued as fully paid and non-assessable shares in the capital of the Issuer, free and clear of any and all Encumbrances or “restricted period” (pursuant to Section 2.5 of National Instrument 45-102 - *Resale of Securities*), of whatsoever nature under Canadian law, except those imposed pursuant to escrow restrictions of the Exchange;
- (e) the issuance of the Pursuit Shares on closing of the Amalgamation being exempt from prospectus requirements in Canada;
- (f) there having been no Material Adverse Change with respect to Pursuit or Subco between the date of signing the Amalgamation Agreement and the completion of the Amalgamation.
- (g) the representations and warranties of Pursuit and Subco in the Amalgamation Agreement being true and correct in all respects, where made subject to materiality qualifications, and all other representations and warranties of Pursuit and Subco being true and correct in all material respects, as of the closing date;
- (h) Pursuit and Subco having satisfied all their covenants and obligations to be satisfied on or prior to the closing date, and having delivered to SALi a certificate confirming that fact signed by a senior officer of Pursuit and dated as of the closing date;
- (i) the boards of directors of Pursuit and Subco and the Pursuit shareholders and Subco shareholder having adopted all necessary resolutions and all other necessary corporate actions shall have been taken by each to permit the consummation of the Amalgamation; and
- (j) mutual releases, in form reasonably satisfactory to SALi and Pursuit of each director and officer of Pursuit and Subco who is not continuing as a director or officer of the Resulting Issuer or Amalco, having been delivered to Pursuit.

### ***Representations and Warranties***

The Amalgamation Agreement contains representations and warranties made by each of Pursuit, Subco and SALi relating to certain matters, including, among other things: incorporation; absence of conflict with or violation of constating documents, agreements or applicable laws; authority to execute and deliver the Amalgamation Agreement and perform its obligations thereunder; due authorization and enforceability of the Amalgamation Agreement; composition of share capital; options or other rights for the purchase of securities; financial condition, records and accounts; assets and conduct of operations; absences of litigation, judgements or order; employment matters; reporting issuer and listing status; and matters related to the Transaction. The assertions embodied in those representations and warranties were solely for the purposes of the Amalgamation Agreement.

The representations and warranties of the parties will survive completion of the Amalgamation for a period of 12 months. After the expiration of that period, no party shall have any further liability with respect to any breach of any representation or warranty contained in the Amalgamation Agreement, except for those alleged breaches for which notice has been given prior to the end of the 12-month period.

### ***Standstill***

The Amalgamation Agreement provided that until the earlier of (i) closing of the Amalgamation and (ii) the termination of the Amalgamation Agreement (the “**Exclusivity Termination Date**”), SALi must not, directly or indirectly, and must not authorize or permit any representative or agent thereof to, directly or indirectly, (a) solicit, initiate, encourage, engage in or respond to any inquiry or proposal regarding any merger, amalgamation, share

exchange, Transaction, take-over bid, sale or other disposition of all or substantially all of its assets, any recapitalization, reorganization other than the liquidation, material sale or issue of treasury securities or rights or interest therein or thereto or rights or options to acquire any material number of treasury securities or any type of similar transaction which would or could, in any case, constitute or result in a de facto change of control of SALi or the disposition of substantially all of its assets (each an “**Acquisition Proposal**”), other than the Transaction, (b) encourage or participate in any discussions or negotiations regarding any Acquisition Proposal, (c) agree to, approve or recommend an Acquisition Proposal, or (d) enter into any agreement related to an Acquisition Proposal, unless such action, matter or transaction is part of the Transaction or is satisfactory to, and is approved in writing in advance by Pursuit or is necessary to carry on the normal course of business.

### **Termination Events**

The Amalgamation Agreement was able to be terminated and the Amalgamation abandoned at any time prior to the Effective Time in the following circumstances:

- (a) by the mutual written consent of Pursuit and SALi;
- (b) by either Pursuit and SALi, if there were any applicable law that made consummation of the Amalgamation illegal or otherwise prohibited, or if any judgment, injunction, order or decree of a competent governmental authority enjoining Pursuit or SALi from consummating the Amalgamation became final and non-appealable;
- (c) by either Pursuit or SALi, if the closing date did not occur on or prior to the outside date as specified in the Amalgamation Agreement as amended provided, however, that the party seeking to terminate for this reason would not be able to rely on its own failure to perform any material covenant, agreement or obligation under the Amalgamation Agreement that was the cause of, or resulted in, the failure of the closing date to occur on or before the outside date;
- (d) by Pursuit or SALi if any of the conditions to closing in the party’s respective favour were not satisfied (or were incapable of being satisfied) or waived on or before the outside date provided, however, that the right to terminate the Amalgamation Agreement for this reason would not be available to any Party whose failure or whose affiliate’s failure to perform any material covenant, agreement or obligation hereunder was the cause of, or resulted in, the failure of the closing date to occur on or before the outside date;
- (e) by Pursuit if there were a material breach by SALi of any of its representations, warranties, covenants or agreements contained in the Amalgamation Agreement that could have reasonably been expected to cause a condition to closing in Pursuit’s favour that was not waived to be incapable of being satisfied on or before the outside date;
- (f) by Pursuit or SALi if the SALi shareholders failed to approve the Amalgamation in the manner required by law; or
- (g) by SALi if there were a material breach by Pursuit or Subco of any of its representations, warranties, covenants or agreements contained in the Amalgamation Agreement that could have reasonably been expected to cause a condition to closing in SALi’s favour that was not waived to be incapable of being satisfied on or before the outside date.

The Amalgamation Agreement provides that if it were terminated in accordance with its terms, no party would have any further obligations to perform the Amalgamation Agreement except for the obligations contained in the provisions related to the disclosure and confidentiality and expenses obligations; provided that the termination of the Amalgamation Agreement would not have relieved any party from any liability for any breach by it of the Amalgamation Agreement prior to termination, including from any inaccuracy in a party’s representations and warranties and any non-performance by a party of its covenants and agreements made in the Amalgamation Agreement.

On January 31, 2024, the parties entered into the Reinstatement Agreement, which reinstated and amended the Amalgamation Agreement to extend the outer date for completing the Transaction and to amend the minimum amount of the Concurrent Financing. A copy of the Reinstatement Agreement is attached to this Form 2A as part of

Appendix D. On April 30, 2024, the Parties signed the Extension to extend the outside date to May 31, 2024. A copy of the Extension is attached to this Form 2A as part of Appendix D.

#### *Escrow Restrictions*

Certain of the Resulting Shares issuable pursuant to the Amalgamation Agreement are subject to escrow restrictions pursuant to the policies of the CSE. Each SALi shareholder whose Resulting Shares are subject to such an escrow executed an escrow agreement in the form required by the CSE, and that shareholder's Resulting Shares were deposited into escrow and will be released from escrow in tranches over time, in accordance with the policies of the CSE.

#### *Directors and Management*

In connection with the Transaction, Howard Blank and Kostas Sakarellos resigned from the board of Pursuit in favour of two nominees of SALi, Dustin Nanos and Michelle DeCecco. Dustin Nanos was appointed as president and CEO and Christina Blacker was appointed as CFO and corporate secretary.

#### *Completion of Amalgamation*

The Amalgamation completed on May 17, 2024.

### **PART II – INFORMATION CONCERNING PURSUIT AND SUBCO**

#### **Corporate Structure**

This Listing Statement was prepared in connection with the Transaction, which was a Fundamental Change for Pursuit, and the requalification of the Resulting Issuer Shares for listing on the CSE.

#### ***Corporate Name and Head and Registered Office***

Pursuit has its head office and registered and records office located at 6<sup>th</sup> Floor – 905 West Pender Street, Vancouver, BC V6C 1L6.

Subco has its head office and registered and records office located at 6<sup>th</sup> Floor – 905 West Pender Street, Vancouver, BC V6C 1L6.

#### ***Jurisdiction of Incorporation***

The Company was incorporated under the BCBCA on September 15, 2020, under the name "Pursuit Gold Corp." Following the Amalgamation, Pursuit changed its name to "SALi Lithium Corp." and as the Resulting Issuer continues to be a British Columbia company.

Subco was incorporated under the BCBCA on April 23, 2024.

#### ***Intercorporate Relationships***

Prior to the Amalgamation, Pursuit had one wholly owned subsidiary, Subco.



## **Fundamental Change**

See “General Development of the Business – The Transaction”.

### **General Development of the Business**

#### **Three Year History**

##### **The Company**

Pursuit’s principal business purpose since incorporation was the identification, acquisition, evaluation, and exploration of mineral properties.

Since incorporation on September 15, 2020, Pursuit has taken the following steps to develop its business:

- on September 15, 2020, the Company issued 3,400,000 Pursuit Shares on a private placement basis at a price per security of \$0.005, for total proceeds of \$17,000.
- on November 30, 2020, the Company issued 8,000,000 units, with each unit consisting of one Pursuit Share and one-half of one share purchase warrant at a price per unit of \$0.02, for total proceeds of \$160,000. Each warrant was exercisable at a price of \$0.10 for a period of two years following the date of issuance.
- on November 30, 2020, the Company issued 2,700,000 units, with each unit consisting of one Pursuit Share and one-half of one share purchase warrant, at a price per unit of \$0.05, for total proceeds of \$135,000. Each Warrant was exercisable at a price of \$0.10 for a period of 24 months after the date of issuance.
- on December 28, 2020 (as amended October 11, 2021), the Company entered into an arm’s length property option agreement with Rainy Mountain Royalty Corp. (“**RMRC**”), the holder of an underlying option to acquire a 100% interest in 13 claim units consisting of 173 claim cells near Timmins, Ontario (the “**Brunswick Property**”), to acquire a sub-option of up to a 90% interest in RMRC’s option on the Brunswick Property (the “**Brunswick Option**”).
- on September 29, 2021, the Company issued 1,039,000 units, with each unit consisting of one special warrant and one half of one share purchase warrant (the “**Underlying Warrants**”). Each special warrant entitled the holder to acquire, for no additional consideration, one Pursuit Share. The special warrants were exercisable by the holders at any time and all unexercised special warrants converted automatically on the third business day after the final receipt was issued for the Company’s long form prospectus. The Underlying Warrants entitled the holders to acquire one Pursuit Share at an exercise price of \$0.20 per share for a period of 24 months from the date of issuance.
- On December 23, 2021, the Company received a final receipt for its long form prospectus and on January 27, 2022, the Pursuit Shares began trading on the CSE.
- During 2022, the Company completed a portion of its first phase of exploration program on the Brunswick Property. The Company completed approximately 27 line-kilometres of magnetometer (MAG) and very low frequency electromagnetic (VLF) geophysical surveys over the Brunswick Property. The purpose of these surveys was to extend the MAG and VLF surveys to the east half of the Brunswick Property in order to identify possible drill targets. Following review of the results of exploration, the Company decided to relinquish the Brunswick Option.
- On February 12, 2023, the Company signed a letter of intent with SALi to acquire SALi and the El Quemado Project, and since that time has focused its efforts on the Transaction.
- On July 14, 2023, the Company and SALi entered into the Amalgamation Agreement in respect of the Transaction. The Transaction constitutes a Fundamental Change for the Company pursuant to CSE Policy 1 – *Interpretation and General Provisions* and Policy 8 – *Fundamental Changes and Changes of Business*.
- On January 31, 2024, Pursuit entered into the Reinstatement Agreement to reinstate and amend the Amalgamation Agreement.

- On April 23, 2024, the Company caused Subco to be incorporated in order to carry out the Transaction.
- On April 30, 2024 the Company signed the Extension with SALi and on May 17, 2024, the Company completed the Amalgamation.

### **The Transaction**

On July 14, 2023, the Company and SALi entered into the Amalgamation Agreement pursuant to which the Company agreed to acquire all the issued and outstanding shares in the capital of SALi, in exchange for Pursuit Shares on a one-to-one ratio. Existing convertible securities of SALi are exercisable to acquire Resulting Issuer Shares. Pursuant to the Transaction, the Company acquired SALi and indirectly acquired the El Quemado Project and the Yacones Property as well as the 720 claims staked by Sali in Quebec. See “Part I – Information Concerning the Transaction – The Amalgamation Agreement”. On January 31, 2024, the Company and SALi entered into the Reinstatement Agreement and on April 30, 2024 the parties signed the Extension to extend the outside date to May 31, 2024. The Amalgamation completed on May 17, 2024.

The Transaction was a “Fundamental Change”, which is defined in CSE Policy 1 as a “Major Acquisition” accompanied or preceded by a “Change of Control” and is governed by CSE Policy 8 – *Fundamental Changes and Changes of Business*. The Company is providing this Listing Statement in connection with the requalification for listing of the Resulting Issuer Shares on the CSE following the Fundamental Change.

On completion of the Transaction, former shareholders of Pursuit hold approximately 32.4% of the Resulting Issuer Shares and former shareholders of SALi hold approximately 67.6% of the Resulting Issuer Shares.

### **Significant Acquisitions and Dispositions**

See “General Development of the Business – The Transaction”.

### **Trends, Commitments, Events or Uncertainties**

Other than as discussed below, there are no trends, commitments, events, or uncertainties known to management which could reasonably be expected to have a material effect on the Resulting Issuer’s business, the Resulting Issuer’s financial condition or results of operations. However, there are significant risks associated with the Resulting Issuer’s business, as described under “Part V - Risk Factors”.

### **General Development of the Business**

#### **Selected Consolidated Financial Information**

##### *Annual Information*

The following is a summary of selected financial information for Pursuit for the periods indicated and should be read in conjunction with the audited financial statements of Pursuit for the fiscal years ended November 30, 2023 and November 30, 2022 and condensed interim financial statements for the three months ended February 29, 2024 and February 28, 2023 (collectively the “Financial Statements”) filed on SEDAR+ and incorporated by reference in this Listing Statement, each prepared in accordance with IFRS.

	<b>Interim period ended February 29, 2024</b>	<b>Year ended November 30, 2023 (\$)</b>	<b>Year ended November 30, 2022 (\$)</b>
Total revenues	Nil	Nil	Nil
Total Expenses	33,183	302,244	173,677

	Interim period ended February 29, 2024	Year ended November 30, 2023 (\$)	Year ended November 30, 2022 (\$)
Net loss	(33,183)	(302,244)	(289,505)
Net loss per share (basic and diluted) <sup>(1)</sup>	(0.00)	(0.02)	(0.02)
Total assets	12,605	13,653	85,696
Total liabilities	115,936	103,801	29,767

### *Selected Quarterly Financial Information*

The following table provides summary financial data prepared in accordance with IFRS:

Quarter Ended	Total Revenue	Net Income (Loss) (\$)	Net Income (Loss) per Share (\$)
February 29, 2024	Nil	(33,183)	(0.00)
November 30, 2023*	Nil	(302,244)	(0.02)
August 31, 2023	Nil	(71,114)	(0.00)
May 31, 2023	Nil	(123,552)	(0.01)
February 28, 2023	Nil	(59,338)	(0.00)
November 30, 2022**	Nil	(289,505)	(0.02)
August 31, 2022	Nil	(19,670)	(0.00)
May 31, 2022	Nil	(52,816)	(0.00)

\* For year ended November 30, 2023.

\*\* For year ended November 30, 2022 and includes in loss \$115,828 for mineral property impairment.

### **Management's Discussion and Analysis**

Pursuit's MD&A for the fiscal years ended November 30, 2023 and November 30, 2022 and the interim period ended February 29, 2024 are filed on SEDAR+ and incorporated by reference in this Listing Statement.

### **Market for Securities**

The Company is a reporting issuer in British Columbia, Alberta, and Ontario. The Pursuit Shares were listed for trading on the CSE under the symbol "PUGS". The Pursuit Shares were halted on July 14, 2023 in connection with the execution of the Amalgamation Agreement.

### **Description of the Securities**

#### *Pursuit Shares*

The Company is authorized to issue an unlimited number of common shares. Immediately prior to the Amalgamation, there were 16,449,000 Pursuit Shares issued and outstanding as fully paid and non-assessable. The Pursuit Shares are without par value and entitle the holders thereof to receive notice of, attend and vote at all meetings of the shareholders of Pursuit. Each Pursuit Share carries one vote at such meetings. Holders of Pursuit Shares are entitled to dividends as and when declared by the Pursuit Board. In the event of the voluntary or

involuntary liquidation, dissolution or winding-up of Pursuit, after payment of all outstanding debts, the remaining assets of Pursuit available for distribution will be distributed to the holders of Pursuit Shares.

#### *Options to Purchase Securities*

The Option Plan was adopted by the Pursuit Board on May 31, 2021 and approved by the Pursuit Shareholders at the annual general meeting of the Company held on January 11, 2023. The purpose of the Option Plan is to advance the interests of the Company and its shareholders by attracting and retaining directors, officers, employees or consultants of high caliber and potential, motivating their performance, and encouraging and enabling them to acquire and retain a proprietary interest in the Company through ownership of Pursuit Shares. The Option Plan provides that, subject to the requirements of the CSE, the aggregate number of securities available for issuance under the Option Plan is capped at 10% of the number of Pursuit Shares issued and outstanding from time to time.

The Option Plan is administered by the Board or a committee of the Board, either of which has full and final authority with respect to the granting of Options. Options may be granted under the Option Plan to those directors, officers, employees, or consultants of the Company that the Board determines.

The Board determines the exercise price of Options granted under the Option Plan, consistent with the policies of the CSE, which require that the minimum exercise price is the greater of the closing market prices of the underlying securities on (a) the trading day prior to the date of grant of the Options; and (b) the date of grant of the Options. The Board determines the term of Options granted under the Option Plan at the time of grant up, to a maximum of ten years, and subject to earlier expiry in the event of termination or death of an optionee. Options granted under the Option Plan are not to be transferable or assignable. Subject to certain exceptions, in the event that a director or officer ceases to hold office, Options granted to such a director or officer will expire 60 days after such director or officer ceases to hold office. Subject to certain exceptions, in the event that an employee, or consultant ceases to act in that capacity in relation to the Company, Options granted to the optionee will expire 60 days after the optionee ceases to so act.

A copy of the Option Plan is available under Pursuit's SEDAR+ profile at [www.sedarplus.ca](http://www.sedarplus.ca).

The following table sets forth as at the date of this Listing Statement, the number and terms of outstanding Options granted under the Option Plan.

Category	Aggregate number of individuals	Aggregate number of Options	Date of Grant	Exercise Price	Expiry Date
Current Directors and Executive Officers	2	800,000	May 5, 2023	\$0.10	May 5, 2028

#### **Consolidated Capitalization**

The following table summarizes the capitalization of Pursuit prior to the Amalgamation:

Description of Security	Number Authorized to be Issued	Outstanding as of the Date of this Listing Statement
Common Shares	Unlimited	16,449,000
Warrants	Unlimited	Nil
Equity Plan	10% of the issued and outstanding shares	800,000

## Prior Sales

During the 12 months preceding the completion of the Amalgamation, the Company issued the following Pursuit Shares and securities convertible into Pursuit Shares:

Date Issued	Type of Security Issued	Number of Securities Issued	Price per Security	Total Funds Received (\$)	Nature of Consideration
May 5, 2023	Options <sup>(1)</sup>	800,000	\$0.10	NIL	Option Plan
May 15, 2023	Pursuit Shares	10,000	\$0.20	2,000	Cash (exercise of warrants)
May 17, 2023	Pursuit Shares	100,000	\$0.10	10,000	Cash (exercise of options)
May 19, 2023	Pursuit Shares	35,000	\$0.20	7,000	Cash (exercise of warrants)
May 25, 2023	Pursuit Shares	62,500	\$0.20	12,500	Cash (exercise of warrants)
May 26, 2023	Pursuit Shares	82,500	\$0.20	16,500	Cash (exercise of warrants)
January 27, 2024	Pursuit Shares	200,000	\$0.10	\$20,000	Cash (exercise of options)

### Notes:

(1) Each Option is exercisable into one Pursuit Share at an exercise price of \$0.10 until May 5, 2028.

## Trading Price and Volume

The Pursuit Shares were listed on the Exchange under the trading symbol "PUGS". The closing price of the Pursuit Shares on July 14, 2023, the last day the Pursuit Shares traded on the CSE before being halted in connection with the proposed Transaction, was \$0.59.

Period <sup>(1)</sup>	High C\$ <sup>(2)</sup>	Low C\$ <sup>(2)</sup>	Share Volume <sup>(2)</sup>
July 1 - 14, 2023 (last trading day before halt)	0.60	0.30	22,800
June 30, 2023	0.40	0.18	74,000
May 31, 2023	0.20	0.055	164,550
April 30, 2023	N/A	N/A	0
March 31, 2023	0.10	0.10	2,000
February 28, 2023	0.16	0.07	10,980
January 31, 2023	0.15	0.15	4,000
December 31, 2022	N/A	N/A	0
November 30, 2022	0.15	0.15	2,000
October 31, 2022	0.35	0.15	9,000
September 30, 2022	N/A	N/A	0
August 31, 2022	N/A	N/A	0
July 31, 2022	N/A	N/A	0

### Notes:

(1) The Company's shares were listed on the CSE on January 26, 2022.

## Executive Compensation

Under applicable securities legislation, the Company is required to disclose certain financial and other information relating to the compensation of its Named Executive Officers and for the directors of Pursuit for the financial years ended November 30, 2023 and 2022.

### Summary Compensation Table

The following table provides a summary of compensation paid, directly or indirectly, for the most recently completed financial year to Pursuit's Named Executive Officers and its directors.

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 (\$)
Kostantinos Sakarellos <i>Chief Executive Officer, Corporate Secretary and Director</i>	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil
Christina Blacker <sup>(1)</sup> <i>Chief Financial Officer</i>	2023	40,000	Nil	Nil	Nil	Nil	40,000
	2022	40,000	Nil	Nil	Nil	Nil	40,000
Howard Blank <i>Director</i>	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil
Richard Rosner <i>Director</i>	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil
Kenneth Booth <i>Director</i>	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil

**Notes:**

- (1) Ms. Blacker is paid a consulting fee of \$2,500 per month for acting as CFO plus \$2,500 per quarter for financial statement preparation. Ms. Blacker's services commenced October 2020.

### Stock Options and other Compensation Securities

Pursuit issued the following compensation securities to its Named Executive Officers and its directors during the financial year ended November 30, 2023, for services provided or to be provided, directly or indirectly, to Pursuit.

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class <sup>(1)</sup>	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end <sup>(2)</sup> (\$)	Expiry date
Richard Rosner <i>Director</i>	Incentive stock option	300,000/300,000/1.8%	May 5, 2023	\$0.10	\$0.10	\$0.59	May 5, 2028
Kenneth Booth <i>Director</i>	Incentive stock option	500,000/500,000/3.1%	May 5, 2023	\$0.10	\$0.10	\$0.59	May 5, 2028

Note:

(1) Percentage based on 16,249,000 common shares issued and outstanding as of November 30, 2023.

(2) This was the closing price on July 14, 2023, the last day the Pursuit Shares traded on the Exchange before being halted.

The following compensation securities exercised by the Named Executive Officers and directors in the year ended November 30, 2023.

Exercise of Compensation Securities							
Name and position	Type of Compensation security	Number of underlying securities exercised	Exercise price per Security (\$)	Date of Exercise	Closing price of security on date of exercise (\$)	Difference between exercise price and closing price on date of exercise (\$)	Total value on exercise date (\$)
Richard Rosner <i>Director</i>	Incentive stock option	100,000	0.10	March 17, 2023	0.10	0.00	0.00
Kostantinos Sakarellos <i>Chief Executive Officer, Corporate Secretary and Director</i>	Incentive stock option	100,000	0.10	March 17, 2023	0.10	0.00	0.00
Howard Blank <i>Director</i>	Incentive stock option	100,000	0.10	May 12, 2023	0.055	(0.045)	(4,500)

### ***Employment, Consulting and Management Agreements***

Pursuit is party to a consulting agreement with its CFO, Christina Blacker dated March 1, 2021, under which Ms. Blacker is paid a fee of \$2,500 per month for her services plus an additional \$2,500 per quarter related to preparation of quarterly financial statements. If Ms. Blacker's agreement is terminated without cause by the Company, the Company must either provide 90 days prior written notice to Ms. Blacker or pay Ms. Blacker a lump sum payment equal to \$7,500 in lieu of notice. The agreement may be terminated at any time by the Company for cause, and Ms. Blacker may terminate the agreement at any time upon 30 days prior written notice to the Company.

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

At its present stage of development, the Company does not have any formal objectives, criteria and analysis for determining the compensation of its Named Executive Officers and primarily relies on the discussions and determinations of the Board.

### ***Compensation of Directors***

Directors of Pursuit do not receive any compensation for attending meetings of the Pursuit Board, committees of the Pursuit Board, and shareholders meetings. Other than stock options to purchase common shares which are granted to Pursuit's directors from time to time, Pursuit does not have any arrangements pursuant to which directors are remunerated by Pursuit for their services in their capacities as directors.

### ***Pension Disclosure***

There are no pension plan benefits in place for Pursuit's Named Executive Officers or directors.

### ***Indebtedness of Directors and Executive Officers***

None of the current or former directors, executive officers, employees of the Company or their respective associates or affiliates, are or have been indebted to the Company or its subsidiaries as at the date of this Listing Statement or since the beginning of the last completed financial year of the Company.

### ***Legal Proceedings***

There are no legal proceedings since the beginning of Pursuit's most recently completed financial year to which Pursuit is a party or of which any of its property is the subject matter, nor are there any such proceedings that Pursuit knows to be contemplated, which could materially affect Pursuit.

### ***Auditor, Transfer Agents and Registrars***

#### ***Auditor***

The auditor of Pursuit is Dale Matheson Carr-Hilton Labonte LLP, Chartered Professional Accountants, located at 1500 – 1140 West Pender Street, Vancouver, BC V6E 4G1.

#### ***Transfer Agent and Registrar***

Pursuit's transfer agent and registrar is Odyssey Trust Company, located at the United Kingdom Building, 350 – 409 Granville Street, Vancouver, BC V6C 1T2

### ***Material Contracts***

Pursuit has not entered into any material contracts that currently remain in effect, except in the ordinary course of business, other than:

- the Amalgamation Agreement;



- the Reinstatement Agreement; and
- the Extension.

The Amalgamation Agreement, the Reinstatement Agreement, and the Extension, are filed on SEDAR+ under Pursuit's profile.

### ***PART III – INFORMATION CONCERNING SALi***

#### **Corporate Structure**

##### ***Corporate Name and Head and Registered Office***

SALi has its head and registered office located at 6<sup>th</sup> Floor, 905 West Pender Street, Vancouver, BC V6C 1L6.

The directors of SALi are Dustin Nanos, Drew Nanos, Travis Fritz, and Jose de Castro Alem.

##### ***Jurisdiction of Incorporation***

SALi was incorporated under the ABCA on March 1, 2022, under the name "South American Lithium Corp." On April 23, 2024, SALi continued its corporate existence into British Columbia as 1477445 B.C. Ltd. in order to complete the Amalgamation.

##### ***Intercorporate Relationships***

SALi had one wholly owned subsidiary, SALi Argentina, and a 70% legal and beneficial interest the outstanding shares of Mineral Antosana.

#### **General Development of the Business**

##### ***Three Year History***

Since incorporation on March 1, 2022, SALi has taken the following steps to develop its business:

- on March 1, 2022, SALi issued 7,000,000 common shares on a private placement basis at a price per security of \$0.001 per share, for total proceeds of \$7,000.
- On April 21, 2022, SALi issued 3,000,000 common shares on a private placement basis at a price of \$0.001 per share for proceeds of \$3,000.
- On May 30, 2022, SALi signed a letter of intent with Enrique José Vidal and Francisco Vidal (collectively, the "Vidals") for the sale and acquisition of the Minera Antosana Rights, which together with the LATAM Rights make up the El Quemado Project.
- On July 21, 2022, SALi closed a first tranche of a private placement of its securities consisting of units priced \$0.10 per unit, with each unit (a "Unit") comprised of one common share and one share purchase warrant exercisable for a period of five years at \$0.20 per share. Under the first tranche, SALi issued 10,425,000 Units for cash proceeds of \$1,042,500 and issued 800,000 Units for services at a deemed aggregate price of \$80,000.
- On August 17, 2022, SALi acquired its Argentina subsidiary, SALi Argentina, through which SALi carries out its business in Argentina.
- On August 23, 2022, Sali entered into a framework agreement, share purchase agreement, property assignment agreement, and shareholders' agreement (the "**Minera Antosana Agreements**") with the Vidals to acquire 70% of the share of Minera Antosana, owner of 22 mining concessions forming part of the El Quemado Project, as well as the option to purchase an additional 4 concessions connected to the El Quemado Project (collectively, the "**Purchase Options**") from Enrique José Vidal upon completion of the following:

- An initial payment of US\$120,000 and US\$30,000 within 15 days of signing (paid);
- US\$240,000 and US\$60,000 to be paid within 6 months of signing the agreement and upon notice of exercise of the option (the “**Option Date**”), provided that the primary exploration campaign is satisfactory (completed and paid subsequent to February 28, 2023);
- Upon the shares being transferred and the additional concessions being notarized in the name of Minera Antosana, the Company shall pay US\$160,000 and US\$40,000 every 6 months until a Pre-feasibility Study (“**PFS**”) under NI 43-101 or JORC codes is presented;<sup>1</sup>
- Following the PFS, a payment of US\$400,000 and US\$100,000 shall be paid within 15 days;<sup>2</sup> and
- Upon completion of a Feasibility Study, an additional payment of US\$400,000 and US\$100,000 shall be paid within 15 days.<sup>3</sup>

The Purchase Options were exercised and the 4 concessions were assigned to Minera Antosana S.A. who will be the final owner of 100% of the Minera Antosana Rights that form part of the El Quemado Project. The Company will own 70% of the shares of Minera Antosana S.A. and, therefore, 70% of the 26 concessions comprising the Minera Antosana Rights.

- On September 9, 2022, SALi issued an additional 2,000,000 Units (as defined above) for services provided by a director, for deemed proceeds of \$200,000.
- On September 29, 2022, the Company entered into a letter of intent with Latin Metals Inc. (TSX.V: LMS) (“**LATAM**”) and its subsidiary, Cardero Argentina S.A. (“**Cardero**”), for the option to acquire 100% of Cardero’s interest in the LATAM Rights, 20 mining concessions located in Salta, Argentina. In consideration for the option and exclusivity period granted, the Company paid a non-refundable amount of USD\$50,000 to Latin Metals.
- During the second half of 2022, SALi carried out exploration work on El Quemado at a cost of \$182,169, consisting of remote sensing analysis, bibliography and database consolidation, and a field campaign that included drone surveying, geological mapping and channel sampling;
- On March 1, 2023, SALi and SALi Argentina entered into a purchase agreement with LATAM and Cardero (the “**LATAM Agreement**”) pursuant to which SALi Argentina acquired the LATAM Rights. Consideration for the LATAM Rights consists of the following:
  - \$400,000 paid by SALi in cash;
  - 1,000,000 units of securities of SALi with a deemed value of \$500,000, with each unit comprised of one common share and one share purchase warrant exercisable at a price of CAD\$1.00 for a term of five (5) years from the date of issuance;
  - up to \$150,000 (“**Additional Payments**”) to be paid for the six LATAM Rights with an investment plan subject to review in which SALi obtains the approval of the investment plan by Argentinean authorities, none of which has been paid as of the date of this Listing Statement;<sup>4</sup> and
  - A 2% net smelter returns royalty in favour of LATAM, of which SALi has the right to purchase 1% for US\$3 million at any time prior to a production decision.

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<sup>1</sup> The parties have entered into an amendment agreement (the “**Mineral Antosana Addendum**”, described below) delaying the commencement of payment of these amounts until the government of Salta Province approves the first of two outstanding environmental impact reports allowing SALi to proceed with advanced exploration work, which approvals have been delayed for reasons that are outside the control of the parties.

<sup>2</sup> The completion of a PFS will not occur within 12 months of Listing and no allocation of available funds has been made for these payments.

<sup>3</sup> The completion of a Feasibility Study is a multi year project if in fact is it able to be completed at all. It will not be completed within 12 months of Listing and no allocation of available funds has been made for these payments.

<sup>4</sup> The process of approving the outstanding investment plans will not be completed within 12 months of Listing and no allocation of available funds has been made for the Additional Payments.

SALi is currently in the process of having title of the LATAM Rights transferred.

- On March 1, 2023, SALi and SALi Argentina entered into an agreement with Alchemia LLC and Gaia S.R.L. for the provision of mining services related to SALi's mining activities in Argentina ("**Gaia Agreement**"). Under the Gaia Agreement, SALi paid US\$444,000 on account of prepaid mining services, of which approximately US\$444,000 remained available for application to exploration activities as of December 31, 2023.
- On March 10, 2023, SALi granted an aggregate of 2,000,000 options to acquire common shares to a director. The options have an exercise price of \$0.15 and a term of five years from the date of grant.
- On July 5, 2023, SALi granted an aggregate of 1,200,000 options to acquire common shares to its directors and consultants. The options have an exercise price of \$0.15 and a term of five years from the date of grant.
- On June 28, 2023, SALi and SALi Argentina entered into the Yacones Option with Simon Pérez Alsina ("**Alsina**"), pursuant to which SALi Argentina acquired an option to acquire the Yacones Property. The Yacones Option provides for payment of the following consideration:
  - US\$80,000 in cash paid by SALi to Alsina upon execution ("**Execution Date**") of the Yacones Option;
  - an option in favour of Sebastián Virgili San Millán ("**Millán**") to purchase 300,000 shares of SALi at a price of US\$0.15 per share for a period of 30 months;
  - US\$80,000 payable to Alsina in cash 60 days after the Execution Date hereof (this is a mandatory payment);
  - US\$120,000 in cash payable to Millán, plus an additional US\$120,000 payable in cash or shares of SALi, at SALi's option, 18 months after the Execution Date;
  - US\$150,000 in cash payable to Millán, plus an additional US\$150,000 payable in cash or shares of SALi, at SALi's option, 24 months after the Execution Date; and
  - US\$650,000 in cash payable to Millán, plus US\$650,000 payable in cash or shares of SALi, at SALi's option, 30 months after the Execution Date.

The Yacones Option contains an area of interest provision so that any new mining rights acquired by Alsina after the date of the agreement that are adjacent to the Yacones concession will be subject to the Yacones Option. The Yacones Property is an unexplored salt lake or "salar" and is not considered material to the Resulting Issuer.

- On July 14, 2023, SALi entered into the Amalgamation Agreement.
- On August 1, 2023, SALi closed the first tranche of 3,095,000 units of a private placement of its securities (the "**Unit PP**") with each unit comprised of one common share and one share purchase warrant exercisable at a price of \$1.00 for a term of one year from the date SALi lists on a stock exchange.
- During October 2023, the Company acquired, through Quebec GESTIM online staking, 720 claims in Quebec, Canada covering 35,496 hectares of land at a cost of \$106,248.
- In November 2023, the Company determined to amend the terms of the purchase warrants forming part of the units sold under the first tranche of the Unit PP and for outstanding subscription agreements for the second tranche of the Unit PP so that each share purchase warrant is exercisable to acquire one common share of the Company at a price of \$0.65 for a period of two years from the listing date of the Resulting Issuer.
- On December 26, 2023, Sali entered into an amending agreement with the Vidals to amend the Minera Antosana Agreements (the "**Minera Antosana Addendum**") so as to delay the commencement of the payments of US\$160,000 and US\$40,000 due every 6 months to the Vidals until a PFS is completed until the Mining Court of Salta Province approves the first of two outstanding environmental impact reports allowing SALi to proceed with advanced exploration work. Upon the approval of the first report, all payments that

would have been payable on August 22, 2023 will become due and payable after 10 Business Days (the “**First Payment Date**”) and the payments that would have been due on February 22, 2024 will be due three months after the First Payment Date (the “**Second Payment Due Date**”), and all subsequent semi annual payment due dates will run from the Second Payment Due Date. In consideration for the Vidal parties agreeing to suspend the payments as described, SALi agreed to issue to the Vidal parties an aggregate of 1,000,000 SALi Shares (the “**Additional Vidal Shares**”), which were issued in March 2024. The Minera Antosana Addendum also includes a right in favour of the Vidal parties during the period until the Province of Salta approves the first of the environmental reports to propose a *bona fide* third party qualified purchaser for Minera Antosana S.A. in which case SALi can either (a) match the offer and acquire the balance of the Mineral Antosana SA shares that it does not already own, or (b) resume the suspended payments and continue the Mineral Antosana Agreements and pay additional compensation to the Vidal parties of US\$4 million in SALi Shares. If SALi does not elect within 10 Business Days to do either of (a) or (b), then the Vidal parties will have the right to complete the sale to the third party purchaser within 30 days and SALi will be entitled to receive US\$8 million (net of taxes, fees, charges and expenses) for its 70% interest in Minera Antosana S.A.

- In February 2024, SALi received a payment of \$300,000 on account of the receivable owing under the Gaia Agreement and determined to write down the balance of the funds owing under the Gaia Agreement. The Gaia Agreement was terminated as of February 8, 2024.
- On February 19, 2024, SALi issued 2,063,333 shares at a price of \$0.01 to the investors in the first tranche of the Unit PP closed on August 1, 2023, to reduce the effective price to those investors from \$0.50 per unit to \$0.30 per unit, and completed an additional tranche of the Concurrent Financing by issuing an aggregate of 3,853,326 units at \$0.30 per unit, with each unit comprised of one common share and one share purchase warrant entitling the holder to acquire one additional share for an exercise price of \$0.65 for a period of two years from the listing date of the Resulting Issuer.
- On March 18, 2024 SALi completed a final tranche of the Concurrent Financing consisting of an additional 66,666 units for proceeds of \$20,000.
- On March 25, 2024, SALi issued the Additional Vidal Shares pursuant to the Minera Antosana Addendum.
- On April 23, 2024 SALi completed the Continuation to become a British Columbia company.
- On April 30, 2024 SALi signed the Extension with Pursuit to extend the outside date for the Amalgamation.
- On May 17, 2024, SALi completed the Amalgamation.

### ***Significant Acquisitions and Dispositions***

Other than as described herein, no other significant acquisitions or dispositions have been completed by SALi during the last three financial years or are currently contemplated.

### **Narrative Description of the Business** ***Business of SALi***

SALi is a mineral exploration company that currently has one material mineral project in Argentina, the El Quemado Project, and another property option in Argentina, the Yacones Option, as well as 720 claims it staked in October 2023 in the province of Quebec. SALi intends to carry out the Phase I program on the El Quemado Project in the coming year and has no plans to explore the Yacones Property or the Quebec claims at this time.

### ***Stated Business Objectives***

Over the next 12 months of operations SALI plans to: (i) complete the Transaction; (ii) complete Phase 1 exploration program as recommended in the Quemado Technical Report; (iii) satisfy its obligations under El Quemado concessions to maintain its interests in the properties; and (iv) consider and/or pursue other projects or business objectives whether in the resource industry or otherwise, as they may arise from time to time.

As a condition to closing of the Transaction, SALI was required to complete the Concurrent Financing, the final tranches of which it completed on March 18, 2024.

### ***Significant Events or Milestones***

The Resulting Issuer intends to complete the Phase I program on the El Quemado Project as recommended in the Quemado Technical Report. The Phase I program consists of two parts: the first is a stream sediment sampling campaign intended to provide useful information in relationship with anomalous catchments and help with the prioritization of exploration targets in the large area of El Quemado Project. The estimated cost of the first part of Phase I is US\$47,100 (\$63,100 converted at the Exchange Rate). Following completion of the first part and prioritization of targets, a follow up mapping and sampling campaign on select ranked targets identified in the first part of Phase I will be undertaken. The estimated cost of the second part of Phase I is US\$53,750 (\$72,008 converted at the Exchange Rate), for total estimated costs of US\$100,850,500 (\$135,108 converted at the Exchange Rate).

### ***Competitive Conditions***

The mineral resource industry is intensely competitive and SALI will compete with many companies that have greater financial resources and technical facilities than it has. Significant competition exists for the limited number of mineral opportunities available in SALI's area of operation. As a result of this competition, SALI's ability to acquire additional attractive mining properties on terms it considers acceptable may be adversely affected.

SALI is an early-stage mineral exploration company with no production from any of its properties, and consequently it has no current operating income, cash flows, or revenues. SALI does not expect to generate revenues from production of its properties in the foreseeable future if ever, and there is no assurance that a commercially viable mineral deposit exists on either El Quemado Project or the Yacones Property. See "*Part V - Risk Factors*".

There is a worldwide market for lithium and battery metals into which SALI could sell, if and when it reaches production. As a result, SALI would not be dependent on a particular purchaser with regard to the sale of any metals that it produces.

As SALI does not currently carry on production activities, its ability to fund its ongoing exploration is affected by the availability of financing which, in turn, is affected by the strength of the economy and other general economic factors. The mining business is also subject to mineral price cycles and global economic cycles which affect the marketability of products derived from mining. Relatively high metals prices can improve the probability that a mineral deposit could be developed into an economic producing property. In contrast, relatively low metals prices can reduce the probability that a mineral deposit could be developed into a producing property. The relative attractiveness of all mineral deposits is therefore highly dependent on metals prices and overall macroeconomic activity, and, accordingly, mineral exploration activity is closely tied to the worldwide markets for precious and base metals. During the calendar year 2023, the global price for lithium decreased by approximately 80%, which affects the economic viability of all lithium projects.

### ***Specialized Skills and Knowledge***

All aspects of SALI's business require specialized skills and knowledge. Such skills and knowledge include geology, drilling, metallurgy, logistical planning, and implementation of exploration programs, financial accounting and

regulatory compliance and reporting. SALi has been successful to date in identifying and retaining contractors with such skills and knowledge.

### ***Foreign Operations***

All of SALi's current operations and most of its mineral exploration properties are located in Argentina. For that reason, SALi is exposed to various levels of political, economic, and other risks and uncertainties associated with operating in foreign jurisdictions, particularly in South America, as compared to Canada. See "*Part V - Risk Factors*".

### ***Employees***

At the end of SALi's fiscal year ended February 28, 2023, SALi had no employees and two consultants. During 2022, SALi's business and operations were carried out chiefly by its board of directors and José de Castro Alem, a director and at the time, manager for SALi in Argentina. Assuming completion of the Transaction, as the Resulting Issuer expands its activities, it is probable that it will engage additional consultants and contractors.

### ***Components***

The raw materials and support services that SALi requires to carry-on its business are available through normal supply or business contracting channels in Argentina and South America generally. Increased demand by other mineral exploration, development and operating companies can make it more difficult to procure certain supplies and services; however, since commencing current operations, SALi has been able to secure the appropriate personnel, equipment and supplies required to conduct its contemplated programs. As a result, the Resulting Issuer does not believe that it will experience any shortages of required personnel, equipment or supplies in the foreseeable future.

### ***Intangible Properties***

SALi does not have any need for, nor does it use, any brand names, circulation lists, patents, copyrights, trademarks, franchises, licenses, software (other than commercially available software), subscription lists, or other intellectual property in its business.

### ***Cycles***

Exploration can be carried out at the El Quemado Project all year-round.

### ***Changes to Contracts***

SALi does not anticipate that its business will be materially affected in the current financial year by the renegotiation or termination of any contracts or sub-contracts.

### ***Economic Dependence***

SALi's business is dependent on the contracts governing the Minera Antosana Rights and the Yacones Option. If it does not perform its ongoing payments obligations, SALi will be at risk of losing its mineral interests.

### ***Environmental Protection***

SALi's exploration activities are subject to any future development and production operations will be subject to various laws, rules and regulations governing the protection of the environment and generally will require approval by appropriate regulatory authorities prior to commencement. Any failure to comply could result in fines and penalties. As with all projects at the exploration stage, the financial and operational impact of environmental protection requirements is minimal. Should any projects advance to the production stage, then more time and money would be involved in satisfying environmental protection requirements. Cognizant of its responsibility to the

environment, SALi strives to conform to all applicable environmental laws and regulations and to promote the respect of the environment in its activities.

### **Social or Environmental Policies**

SALi has not adopted 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 mineral exploration projects or human rights policies); however, SALi's management, with the assistance of its contractors and advisors, manages its ongoing compliance with environmental laws in the jurisdictions in which it does business and will develop policies going forward as appropriate or required for SALi's state of development.

### **El Quemado Project**

See Appendix C for information about the El Quemado Project.

### **Management's Discussion and Analysis**

The MD&A of SALi for the financial year ended February 28, 2023 and for the nine-month interim period ended November 30, 2023 are attached to this Listing Statement as Appendix A and should be read in conjunction with the audited financial statements of SALi for the financial year ended February 28, 2023 and the unaudited consolidated financial statements for the nine-month interim period ended November 30, 2023 and the related notes for those periods.

### **Selected Financial Information and Management's Discussion and Analysis**

The table below sets out certain financial data for SALi in respect of the periods for which financial information is included elsewhere in this Listing Statement. This information should be read in conjunction with the audited consolidated financial statements for the fiscal year ended February 28, 2023 and the related notes thereto, and the unaudited consolidated financial statements for the nine-month interim period ended November 30, 2023, and the related notes thereto, as well as the management's discussion and analysis for the year ended February 28, 2023 and for the nine-month interim period ended November 30, 2023, which are all set out in Appendix A. The financial data presented in the table below has been prepared in accordance with IFRS as issued by the IASB, unless otherwise specified.

	<b>Nine-months ended November 30, 2023 (\$)</b>	<b>Year Ended February 28, 2023 (\$)</b>
Total revenues	Nil	Nil
Total expenses	2,077,188	603,320
Net loss and comprehensive loss	2,011,131	535,737
Net loss per share (basic and diluted) <sup>(1)</sup>	(0.08)	(0.03)
Total assets	3,532,851	1,469,589
Total liabilities	184,054	47,267

### **Description of the Securities**

#### *SALi Common Shares*

SALi is authorized to issue an unlimited number of SALi Shares. Prior to the Amalgamation, there were 34,303,325 SALi Shares issued and outstanding as fully paid and non-assessable. The holders of SALi Shares are entitled to receive

notice of, and to vote at every meeting of the shareholders of SALi and each SALi Share carries with it the right to one vote at every SALi meeting.

Subject to the rights, privileges, restrictions and conditions attached to any preferred shares of SALi, the holders of SALi Shares are entitled to receive such dividends as the directors may from time to time, by resolution, declare.

Subject to the rights, privileges, restrictions and conditions attached to any preferred shares of SALi, in the event of liquidation, dissolution or winding up of SALi or upon any distribution of the assets of SALi among shareholders being made (other than by way of dividend out of monies properly applicable to the payment of dividends) the holders of SALi Shares are entitled to share *pro rata*.

#### *Preferred Shares*

SALi is authorized to issue an unlimited number of preferred shares (“**Preferred Shares**”) issuable in series, with the following rights attached:

1. The directors of SALi may, from time to time, issue the Preferred Shares in one or more series, each series to consist of such number of shares as may before issuance thereof, be determined by the directors.
2. The directors of SALi may, by resolution (subject as hereinafter provided) fix before issuance, the designation, rights, privileges, restrictions and conditions to attach to the Preferred Shares of each series, including, without limiting the generality of the foregoing, the rate, form, entitlement and payment of preferential dividends, the redemption price, terms, procedures and conditions of redemption, if any, voting rights and conversion rights (if any) and any sinking fund, purchase fund or other provisions attaching to the Preferred Shares of such series; and provided however, that no shares of any series shall be issued until the directors have filed an amendment to the Articles with the Registrar of Corporations, Province of Alberta, or such designated person in any other jurisdiction in which SALi may be continued.
3. If any cumulative dividends or amounts payable on return of capital in respect of a series of shares are not paid in full, the shares of all series shall participate rateably in respect of accumulated dividends and return of capital.
4. The Preferred Shares shall be entitled to preference over the SALi Shares and any other shares of SALi ranking junior to the Preferred Shares with respect to the payment of dividends, if any, and in the distribution of assets in the event of liquidation, dissolution or winding up of SALi, whether voluntary or involuntary, or any other distribution of the assets of SALi among its shareholders for the purpose of winding up its affairs, and may also be given such other preferences over the SALi Shares and any other shares of SALi ranking junior to the Preferred Shares as may be fixed by the resolution of the directors of SALi as to the respective series authorized to be issued.
5. The Preferred Shares of each series shall rank on a parity with the Preferred Shares of every other series with respect to priority in the payment of dividends and in the distribution of assets in the event of liquidation, dissolution or winding up of SALi, whether voluntary or involuntary exclusive of any conversion rights that may affect the aforesaid.
6. No dividends shall at any time be declared or paid on or set apart for payment on any shares of SALi ranking junior to the Preferred Shares unless all dividends, if any, up to and including the dividend payable for the last completed period for which such dividend shall be payable on each series of Preferred Shares then issued and outstanding shall have been declared and paid or set apart for payment at the date of such declaration or payment or setting apart for payment on such shares of SALi ranking junior to the Preferred Shares nor shall SALi call for redemption or redeem or purchase for cancellation or reduce or otherwise pay off any of the Preferred Shares (less than the total amount then outstanding) or any shares of SALi ranking junior to the Preferred Shares unless all dividends up to and including the dividend payable, if any, for the last completed period for which such dividends shall be payable on each series of the Preferred Shares then issued and outstanding shall have been declared and paid or set apart for payment at the date of such call for redemption, purchase, reduction or other payment.



7. Preferred Shares of any series may be purchased for cancellation or made subject to redemption by the Corporation out of capital pursuant to the provisions of the ABCA, if the directors so provide in the resolution of the Board of SALi relating to the issuance of such Preferred Shares, and upon such other terms and conditions as may be specified in the designations, rights, privileges, restrictions and conditions attaching to the Preferred Shares of such series as set forth in the said resolution of the Board of SALi and the amendment to the Articles of SALi relating to the issuance of such series.
8. The holders of the Preferred Shares shall not, as such, be entitled as of right to subscribe for or purchase or receive any part of any issue of shares or bonds, debentures or other securities of SALi now or hereafter authorized.
9. No class of shares may be created or rights and privileges increased to rank in parity or priority with the rights and privileges of the Preferred Shares including, without limiting the generality of the foregoing, the rights of the Preferred Shares to receive dividends or to return of capital, without the approval of the holders of the Preferred Shares as required under the ABCA.

As of the date immediately prior to the Amalgamation, there were no Preferred Shares issued and outstanding.

### ***Options to Purchase Securities***

On August 5, 2022, as amended effective June 30, 2023, SALi adopted the SALi Option Plan and as of the date hereof, SALi has granted options to acquire 3,200,000 SALi Shares.

The following table sets forth the number and terms of currently outstanding options.

<b>Category</b>	<b>Aggregate number of individuals</b>	<b>Aggregate number of Options</b>	<b>Date of Grant</b>	<b>Exercise Price</b>	<b>Expiry Date</b>
Current Directors and Executive Officers	1	2,000,000	March 10, 2023	\$0.15	March 10, 2028
Current Directors, Executive Officers and Consultants	4	1,200,000	July 5, 2023	\$0.15	July 5, 2028

### ***Material Provisions of SALi Option Plan***

The purpose of the SALi Option Plan is develop the interest of optionees in the growth and development of SALi by providing such persons with the opportunity to acquire an increased proprietary interest in SALi and to better enable SALi and its subsidiaries to attract and retain persons of desired experience and ability. The SALi Option Plan provides that the aggregate number of securities available for issuance under the plan is capped at 15% of the number of SALi Shares issued and outstanding from time to time.

The SALi Option Plan is administered by the SALi Board or a committee of the Board, either of which has full and final authority with respect to the granting of options. Options may be granted under the SALi Option Plan to those directors, officers, employees or consultants of the Company and such other persons that the SALi Board determines. The SALi Board may at any time alter, amend or revise the terms and conditions of the plan or of any outstanding options, or suspend, discontinue or terminate the plan or any portion thereof, all provided that, without the prior written consent of an optionee, no such action may adversely affect (except as specifically provided in the plan) any options previously granted to such an optionee.

The SALi Board determines the terms of any options granted under the SALi Option Plan, including recipients, number of shares under option, exercise price, vesting provisions, and exercise period, up to a maximum term of six years. Unless otherwise determined by the Board, options vest one-third upon each successive anniversary of the date of grant and become fully vested after three years. All grants of options under the SALi Option Plan are to be evidenced by a stock option certificate, as approved by the SALi Board.

Options granted under the SALi Option Plan are not transferable or assignable, subject to certain exceptions related to permanent disability or death of an optionee. Also subject to certain exceptions, where an optionee ceases to serve as a director or hold office or employment or serve as a consultant of SALi, options granted to such a person will expire 90 days after the date the person ceases to act in that capacity in relation to SALi.

Upon a transaction that, if successfully completed, would constitute a Liquidity Event (the definition of which includes events such as the Transaction), the SALi Board may determine that any or all unvested options will become vested on a date prior to the date on which the Liquidity Event is successfully completed, subject always to the condition that if the Liquidity Event is not successfully completed, all options vested pursuant to the expected occurrence of a Liquidity Event will revert to be unvested on the date the Liquidity Event is terminated.

The Board may at any time determine that an optionee may at his, her or its sole discretion and election (but may not demand that the optionee) surrender any or all of his, her, or its unexercised vested options. If such a determination is made by the SALi Board, then, an optionee may, at his, her or its sole discretion and election, surrender to SALi any or all unexercised vested options in exchange for a cash payment for each such vested option equal to the amount, if any, by which the per share value attributed to the SALi Shares for the purposes of the Liquidity Event exceeds the exercise price of the relevant vested option. Such payment will be in full satisfaction and settlement of any and all of the optionee’s right, interest and entitlement under each such unexercised vested option so surrendered, and immediately following such surrender, all such vested options shall terminate and the optionee will have only the right to receive the foregoing cash payment in relation to each such vested option. All payments pursuant to a surrender of Vested Options are subject to the withholding of income tax required by law.

The exercise or surrender of an option that has been conditionally vested in relation to a Liquidity Event will be, and the exercise or surrender of an option that has been vested other than in relation to a Liquidity Event, at the election of the optionee, may be, conditional upon the successful completion of an applicable Liquidity Event. If such condition is not satisfied, then the vested options will be deemed to not have been exercised or surrendered and SALi will return to the optionee the payment made by the optionee to SALi in connection with a purported exercise of the related options.

If immediately prior to the successful completion of a Liquidity Event, optionees have delivered written notices of exercise or surrender that in the aggregate represent not less than 75% of the then outstanding vested options, then at such time all options that are not subject to a written notice of exercise or surrender will automatically terminate.

The issuance of SALi Shares upon exercise of options is subject to satisfaction of applicable withholding taxes by the exercising optionee, and in the discretion of the SALi Board, the exercise may be a “cashless” exercise.

### **Consolidated Capitalization**

The following table summarizes the capitalization of SALi prior to the Amalgamation:

<b>Description of Security</b>	<b>Number Authorized to be Issued</b>	<b>Outstanding as of the Date of the Listing Statement</b>
Common Shares	Unlimited	34,303,325
Preferred Shares	Unlimited	Nil
Warrants	Unlimited	21,239,992
Equity Plan	15% of the issued and outstanding shares	3,200,000

### **Prior Sales**

The following table sets forth details of the number and price at which securities of SALi have been sold within the 12 months prior to the date of this Listing Statement:

Date Issued	Type of Security Issued	Number of Securities Issued	Price per Security	Total Funds Received	Nature of Consideration
2022-03-01	Common shares	7,000,000	0.001	\$7,000	cash
2022-04-21	Common shares	3,000,000	0.001	\$3,000	cash
2022-07-21	Common shares and warrants <sup>(1)</sup>	800,000	\$0.10 (deemed)	\$80,000 (deemed)	For services of CEO
2022-07-21	Common shares and warrants <sup>(1)</sup>	10,425,000	\$0.10	\$1,042,500	Private placement
2022-09-09	Common shares and warrants <sup>(1)</sup>	2,000,000	\$0.10 (deemed)	\$200,000 (deemed)	For consulting services provided by director
2023-03-10	Incentive options to acquire common shares <sup>(2)</sup>	2,000,000	N/A	N/A	Option grant
2023-03-10	Common shares and warrants <sup>(1)</sup>	1,000,000	\$0.50 (deemed)	\$500,000 (deemed)	Property Acquisition
2023-07-05	Incentive options to acquire common shares <sup>(2)</sup>	1,200,000	N/A	N/A	Option grant
2023-08-01	Common shares and warrants <sup>(3)</sup>	3,095,000	\$0.50	\$1,547,500	Private placement
2024-02-19	Common shares <sup>(4)</sup>	2,063,333	\$0.01	\$20,633	Private placement
2024-02-19	Common shares and warrants <sup>(5)</sup>	3,053,326	\$0.30	\$916,000	Private placement
2024-02-19	Common shares and warrants <sup>(5)</sup>	800,000	\$0.30	\$240,000	Private placement
2024-03-18	Common shares and warrants <sup>(5)</sup>	66,666	\$0.30	\$20,000	Private placement
2024-03-25	Common shares	1,000,000	\$0.30 (deemed)	N/A	Property Acquisition (Minera Antosana Addendum)

**Notes:**

- (1) Units comprised of one SALi share and one warrant. Each warrant is exercisable to acquire one SALi Share for a period of five years from date of issuance at a \$0.20 exercise price.
- (2) Each option is exercisable to acquire one SALi Share for a period of five years from date of issuance at a \$0.15 exercise price.
- (3) Units comprised of one SALi share and one warrant. Each warrant, as amended, is exercisable to acquire one SALi Share for a period of two years from date of listing on a stock exchange at a \$0.65 exercise price.
- (4) Additional common shares issued to subscribers under the August 1, 2023 placement of units to reduce the effective price per unit from \$0.50 to \$0.30.
- (5) Units comprised of one SALi share and one warrant. Each warrant is exercisable to acquire one SALi Share for a period of two years from date of listing on a stock exchange at a \$0.65 exercise price.

**Market for Securities**

The SALi Shares are not and have never been listed or traded on any stock exchange, marketplace, or quotation service.

**Executive Compensation**

The following compensation information is presented in accordance with Form 51-102F6 – Statement of Executive Compensation. Except as disclosed below, SALi does not compensate its directors or executive officers for their services, directly or indirectly.

As at February 28, 2023, the end of the most recently completed financial year of SALI, Dustin Nanos was the Named Executive Officer of SALI. For his services during the year ended February 28, 2023, SALI paid Dustin Nanos 800,000 units of its securities (consisting of one SALI Share and one share purchase warrant exercisable at \$0.20 for a period of five years from the date of issuance) at a deemed price per unit of \$0.10 and an aggregate deemed value of \$80,000.

#### *Compensation Discussion and Analysis*

The SALI board is responsible for all compensation and human resources matters. At its present stage of development, SALI does not consider it necessary to establish a compensation committee and or retain a compensation consultant or advisor to assist the SALI board in determining compensation for any of its directors or officers.

At no time prior to the date of this Listing Statement was SALI a reporting issuer for the purposes of Securities Laws. Significant elements of the compensation to be awarded to, earned by, paid to or payable to Named Executive Officers of the Resulting Issuer following the Closing, to the extent it has been determined, is set forth in “*Part IV – Information Concerning the Resulting Issuer*”.

#### *Termination and Change of Control Benefits*

SALI is not a party to any contract, agreement, plan or arrangement with its Named Executive Officers that provides payment to such Named Executive Officers at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation or retirement, or as result of a change of control of SALI or a change in their responsibilities as a director or officer of SALI.

#### *Director Compensation*

Apart from option grants, the directors of SALI received no compensation for their services as directors for the year ended February 28, 2023.

#### *Management Contracts*

SALI is not party to any agreement whereby management functions of SALI to any substantial degree are performed by a person other than the director or officers of SALI.

#### **Legal Proceedings**

Management of SALI is not aware of any legal proceedings, contemplated or actual, involving SALI or any of its property, which could materially affect SALI.

#### **Regulatory Actions**

There have been no penalties or sanctions imposed against SALI by a court relating to 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 SALI, and SALI has not entered into any settlement agreements before a court to securities legislation or with a securities regulatory authority.

#### **Auditor, Transfer Agent and Registrar**

The auditor of SALI is Davidson & Company LLP, located at 1200 - 609 Granville St. P.O Box 10372, Pacific Centre, Vancouver, BC V7Y 1G6.

SALI did not employ a transfer agent or registrar.

## Material Contracts

SALi has not entered into any material contracts, except in the ordinary course of business, within the two years before the date of this Listing Statement, other than:

- LATAM Agreement
- Minera Antosana Agreements (comprised of the framework agreement, share purchase agreement, property assignment agreement, and shareholders' agreement)
- Gaia Agreement (terminated February 2024)
- Yacones Option
- Amalgamation Agreement (including the Reinstatement Agreement and the Extension)
- SALi Option Plan
- Minera Antosana Addendum

## ***PART IV – INFORMATION CONCERNING THE RESULTING ISSUER***

The following information is presented on a post-Transaction basis and is reflective of the projected business, financial and share capital position of the Resulting Issuer. This section only includes information respecting the Resulting Issuer that is materially different from information provided earlier in this Listing Statement. Following the Completion of the Transaction, the Resulting Issuer carries on the business currently carried on by SALi. See the various headings under “*Part II – Information Concerning Pursuit and Subco*” and “*Part III – Information Concerning SALi*” and Appendix C – Property Disclosure El Quemado Project for additional information regarding Pursuit, Subco, and SALi, respectively. See also the Pro Forma Financial Statements of the Resulting Issuer attached hereto as Appendix B.

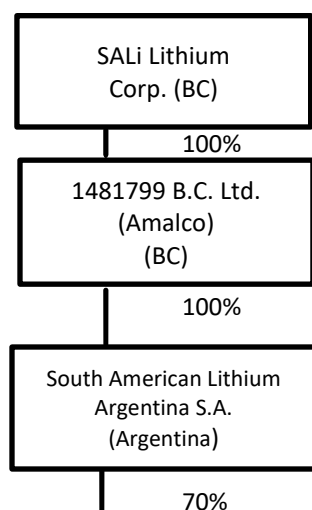
### **Corporate Structure**

#### ***Name and Incorporation***

The Resulting Issuer is named “SALi Lithium Corp.” and is governed by the BCBCA. The Resulting Issuer’s registered and records and head office are located at 6th Floor – 905 West Pender Street, Vancouver, BC V6C 1L6.

#### ***Intercorporate Relationships***

Following the completion of the Amalgamation, the Resulting Issuer, through Amalco, owns 100% of the issued and outstanding shares of SALi Argentina and 70% of the authorized and outstanding shares of Mineral Antosana. The chart below represents the corporate structure of the Resulting Issuer:



The Resulting Issuer intends to manage and operate its business in Argentina through SALi Argentina.

**Narrative Description of the Business**

The following disclosure contains forward-looking statements, including with respect to the Resulting Issuer’s business objectives and milestones. Such statements involve known and unknown risks, uncertainties, and other factors outside of management’s control, including the risk factors set forth elsewhere in this Listing Statement that could cause results to differ materially from those described or anticipated in forward-looking statements.

Following completion of the Transaction, the Resulting Issuer is carrying on the business of SALi and is focused on the exploration of the El Quemado Project that has been carried on by SALi. See “Part III – Information Concerning SALi – Narrative Description of the Business” and Appendix C – Property Disclosure El Quemado Project.

**Stated Business Objectives and Milestones**

The Resulting Issuer intends to complete the Phase I exploration program on El Quemado recommended in the Quemado Technical Report. The Resulting Issuer intends to spend a total of US\$100,850 (CAD\$135,108 converted at the Exchange Rate) on the Phase 1 exploration for the El Quemado Project within the 12 months following the Transaction.

A stream sediment sampling campaign will be carried out to acquire useful information about anomalous catchments and help with the prioritization of exploration targets in the large area of the Project. Once the results of the stream sampling work have been analyzed, and upon prioritization of unsampled targets, a geological mapping and sampling campaign on select targets will be undertaken.

Milestone	Estimated Completion Date	Estimated Cost (\$) <sup>(1)</sup>
Carry out stream sediment sampling campaign	August 2024	63,100
Carry out geological mapping and sampling of prioritized targets	December 2024	72,008
<b>Total</b>		<b>135,108</b>

**Notes:**

(1) Amounts totalling US\$100,850 converted from US dollars to Canadian using the Exchange Rate.

While the Resulting Issuer intends to pursue these milestones, there may be circumstances where, for valid business reasons, a re-allocation of efforts may be necessary or advisable. The foregoing table is not exhaustive of the initial steps that the Resulting Issuer needs to take to be successful in advancing to the next stage of development of its properties and the achievement of the foregoing milestones shall not guarantee success. The Resulting Issuer may vary these milestones depending on many factors such as market conditions, available financing, permitting and results of the work undertaken. See “Part V – Risk Factors”.

**Exploration and Development**

The mineral property material to the Resulting Issuer is the El Quemado Project. For more information, see “Part III – Information Concerning SALi – El Quemado Project” and Appendix C - Property Disclosure – El Quemado. The Yacones Option is a greenfield property on which the Resulting Issuer does not expect to conduct exploration during the 12 months following completion of the Transaction. The Resulting Issuer does not expect to conduct any work on the staked claims in Quebec, Canada within the 12 months following completion of the Transaction.



## Description of Securities

Following completion of the Amalgamation, the authorized capital of the Resulting Issuer continues to be the same as the authorized capital of Pursuit. See “Part II – Information Concerning Pursuit and Subco”.

The Resulting Issuer is authorized to issue an unlimited number of Resulting Issuer Shares without par value. The Resulting Issuer Shares entitle the holders thereof to receive notice of, attend and vote at all meetings of the shareholders of the Resulting Issuer. Each Resulting Issuer Share carries one vote at such meetings. Holders of Resulting Issuer Shares are entitled to dividends as and when declared by the directors. In the event of the voluntary or involuntary liquidation, dissolution or winding-up of the Resulting Issuer, after payment of all outstanding debts, the remaining assets of the Resulting Issuer available for distribution will be distributed to the holders of Resulting Issuer Shares.

## Consolidated Capitalization

The following table sets forth the capitalization of the Resulting Issuer after completion of the Amalgamation:

Designation of Security	Amount Authorized	Amount Outstanding upon completion of Transaction
Resulting Issuer Shares <sup>(1)</sup>	Unlimited	50,752,325
Resulting Issuer Options	10% of issued and outstanding from time to time	4,000,000
Resulting Issuer Warrants	N/A	21,239,992

## Fully Diluted Share Capital

Upon completion of the Amalgamation, the issued and outstanding securities of the Resulting Issuer consist of 50,752,325 Resulting Issuer Shares, 4,000,000 Resulting Issuer Options, and 21,239,992 Resulting Issuer Warrants, as described in the below capitalization table:

Description of Securities	Amount Outstanding post Amalgamation	
	Number	Percentage
<b>Common Shares</b>		
Held by Pursuit shareholders	16,449,000	32.4%
Issued to former SALi shareholders	34,303,325	67.6%
<b>Total Common Shares</b>	<b>50,752,325</b>	<b>100%</b>
<b>Convertible Securities</b>		
Resulting Issuer Shares issuable upon exercise of 800,000 Pursuit options and 3,200,000 SALi options	4,000,000	5.26% <sup>(1)</sup>
Resulting Issuer Shares issuable upon exercise of SALi Warrants <sup>(2)</sup>	21,239,992	27.95% <sup>(1)</sup>
<b>Total Resulting Issuer Shares covered by Convertible Securities</b>	<b>25,239,992</b>	<b>33.21%<sup>(1)</sup></b>
<b>Total (fully diluted)<sup>(3)</sup></b>	<b>75,992,317</b>	<b>100%</b>

**Notes:**

(1) Percentage of fully diluted number.

## Available Funds

After giving effect to the Transaction, funds available to the Resulting Issuer are as follows:

Source of Funds	Amount of Funds (\$)
Estimated working capital (deficit) of Pursuit as of April 30, 2023	(\$115,801)
Estimated working capital of SALi as of April 30, 2023	\$919,756
<b>Total Funds Available<sup>(2)</sup></b>	<b>\$803,955</b>

## Principal Purposes of Funds

The following table sets forth the proposed use of the available funds by the Resulting Issuer to completion of the Transaction, and for the 12 months thereafter, to achieve the Resulting Issuer's business objectives, as disclosed above in "Stated Business Objectives and Milestones":

Use of Available Funds	Estimated Amount (\$)
Estimated general and administrative expenses over the 12 months from Closing <sup>(1)</sup>	\$113,000
Estimated costs to complete the Transaction	\$10,000
Estimated costs to complete Phase at El Quemado <sup>(3)</sup>	\$135,108
Property payments related to El Quemado <sup>(3)</sup>	\$535,880
Estimated unallocated working capital <sup>(2)</sup>	\$9,967
<b>Total</b>	<b>\$803,955.00</b>

Notes:

- (1) Estimated general and administrative expenses include, but are not limited to, office expenses of \$15,000, insurance expenses of \$15,000, audit and accounting of \$25,000, legal fees of \$15,000, SEDAR and CSE filing fees of \$15,000, travel and accommodation of \$10,000, and CFO services of \$18,000 (with \$22,000 to be accrued). The CEO compensation expense of \$95,000 per annum will be accrued for at least the first year following Listing and part of the CFO's compensation will be accrued for the same period.
- (2) The Resulting Issuer plans to utilize the unallocated working capital as a cash reserve. The time period in which these funds will be used is currently uncertain and is subject to market conditions and the ability of the Resulting Issuer to complete additional financings.
- (3) Converted from US to CAD pursuant to the Exchange Rate.

The Resulting Issuer will spend the funds available to it upon the completion of the Transaction for working capital purposes and future exploration activities on its mineral properties, primarily the Phase I exploration activities on the El Quemado Project as recommended in the Quemado Technical Report. See "Stated Business Objectives and Milestones" above and Appendix C - Property Disclosure – El Quemado. The foregoing are estimates only and there may be circumstances where, for sound business reasons, a reallocation of the funds may be necessary.

The Resulting Issuer, should it experience success with its initial exploration program, will require additional capital. If so, this capital will be raised through equity and/or debt financing or through joint ventures. There is no assurance that additional capital will be available to the Resulting Issuer or that the terms of such capital, if available will be favourable. Failure to obtain additional capital could result in the delay or indefinite postponement of such programs, a decline in the Resulting Issuer's share price, or its bankruptcy. If the Resulting Issuer is able to access additional capital following its initial planned exploration programs, the Resulting Issuer may expedite further exploration programs on its properties. The Resulting Issuer plans to adopt a prudent cash management strategy to be prepared by any eventuality. See "Part V – Risk Factors".

## Dividends

It is the intended policy of the Resulting Issuer Board to retain any earnings to finance the growth and development of the Resulting Issuer's business and the Resulting Issuer does not anticipate paying dividends on the Resulting Issuer Shares in the foreseeable future. The future payment of dividends will be dependent upon the financial



requirements of the Resulting Issuer to fund future growth, the financial condition of the Resulting Issuer, and other factors which the Resulting Issuer Board may consider appropriate in the circumstances.

### Principal Securityholders

Upon completion of the Transaction, based upon non-diluted issued and outstanding shares of the Resulting Issuer of 50,752,325, no shareholders of record are anticipated to own or beneficially, directly or indirectly, or exercise control or direction over voting securities of the Resulting Issuer carrying more than 10% of the voting rights attached to the Resulting Issuer Shares.

### Directors and Officers

The following table sets out information concerning directors and executive officers of the Resulting Issuer:

Name, jurisdiction of residence, and position held with the Company	Period serving as director or officer	Principal occupation during the past five years	Number and Percentage of Resulting Issuer Shares <sup>(1)</sup>
<b>Dustin Nanos</b> Calgary, Alberta <i>CEO, President and Director</i>	Officer and Director of SALi since March 1, 2022. Officer and Director of Resulting Issuer since May 17, 2024	CEO and President of SALi, 2022- present; President of Orca Holdings, a private consulting company providing services to companies in the natural resources sector, 2020 to present; co-founder of Realm Technologies, a private esports technology company, 2018-2020.	5,000,000 9.852%
<b>Christina Blacker</b> Richmond, BC <i>CFO and Corporate Secretary</i>	Officer of Pursuit since October 5, 2020	Chartered Professional Accountant. Chief Financial Officer of Canadian public companies.	101,000 0.2%
<b>Ken Booth</b> Halifax, Nova Scotia <i>Director</i>	Director of Pursuit since October 5, 2020	President of Highwood Advisory Services, a private financial consulting firm since 1998. Current or past officer or director or both of various Canadian public companies.	1,207,500 2.38%
<b>Richard Rosner</b> West Vancouver, BC <i>Director</i>	Director of Pursuit since October 5, 2020	Retired. Former President of ILAH Clothing Inc.	700,000 1.38%
<b>Michelle DeCecco</b> Calgary, Alberta <i>Director</i>	Director of the Resulting Issuer since May 17, 2024	Corporate director and mining executive. Director and officer of a TSXV mining company and director of two other TSXV mining issuers	400,000 0.79%

**Notes:**

- (1) Percentages based upon non-diluted issued and outstanding shares of the Resulting Issuer of 50,752,325 following completion of the Transaction.
- (2) After giving effect to the Transaction, the holdings of the directors and officers of the Resulting Issuer, and their Associates and Affiliates, as a group, whether beneficial, direct or indirect, total 7,408,500 Resulting Issuer Shares, representing approximately 14.6 % of the issued and outstanding Resulting Issuer Shares, on a non-diluted basis.

### Biographies of Management and Directors

The following are biographies of each of the proposed members of management and directors for the Resulting Issuer.

***Dustin Nanos – President, Chief Executive Officer and Non-Independent Director, Age 39***

Mr. Nanos is a mining executive and entrepreneur and a founder and President and CEO of SALi. Mr. Nanos is the President and CEO of Orca Holdings Corp. a private consulting company providing strategic planning, decision making, financial management, external relations, performance monitoring, innovation and adaption, and corporate governance services to companies in the natural resources sector. Previously, Mr. Nanos was co-founder and vice-president of sale of Realm Technologies, a private esports technology company where he was responsible for developing and implementing the company's overall sales strategy. Mr. Nanos has a CBA from the University of Victoria and is a master electrician.

Mr. Nanos will be a consultant of the Resulting Issuer and expects to devote 100% of his time to the Resulting Issuer. Mr. Nanos has not entered into a non-competition or non-disclosure agreement with the Resulting Issuer.

***Christina Blacker – Chief Financial Officer and Corporate Secretary, Age 42***

Christina Blacker is a Chartered Professional Accountant (CA) and has more than 15 years of experience working with public companies, predominantly in the mining industry. Currently she is CFO or controller for several Canadian public companies Ms. Blacker worked in public practice from 2005-2011, where she developed a breadth of experience in finance, tax, accounting, auditing and public markets with exposure to a variety of businesses.

As the Chief Financial Officer of the Company, Ms. Blacker is responsible for coordination of the financial operations of the Company in conjunction with the CEO and with outside accounting, tax and auditing firms.

Ms. Blacker will be a consultant of the Resulting Issuer and expects to devote approximately 50% of her time to the Resulting Issuer. Ms. Blacker has not entered into a non-competition or non-disclosure agreement with the Resulting Issuer.

***Ken Booth – Director, Age 64***

Ken Booth is a geologist with an M.B.A. and has over 40 years of experience in exploration, mining corporate finance and public mineral company exploration companies and has chaired both audit and compensation committees. In mining corporate finance, he has worked for two of Canada's largest investment banks executing numerous equity financings for both junior and senior companies and was involved in a variety of significant mergers and acquisitions. While working for resource companies, Mr. Booth has held various senior positions, including CEO and vice-president of corporate development. In these roles he was instrumental in raising equity funding and negotiating property acquisitions and joint ventures. Since 1998, Mr. Booth has operated his own financial consultancy and in recent years has focused on providing financial advice to the junior mining sector and has served as an officer or director or both of mineral exploration companies in the gold, base metals, and lithium sectors.

***Richard Rosner – Director, Age 56***

Richard Rosner's business experience includes having been a partner and operator of a retail/wholesale business for over 25 years with annual sales of between \$15 and \$20 million and more than 350 employees. In his role as operator his financial responsibilities included: the review of monthly profit and loss statements with company's controller; review of the audited annual financial statements with company's outside accountants; management of company's banking relationship including annual review of company's financial statements and business plan with the bank and the renewal of the company's credit facility of \$1,000,000. He also was responsible for lease negotiations and renewals with the company's landlords for over 40 locations and negotiated annual purchases of over \$8 million.

***Michelle DeCecco – Director and Board Chair, Age 42***

Michelle DeCecco has over 20 years of experience in the public sector specializing in capital markets, security regulations and corporate development. Throughout her career, Ms. DeCecco has been responsible for developing and executing overall corporate strategy including acquisitions, joint ventures, strategic partnerships, with a strong

focus on shareholder communications. Since December 2021, Ms. DeCecco has been the COO and vice president of Lithium Chile Inc.(TSXV: LITH.V). Ms. DeCecco holds an MBA from the University of Fredericton with a specialization in accounting and finance.

#### **Cease Trade Orders, Bankruptcies, Penalties or Sanctions**

No director of the Resulting Issuer is, as at the date of this Listing Statement, or has been, within the preceding 10 years, a director, CEO or CFO of any company that while that person was acting in that capacity: (i) was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or (ii) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceeding, Transaction or compromise with creditors or had a receiver or receiver manager or trustee appointed to hold its assets.

#### **Penalties or Sanctions**

No director or officer of the Resulting Issuer or a securityholder anticipated to hold sufficient securities of the Resulting Issuer to affect materially the control of the Resulting Issuer, has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or has been subject to any other penalties or sanctions imposed by a court or regulatory body, including a self-regulatory body, that would be likely to be considered important to a reasonable investor making an investment decision.

#### **Personal Bankruptcies**

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

#### **Conflicts of Interest**

The directors and officers of the Resulting Issuer are aware of the existence of laws governing accountability of directors and officers for corporate opportunity and the laws requiring disclosure by directors and officers of conflicts of interest. The Resulting Issuer will rely upon such laws in respect of any such conflict of interest or in respect of any breach of duty by any of the Resulting Issuer’s directors or officers. Any such conflicts are required to be disclosed by such directors or officers in accordance with the BCBCA and the directors of the Resulting Issuer are required to govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law. Certain directors of the Resulting Issuer are, or may in the future be, directors, officers or shareholders of other companies that are, or may in future be, engaged in the business of, or enter into transactions with, the Resulting Issuer. Such associations and transactions may give rise to conflicts of interest from time to time.

#### **Other Reporting Issuer Experience**

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

<b>Name</b>	<b>Name of Issuer</b>	<b>Exchange</b>	<b>Position</b>	<b>From</b>	<b>To</b>
Ken Booth	Gitennes Exploration Inc.	TSXV	President and Director	March 2000	Present
	Angkor Resources	TSXV	Director	June 2012	Present

Name	Name of Issuer	Exchange	Position	From	To
	Heliostar Metals	TSXV	Director	March 2014	Present
	Gander Gold Corp.	CSE	Director	November 2021	Present
	Lithium Chile Inc.	TSXV	Director	March 2017	Present
	San Lorenzo Gold Corp.	TSXV	President and Director	December 2020	June 2022
Michelle DeCecco	Beyond Lithium Inc.	TSXV	Director	February 2023	Present
	Monumental Minerals Corp.	TSXV	Director	April 2022	Present
	Lithium Chile Inc.	TSXV	Senior Officer of Issuer	December 2021	Present

### **Audit Committee**

Following completion of the Transaction, the Resulting Issuer Board will establish the Audit Committee.

#### ***Audit Committee Charter***

The Audit Committee's primary function is to assist the Resulting Issuer Board in fulfilling its financial oversight responsibilities to shareholders and to serve as an independent and objective liaison between the Resulting Issuer Board, management and the external auditors. The Resulting Issuer has the same written charter for the Audit Committee as that of Pursuit.

#### ***Composition of the Audit Committee***

Pursuant to applicable laws, the Resulting Issuer is required to have an audit committee comprised of at least three directors, the majority of whom must not be an executive officer, employee or Control Person of the Resulting Issuer or of any of its Associates or Affiliates.

The following are the members of the Audit Committee:

Name	Independent	Financially Literate
Ken Booth <sup>(3)</sup>	Yes	Yes
Michelle DeCecco	Yes	Yes
Richard Rosner	Yes	Yes

#### **Notes:**

- (1) A member of the Audit Committee is independent if he or she has no direct or indirect material relationship with the Resulting Issuer which could, in the view of the Resulting Issuer Board, be reasonably expected to interfere with the exercise of his or her independent judgment.
- (2) An individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Resulting Issuer's financial statements.
- (3) Proposed Chair of the Audit Committee.

#### ***Relevant Education and Experience***

Each of the proposed members of the Audit Committee has an understanding of the accounting principles used to prepare the financial statements of the Resulting Issuer and varied experience as to the general application of such accounting principles, as well as an understanding of internal controls and procedures necessary for financial reporting. For a summary of the education and experience of each proposed member relevant to the performance

of his duties as an Audit Committee member, see "*Information Concerning the Resulting Issuer – Directors, Officers and Management - Biographies of Management and Directors*".

### **Reliance on Certain Exemptions**

As the Resulting Issuer is listed on the CSE, it is a "venture issuer" and it may avail itself of the exemption in Section 6.1 of NI 52-110, which provides that venture issuers are not required to comply with the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110. Part 3 of NI 52-110 requires the independence of each member of an audit committee, subject to limited exemptions. Part 5 of NI 52-110 requires the disclosure of audit committee information in an annual information form. It is expected that the Resulting Issuer will rely on the exemption from Part 5 because, as a venture issuer, it is not required to file an annual information form.

### **Corporate Governance**

Corporate governance relates to the activities of the Resulting Issuer Board, the members of which are elected by and are accountable to the shareholders and takes into account the role of the individual members of management who are appointed by the Resulting Issuer Board and who are charged with the day-to-day management of the Resulting Issuer. NI 58-101 requires the disclosure by each listed corporation of its approach to corporate governance with reference to NP 58-201 as it is recognized that the unique characteristics of individual corporations will result in varying degrees of compliance. Set out below is a description of the approach of the Resulting Issuer to corporate governance in relation to the guidelines set forth in NP 58-201.

### **Board of Directors**

NI 58-101 defines an "independent director" as a director who has no direct or indirect material relationship with the Corporation. A "material relationship" is in turn defined as a relationship which could, in the view of the board, be reasonably expected to interfere with such member's independent judgment. It is expected that the Resulting Issuer Board will initially be comprised of four members, three of whom will be "independent directors" within the meaning of NI 58-101. Ken Booth, Michelle DeCecco, and Richard Rosner will be considered independent directors within the meaning of NI 58-101 since they are each independent of management and free from any material relationship with the Resulting Issuer. The basis for this determination is that, since the date of incorporation of Pursuit and SALi, and following the completion of the Transaction, none of the independent directors have worked for either Pursuit or SALi, received remuneration from either company or had material contracts with or material interests in either company which could interfere with their ability to act with a view to the best interests of the Resulting Issuer. Dustin Nanos will not be considered an independent director because he will also be an executive officer of the Resulting Issuer.

The Resulting Issuer Board is expected to function independently of management. To enhance its ability to act independently of management, the Resulting Issuer Board may in the future meet in the absence of members of management or may excuse such persons from all or a portion of any meeting where an actual or potential conflict of interest arises or where the Resulting Issuer Board otherwise determines is appropriate.

### **Standing Committees of the Board**

At its current size and stage of development, the Resulting Issuer does not expect to establish immediately any other Board committees in addition to the Audit Committee. As the Resulting Issuer's business develops, the Resulting Issuer may form additional committees such as governance, nominating, remuneration, and environmental committees.

### **Directorships**

Certain of the directors of the Resulting Issuer are also current directors of other reporting issuers (or equivalent) in a Canadian or foreign jurisdiction. See *“Information Concerning the Resulting Issuer – Directors, Officers and Management – Other Reporting Issuer Experience”*.

### **Orientation and Continuing Education**

It is anticipated that the Resulting Issuer will implement an orientation program for all new directors. A continuing education program will also be implemented, so that directors may maintain and enhance their skills and abilities as directors. The frequency and content of the continuing education program will be decided by the Resulting Issuer Board and will be in line with current industry trends and developments. Furthermore, as each director has a different skill set and particular background, orientation and continuing education activities will be tailored to the particular needs and experience of each director. Each new director appointed to the Resulting Issuer Board will be given the opportunity to become familiar with the Resulting Issuer by meeting with the other directors and management, and will receive orientation, commensurate with his or her previous experience, on the business, assets and industry of the Resulting Issuer, as well as on the responsibilities of directors. From time to time, meetings of the Resulting Issuer Board may include presentations by management and employees of the Resulting Issuer to give the directors additional insight into the Resulting Issuer's business. The Resulting Issuer will encourage its directors to communicate with the Resulting Issuer's management, auditors and technical consultants on a regular basis, to keep themselves current with industry trends and developments and to attend industry-related seminars to facilitate continuous improvement and education.

### **Ethical Business Conduct**

The Resulting Issuer does not expect to adopt a code of ethics immediately upon completion of the Transaction, although it may do so in future as the Resulting Issuer grows in size. The Resulting Issuer Board will encourage and promote a culture of ethical business conduct through communication and supervision as part of its overall stewardship responsibility. The Resulting Issuer Board will rely on the fiduciary duties placed on individual directors pursuant to corporate legislation and the common law, and the conflict-of-interest provisions under corporate legislation that restrict an individual director's participation in decisions of the Board in which the director has an interest to ensure that the Resulting Issuer Board operates independently of management and in the best interests of the Resulting Issuer. The Resulting Issuer Board will take appropriate measures to exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer may have a material interest. Where appropriate, directors will abstain from portions of Resulting Issuer Board or committee meetings to allow independent discussion of points in issue.

### **Assessments**

As a result of the Resulting Issuer's size, its stage of development and the limited number of individuals on the Board, the Resulting Issuer Board does not expect to adopt a formal assessment process immediately following completion of the Transaction but plans to monitor the effectiveness of the Resulting Issuer Board and the Audit Committee on an *ad hoc* basis.

### **Executive Compensation**

#### ***Compensation Discussion and Analysis***

It is anticipated that, following the completion of the Transaction, the Resulting Issuer will formalize its compensation practices. It is anticipated that the Resulting Issuer's compensation practices will include elements of short- and longer-term equity incentives together with cash-based awards, as the Resulting Issuer's financial position permits.

#### ***NEO Compensation Summary Table***

“Named Executive Officer” or “NEO” means each of the following individuals:

- (a) a CEO;

- (b) a CFO;
- (c) each of the three most highly compensated executive officers of the Company, including any of its subsidiaries, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year and whose total compensation was, individually, more than \$150,000 as determined in accordance with applicable securities laws; and
- (d) each individual who would be a NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity at the end of the most recently completed financial year.

The following table sets forth information concerning the expected compensation payable by the Resulting Issuer for services rendered for the 12-month period after giving effect to the Transaction to its NEOs. For the purposes of this section, the NEOs are Dustin Nanos, as President and Chief Executive Officer, and Christina Blacker, as Chief Financial Officer as there are no other executive officers of the Resulting Issuer or a Subsidiary whose total compensation will exceed \$150,000.

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 (\$)
Dustin Nanos CEO and Director <sup>(1)</sup>	2023	95,000	nil	nil	nil	nil	95,000
Christina Blacker CFO <sup>(2)</sup>	2023	40,000	nil	nil	nil	nil	\$40,000

Notes:

- (1) Following closing of the Transaction the Resulting Issuer expects to enter into a consulting agreement with Dustin Nanos for his services as CEO at an annual compensation of \$95,000. For the first year following Listing, Mr. Nanos has agreed to defer his entire salary so as to assist the Resulting Issuer with its working capital needs.
- (2) Ms. Blacker has agreed to defer part of her salary (\$22,000 out of \$40,000) for the year following Listing so as to assist the Resulting Issuer with its working capital needs.

### **Employment Agreements**

Following completion of the Transaction, the Resulting Issuer does not have any employees. The CEO and CFO will provide their services as consultants to the Resulting Issuer. Dustin Nanos will receive \$95,000 per annum for his services as CEO, which will be deferred and accrued for the first year following Listing, and Christina Blacker will continue to act as CFO on the same terms as those on which she provides her services to Pursuit, subject to her agreement to defer and accrue \$22,000 of her annual salary of \$40,000 for the first year following Listing. See "Part II – Information Concerning Pursuit and Subco – Executive Compensation."

### **Director Compensation**

Following completion of the Transaction, the directors of the Resulting Issuer will determine if, and to what extent, compensation will be paid to directors for services rendered to the Resulting Issuer in their capacity as directors. It is anticipated that non-management directors will be reimbursed for transportation and other out-of-pocket

expenses incurred for attendance at meetings of the board of directors and in connection with discharging their director functions. It is currently anticipated that any additional incentives paid to directors will be in the form of security-based compensation.

#### ***Indebtedness of Directors, Executive Officers and Senior Officers***

No person who was a director or officer of Pursuit, SALi or is a director or officer of the Resulting Issuer, or any associate of the foregoing, is: (i) indebted to Pursuit or SALi or a Subsidiary of Pursuit or SALi; or (ii) indebted to another entity which indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar Transaction or understanding provided by Pursuit, SALi or a Subsidiary of Pursuit or SALi.

#### ***Share-Based and Option-Based Awards***

The Pursuit Option Plan will be used by the Resulting Issuer to provide share purchase options which will be granted going forward in consideration of the level of responsibility of the executive as well as his or her impact or contribution to the longer-term operating performance of the Resulting Issuer. In determining the number of options to be granted to the executive officers, the Resulting Issuer Board will take into account the number of options, if any, previously granted to each executive officer, and the exercise price of any outstanding options, as well as how other similar companies grant options and the potential value that each optionee is contributing to the Resulting Issuer to ensure that such grants are in accordance with the policies of the CSE and calculated to align the interests of the NEOs with the interests of Resulting Issuer Shareholders. See *“Part II – Information about Pursuit and Subco – Options to Purchase Securities”*.

The Resulting Issuer Board as a whole has the responsibility to administer the compensation policies related to the executive management of the Resulting Issuer, including option-based awards.

#### ***Pension Disclosure***

The Resulting Issuer does not anticipate establishing any pension, retirement, or deferred compensation plans, following completion of the Transaction.

#### ***Investor Relations Arrangements***

As of the date of this Listing Statement, the Resulting Issuer has not entered into agreements for the provision of investor relations services. The Resulting Issuer may, in the future, engage investor relations services providers pursuant to applicable Exchange policies.

#### ***Escrowed Securities***

In connection with Exchange approval of the listing of the Resulting Issuer, all principals of the Resulting Issuer holding greater than 1% of the Resulting Issuer’s outstanding Resulting Issuer Shares as well as all former shareholders of SALi who held Builder Shares in SALi were required to have their Resulting Issuer Shares placed in escrow under an enhanced escrow agreement (the **“Enhanced Escrow Agreement”**) pursuant to section 2A.5(8)(e) of Policy 2 of the CSE, which provides that:

- (a) all Builder Shares are subject to escrow, regardless of the holder of such shares;
- (b) the initial release from escrow for all escrowed securities is subject to CSE approval and must be no earlier than 10 days following public announcement of the results of the first phase program described in the Listing Statement;
- (c) transfer of shares within escrow as described in NP 46-201 s. 6.3(1)(a), (b), or (c) is not permitted without CSE approval (please note, that the CSE will generally not approve transfers associated with incoming or outgoing officers or directors of a listed issuer); and



(d) the escrow agent is authorized, but shall not be required to do so without written notice and direction from the Issuer, to immediately cancel all remaining escrowed securities (including those that are Builder Shares) upon delisting from the CSE or the announcement of a change of business or a definitive agreement for a transaction that would constitute a Fundamental Change; and

(e) the above-mentioned requirements or restrictions on release, transfer or cancellation apply to all escrowed securities.

Following the initial 10% release from escrow under the Enhanced Escrow Agreement as described above, an additional 15% will be released every six months thereafter.

A total of 11,607,500 Resulting Issuer Shares are escrowed under the Enhanced Escrow Agreement, including Resulting Issuer Shares held by Dustin Nanos (promoter, director, and officer), Ken Booth (director), Richard Rosner (director), and Michelle DeCecco (director). An additional 300,000 Resulting Issuer Shares held beneficially by Richard Rosner (director) will be escrowed shortly after the Listing as soon as the broker with which such shares are held is able to facilitate the escrow.

### Promoters

The Resulting Issuer does not have or expect to have a Promoter in the near future after the completion of the Transaction, nor has Pursuit had a Promoter within the two years prior to the date of this Listing Statement.

Dustin Nanos, one of SALi's directors and officers, may be considered to be a Promoter of SALi in that he took the initiative in organizing the business of SALi. Mr. Nanos is the beneficial owner of 5,000,000 SALi Shares, which, following completion of the Amalgamation, were exchanged for the same number of Resulting Issuer Shares.

Name of Promoter	Number of Common Shares	% of Issued and Outstanding
Dustin Nanos	5,000,000 <sup>(1)</sup>	9.85% <sup>(1)</sup>

**Note:**

(1) Based on 50,752,325 Resulting Issuer Shares issued and outstanding upon completion of the Amalgamation.

Other than as disclosed above, no person who was a Promoter of the Company:

1. received anything of value directly or indirectly from the Company;
2. sold or otherwise transferred any asset to the Company within the last 2 years;
3. is at of the date hereof, or was within 10 years before the date hereof, a director, CEO or CFO of any person or company that was the subject of a cease trade order or similar order or an order that denied the relevant person or company access to any statutory exemptions for a period of more than 30 consecutive days while that person was acting in the capacity as director, CEO or CFO;
4. is at of the date hereof, or was within 10 years before the date hereof, a director, CEO or CFO of any person or company that was the subject of a cease trade order or similar order or an order that denied the relevant person or company access to any statutory exemptions for a period of more than 30 consecutive days that was issued after the person ceased to be a director, CEO or CFO and which resulted from an event that occurred while the person was acting in the capacity as director, CEO or CFO;
5. is at of the date hereof, or was within 10 years before the date hereof, a director or executive officer of any person or company that, while the person was acting in that capacity, or within a year of that person ceasing to act in the 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 or receiver manager or trustee appointed to hold its assets;
6. has, within 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver-manager or trustee appointed to hold the assets of the person;

7. has been subject to 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;
8. has been subject to 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; or
9. has within the past 10 years 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 or receiver-manager or trustee appointed to hold its assets.

#### **Auditors, Transfer Agents and Registrars**

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

The Resulting Issuer's transfer agent and registrar is Odyssey Trust Company, located at #350 - 409 Granville Street, Vancouver, BC V6C 1T2.

#### **Material Contracts**

- The Enhanced Escrow Agreement

In addition to the Enhanced Escrow Agreement, the material contracts of Pursuit and Sali will be the material contracts of the Resulting Issuer, other than the SALi Option Agreement. See "*Part II – Information Concerning Pursuit and Subco – Material Contracts*" and "*Part III – Information Concerning SALi – Material Contracts*".

#### ***PART V – Risk Factors***

The former business of SALi is the business of the Resulting Issuer following completion of the Transaction. Accordingly, risk factors relating to SALi's current business will be risk factors relating to the Resulting Issuer's business. Due to the nature of the Resulting Issuer's business, the legal and economic climate in which it operates, and its present stage of development and proposed operations, the Resulting Issuer will be subject to significant risks.

The Resulting Issuer's future development and actual operational results may be very different from those expected as at the date of this Listing Statement. Additional risks and uncertainties not presently known to the Resulting Issuer or that the Resulting Issuer currently considers immaterial may also impair the business, operations and future prospects of the Resulting Issuer and cause the price of the Resulting Issuer Shares to decline. Readers should carefully consider all such risks, which include but are not limited to those outlined below.

#### **Risk Factors Related to the Resulting Issuer**

##### ***Pursuit and SALi have limited operating histories that make evaluation of the Resulting Issuer's prospects difficult.***

Neither Pursuit nor SALi had any history of earnings or profitability, which can make it difficult for investors to evaluate the Resulting Issuer's operations and prospects and may increase the risks associated with holding Resulting Issuer Shares. The work undertaken on the El Quemado Project is in the exploratory stage. The likelihood of success of the Resulting Issuer must be considered in light of the problems, expenses, difficulties, complication and delays frequently encountered in connection with the establishment of any business particularly in the junior mineral exploration sector. The Resulting Issuer has limited financial resources and there is no assurance that additional funding will be available to it for further operations or to fulfill its obligations under applicable agreements. There is no assurance that the Resulting Issuer will be able to generate revenues, operate profitably, or provide a return on investment, or that it will successfully implement its plans. Shareholders in the Resulting Issuer must be prepared to

rely solely upon the ability, expertise, judgment, discretion, integrity and good faith of the Resulting Issuer's management in all aspects of the development and implementation of the Resulting Issuer's business activities.

***The Resulting Issuer will require additional capital to develop its business, which may not be available on acceptable terms or at all.***

The Resulting Issuer believes that its existing capital will be sufficient to meet the Resulting Issuer's presently anticipated working capital and capital expenditure requirements for the 12 months following completion of the Transaction. This belief is based on its operating plan which, in turn, is based on assumptions that may prove to be incorrect. In addition, the Resulting Issuer may need to raise significant additional funds sooner to support its growth, respond to competitive pressures, acquire or invest in additional mineral concessions, or take advantage of unanticipated opportunities. If its financial resources are insufficient, it will require additional financing to meet its plans for expansion. The Resulting Issuer cannot be sure that this additional financing, if needed, will be available on acceptable terms or at all. The Resulting Issuer's inability to raise financing to fund capital expenditures or acquisitions could limit its growth and may have a material adverse effect upon future viability.

***Additional equity financings by the Resulting Issuer will dilute the holdings of its existing shareholders.***

The Resulting Issuer has no source of operating cash flow. Until revenues exceed expenses, the Resulting Issuer expects to raise the necessary capital through private placements and other financing tools. If additional funds are raised through further issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Resulting Issuer to obtain additional capital and to pursue business opportunities, including potential acquisitions.

***If the Resulting Issuer is unsuccessful in raising additional funds, it may face the possibility of loss of interest in its mineral properties.***

The Resulting Issuer's ability to maintain an interest in the El Quemado and Yacones properties will be dependent on its ability to raise additional funds by equity financing to satisfy future payment obligations. Failure to obtain additional financing may result in the Resulting Issuer being unable to make the periodic payments required to keep the properties in good standing and could result in the delay or postponement of further exploration and or the partial or total loss of the Resulting Issuer's interest in the properties transferred to or optioned by the Resulting Issuer. Failure to obtain additional financing may result in the Resulting Issuer being unable to complete the required work required to keep the Property interests in good standing and could result in the delay or postponement of further exploration and or the partial or total loss of the Resulting Issuer's interest in the Property.

***The Resulting Issuer does not expect to pay dividends for the foreseeable future.***

Neither Pursuit nor SALi has paid any dividends and the Resulting Issuer does not expect to pay any dividends for the foreseeable future. The expectation is that all of the Resulting Issuer's available funds will be directed toward its mineral exploration activities for the foreseeable future. Any future determination relating to the Issuer's dividend policy will be made at the discretion of the Resulting Issuer Board and will depend on a number of factors, including future operating results, capital requirements, financial condition and the terms of any credit facility or other financing arrangements the Resulting Issuer may obtain or enter into, future prospects and other factors the Resulting Issuer Board may deem relevant at the time such payment is considered. As a result, shareholders will have to rely on capital appreciation, if any, to earn a return on their investment in the Resulting Issuer Shares for the foreseeable future.

***The Resulting Issuer will be reliant upon its board of directors and key management personnel.***

The success of the Resulting Issuer will be dependent in large part, upon the continuing contributions of its senior management and board of directors. The loss of services of these persons could have a material adverse effect on the Resulting Issuer's business and prospects in the short-term. The Resulting Issuer's future success is also

dependent upon its continuing ability to attract and retain other highly qualified personnel. Competition for such personnel is intense, and there is no assurance the Resulting Issuer will be able to maintain the services of its officers or other recruit other qualified personnel required to operate its business. Failure to do so could have a material adverse effect on the Resulting Issuer and its prospects. The Resulting Issuer does not expect to purchase “key man” insurance in place with respect to any of these individuals.

***Directors and Officers of the Resulting Issuer may have interests that conflict with the interests of the Resulting Issuer.***

Certain directors and officers of the Resulting Issuer may also be directors, officers, or shareholders of other companies in the mineral exploration industry and in other industries, which may give rise to conflicts of interest from time to time. The directors of the Resulting Issuer will be required by law to act honestly and in good faith with a view to the best interests of the Resulting Issuer and to disclose any interest that they may have in any project or opportunity of the Resulting Issuer. If a conflict of interest arises at a meeting of the board or directors, any director in a conflict is required under the applicable corporate laws to disclose his interest and to abstain from voting on such matters.

***The Resulting Issuer may face risks related to the management of its growth, including related to the adequacy of its internal controls.***

The Resulting Issuer may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Resulting Issuer to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its personnel.

Effective internal controls are necessary for the Resulting Issuer to provide reliable financial reports and to help prevent fraud. Although the Resulting Issuer will undertake a number of procedures and will implement a number of safeguards, in each case, in order to help ensure the reliability of its financial reports, including those imposed on the Resulting Issuer under Canadian securities law, the Resulting Issuer cannot be certain that such measures will ensure that the Resulting Issuer will maintain adequate control over financial processes and reporting. Failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm the Resulting Issuer’s results of operations or cause it to fail to meet its reporting obligations. If the Resulting Issuer or its auditors discover a material weakness, the disclosure of that fact, even if quickly remedied, could reduce the market’s confidence in the Resulting Issuer’s financial statements and materially adversely affect the trading price of the Resulting Issuer Shares.

***The Resulting Issuer may face liability for the activity of its contractors and consultants.***

At least initially, the Resulting Issuer expects to rely on the services of consultants and contractors to carry out its mining activities. The Resulting Issuer could be liable for fraudulent or illegal activity by its contractors and consultants resulting in significant financial losses to claims or regulatory enforcement actions against the Resulting Issuer. Failure to comply with relevant laws could result in fines, suspension of licenses and civil or criminal action being taken against the Resulting Issuer. Consequently, the Resulting Issuer will be subject to certain risks, including the risk that contractors and consultants may inadvertently fail to follow the law or purposefully neglect to follow the law, either of which could result in material adverse effects to the financial condition of the Resulting Issuer.

**Risks Related to Owning the Resulting Issuer Shares**

***There may be a limited market for the Resulting Issuer’s securities and it may be difficult for shareholders to sell their shares at an advantageous price.***

The common shares of Pursuit were thinly traded and there can be no assurance that an active and liquid market for the Resulting Issuer Shares will develop or be maintained. A public trading market having the desired characteristics of depth, liquidity and orderliness depends on the presence in the marketplace of willing buyers and sellers of the Resulting Issuer Shares at any given time. This presence depends on the individual decisions of investors

and general economic and market conditions over which the Resulting Issuer has no control. If an active market for the Resulting Issuer Shares does not develop, an investor may find it difficult to resell its Resulting Issuer Shares, and significant sales of Resulting Issuer Shares, or the expectation of these sales, could cause the Resulting Issuer's share price to fall.

***The market price of securities is volatile and may not accurately reflect the long-term value of the Resulting Issuer.***

Securities markets have a high level of price and volume volatility, and the market price of securities of many companies has experienced substantial volatility in the past. This volatility may affect the ability of holders of Resulting Issuer Shares to sell their securities at an advantageous price. Market price fluctuations in the Resulting Issuer Shares may be due to the Resulting Issuer's operating results failing to meet expectations of investors in any period, adverse changes in general market conditions or economic trends, acquisitions, dispositions or other material public announcements by the Resulting Issuer or its competitors, along with a variety of additional factors. These broad market fluctuations may adversely affect the market price of the Resulting Issuer Shares.

Financial markets historically experience significant price and volume fluctuations at times, which have particularly affected the market prices of equity securities of companies and that have often been unrelated to the operating performance, underlying asset values, or prospects of such companies. Accordingly, the market price of the Resulting Issuer Shares may decline even if the Resulting Issuer's results, underlying asset values or prospects have not changed.

#### **Risk Factors Related to Mining and the Resulting Issuer's Business**

***Mining exploration is highly risky in all its phases.***

Resource exploration is a speculative business, characterized by a number of significant risks that even a combination of careful evaluation, experience and knowledge may not eliminate, including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from 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 quantity and quality of mineralization and proximity to infrastructure; mineral 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, but the combination of these factors may result in the Resulting Issuer not receiving an adequate return on invested capital.

The long-term profitability of the Resulting Issuer's operations will in part be directly related to the costs and success of its exploration programs, which may be affected by a number of factors. Substantial expenditures are required to establish resources and reserves through drilling and to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, there is no assurance that the Resulting Issuer's mineral exploration activities will result in any discoveries of commercial bodies of ore. Few properties that are explored are ultimately developed into producing mines.

***The Resulting Issuer's material mineral project is an early-stage project without any identified resources.***

The El Quemado Project will be the Resulting Issuer's material project following completion of the Transaction. The El Quemado Project is in the exploration stage will require extensive expenditures during the exploration stage. The vast majority of properties which are explored are not ultimately developed into producing mines. As a result of the foregoing, there can be no assurance that the Resulting Issuer will be able to develop the El Quemado Project profitably or that its activities will generate positive cash flow. The long-term profitability of the Resulting Issuer's operations will be in part directly related to the cost and success of its exploration programs, which may be affected by a number of factors.

***The Resulting Issuer will face additional risks associated with operations in a foreign jurisdiction.***

The Resulting Issuer will be conducting its exploration activities in Argentina. Operations in Argentina expose the Resulting Issuer to risks that may not otherwise be experienced if its operations were located in Canada. The risks can include, but are not limited to, civil unrest or war, terrorism, illegal mining, changing political conditions, corruption, fluctuations in currency exchange rates, expropriation or nationalization without adequate compensation, changes to royalty and tax regimes, high rates of inflation, labour ownership and maintenance of mineral properties, as well as the revocation or suspension of previously issued mining permits. Changes in mining or investment policies or shifts in political attitudes may also adversely affect the Resulting Issuer's existing assets and operations. There can be no assurance that the federal and local governments in Argentina where the Resulting Issuer or its affiliates operate or the governments with whom the Resulting Issuer works will not nationalize mining companies and their assets in the future or impose burdensome obligations or restrictions. Real and perceived political risk may also affect the Resulting Issuer's ability to finance exploration programs and attract joint venture or option partners, and future mine development opportunities.

Argentina is currently experiencing a period of exceedingly high inflation, with year-over-year inflation reaching levels above 100% in early 2023. Excessive levels of inflation may impact the Resulting Issuer's ability to efficiently operate in Argentina such as through the Resulting Issuer's choice of currency used to pay for goods and services necessary to conduct exploration work on its properties, the relative cost of those goods and services in Canadian dollars and US dollars, and the predictability of the costs of operations.

Numerous countries have introduced changes to mining regimes that reflect increased government control or participation in the mining sector, including, but not limited to, changes of law affecting foreign ownership, mandatory government participation, taxation and royalties, exploration licensing, export duties, and repatriation of income or return of capital. There can be no assurance that industries, which are deemed of national or strategic importance in countries in which the Resulting Issuer has assets, including mineral exploration, will not be nationalized. There is a risk that further government limitations, restrictions or requirements, not presently foreseen, will be implemented. Changes in policy that alter laws regulating the mining industry could have a material adverse effect on the Resulting Issuer. There can be no assurance that the Resulting Issuer's foreign assets will not be subject to nationalization, requisition or confiscation, whether legitimate or not, by an authority or body.

In addition, in the event of a dispute arising from operations in Argentina, the Resulting Issuer may be subject to the exclusive jurisdiction of the Argentinian courts or may not be successful in subjecting foreign persons to the jurisdiction of courts in Canada. The Resulting Issuer also may be hindered or prevented from enforcing its rights with respect to a governmental instrumentality because of the doctrine of sovereign immunity. It is not possible for the Resulting Issuer to accurately predict such developments or changes in laws or policy or to what extent any such developments or changes may have a material adverse effect on the Resulting Issuer.

Non-compliance with applicable laws, regulations and permitting requirements (including allegations of such) may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed or causing the withdrawal of permits or mining licenses, and the imposition of corrective measures requiring material capital expenditure or remedial action resulting in materially increased cost of compliance, reputational damage and potentially impaired ability to secure future approvals and permits. The Resulting Issuer may be required to compensate third parties for loss or damage and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

***The Resulting Issuer will face risks associated with increasing competition from companies that have greater resources.***

The mining industry is competitive in all of its phases. The Resulting Issuer will face strong competition from other mining companies in connection with the acquisition of properties prospective for lithium and related metals, and for technical and exploration personnel who can help advance such properties. Many of these companies will have greater financial resources, operational experience, and technical capabilities than the Resulting Issuer. As a result of this competition, the Resulting Issuer may be unable to maintain or acquire additional attractive mining properties

on terms it considers acceptable or at all. Consequently, the Resulting Issuer's revenues, operations and financial condition could be materially adversely affected.

***The Resulting Issuer will require permits and licenses to carry on its mining exploration operations and it cannot guarantee that it will be able to obtain all necessary permits and licenses.***

Operations of the Resulting Issuer will require licences and permits from various governmental authorities in Argentina and will be governed by laws and regulations governing prospecting, development, mining, production, export, taxes, labour standards, occupational health, waste disposal, land use, environmental protections, mine safety, and other matters. The Resulting Issuer anticipates that it will be able to obtain in the future all necessary licences and permits to carry on the activities which it intends to conduct, and that it intends to comply in all material respects with the terms of such licences and permits. However, there can be no guarantee that the Resulting Issuer will be able to obtain at all or on reasonable terms, and maintain, at all times, all necessary licences and permits required to undertake its proposed exploration and development or to place its property into commercial production and to operate mining facilities thereon. To the extent such approvals are required and not obtained or delayed, the Resulting Issuer may be curtailed or prohibited from continuing its exploration or mining operations or from proceeding with planned exploration or development of mineral properties.

***Environmental and safety regulations and risks may significantly affect the Resulting Issuer.***

Environmental laws and regulations may affect the operations of the Resulting Issuer. These laws and regulations set various standards regulating certain aspects of health and environmental quality. They provide for penalties and other liabilities for the violation of such standards and establish, in certain circumstances, obligations to rehabilitate current and former facilities and locations where operations are or were conducted. The permission to operate can be withdrawn temporarily where there is evidence of serious breaches of health and safety standards, or even permanently in the case of extreme breaches. Significant liabilities could be imposed on the Resulting Issuer for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous owners of acquired properties, or non-compliance with environmental laws or regulations. In all major developments, the Resulting Issuer generally relies on recognized designers and development contractors from which the Resulting Issuer will, in the first instance, seek indemnities. The Resulting Issuer intends to minimize risks by taking steps to ensure compliance with environmental, health, and safety laws and regulations and operating to applicable environmental standards. There is a risk that environmental laws and regulations may become more onerous, making the Resulting Issuer's operations more expensive.

***The Resulting Issuer may not have sufficient insurance coverage for the operating risks it faces.***

In the course of exploration, development, and production of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions, including rock bursts, cave-ins, fires, flooding and earthquakes, may occur. Although the Resulting Issuer plans to maintain liability insurance in an amount it considers adequate, and to require that contractors used by it to carry out operations on the Resulting Issuer's behalf will be adequately insured, the nature of these risks is such that liabilities might exceed any insurance policy limits, the liabilities and hazards might not be insurable or the Resulting Issuer might not elect to insure itself against such liabilities due to high premium costs or other factors. No assurance can be given that insurance will be adequate to cover the Resulting Issuer's liabilities or will be generally available in the future or, if available, that premiums will be commercially justifiable. If the Resulting Issuer were to incur substantial liability and such damages were not covered by insurance or were in excess of policy limits, or if the Resulting Issuer were to incur such liability at a time when it is not able to obtain liability insurance, its business, results of operations and financial condition and the market price of the Resulting Issuer's securities could be materially adversely affected.

***The Resulting Issuer may face challenges to its mineral titles.***

The Resulting Issuer is satisfied that evidence of title to the mineral properties in which it has an interest is adequate and acceptable by prevailing industry standards with respect to the current stage of exploration on the

Property. The Resulting Issuer may face challenges to the title the Property or subsequent properties it may acquire, which may prove to be costly to defend or could impair the advancement of the Resulting Issuer's business plan.

***Volatile global financial and economic conditions may have a negative impact on the Resulting Issuer's operations and financial condition.***

Current global financial and economic conditions remain extremely volatile and unpredictable, which may impact the Resulting Issuer's ability to obtain financing in the future on favourable terms or obtain any financing at all. Additionally, negative global economic conditions may cause a long-term decrease in asset values. If such global volatility and market turmoil recur or continue, the Resulting Issuer's operations and financial condition could be adversely impacted.

***Future commodity prices may have a material adverse affect on the Resulting Issuer's business and securities.***

The Resulting Issuer's revenues in the future, if any, are expected to be in large part derived from the extraction and sale of minerals, which in turn depend on the results of the Resulting Issuer's exploration on these properties and whether development will be commercially viable or even possible. The price of the Resulting Issuer Shares and the Resulting Issuer's ability to finance to carry out exploration and development activities may be significantly adversely affected in the future by declines in the price of minerals, in particular lithium and related minerals. During the calendar year 2023, the global price for lithium decreased by approximately 80%, which affects the economic viability of all lithium projects. The price of minerals fluctuates widely and is affected by numerous factors beyond the Resulting Issuer's control, such as interest rates, exchange rates, inflation or deflation, fluctuation in the value of the Argentine peso, the Canadian and US dollars and other foreign currencies, global and regional supply and demand, the political and economic conditions of major mineral-producing countries throughout the world, the cost of substitutes, inventory levels, carrying charges and global and local geopolitical conditions. Consequently, the economic viability of any of the Resulting Issuer's exploration projects cannot be accurately predicted and may be adversely affected by fluctuations in mineral prices.

***The Resulting Issuer will face foreign currency rate risk.***

The Resulting Issuer has historically raised funds in Canadian dollars but incurs significant expenses in United States dollars as well as Argentine pesos. Currency fluctuations may materially affect the Resulting Issuer's business, financial condition and operating results. The Resulting Issuer's earning and cash flow may also be affected by fluctuations in the exchange rate between the Canadian dollar and other currencies, such as the Argentine peso and the US dollar. The Resulting Issuer will not engage in currency hedging to offset any risk of currency fluctuations.

***The operations of the Resulting Issuer may face disruption from non-governmental organizations.***

As is the case with any companies operating in the mining industry, the Resulting Issuer may become subject to pressure and lobbying from non-governmental organizations. There is a risk that the demands and actions of non-governmental organizations may cause significant disruption to the Resulting Issuer's business, which may have a material adverse effect on its operations and financial condition.

***The Resulting Issuer will face risks associated with its social license to operate.***

While the Resulting Issuer will endeavor to maintain strong and constructive relationships with its stakeholders, including applicable governmental authorities and the general public and local communities surrounding its properties, there is no assurance that such stakeholders will continue to be accepting of the Resulting Issuer's business practices and operating procedures or of the lithium mining industry in general, or that the social standards to which companies such as the Resulting Issuer are expected to adhere to in order to maintain their social license will not increase or materially change over time. Should applicable stakeholders cease to be accepting of the Resulting Issuer's business practices or operating procedures or of the lithium mining industry in general, or if social standards increase or materially change over time in a manner that the Resulting Issuer is unable to satisfy, this could adversely affect the business, financial condition and results of operations of the Resulting Issuer.



***Future public health crises could have a material adverse effect on the business and operations of the Resulting Issuer.***

The Resulting Issuer's business, operations and financial condition could be materially adversely affected by the outbreak of epidemics, pandemics or other health crises beyond its control, including a resurgence of COVID-19 as a global pandemic. The COVID-19 pandemic led to, among other things, significant restrictions on travel, business closures, quarantines and a general reduction in consumer activity. While these effects have generally abated, the duration of the business disruptions and related financial impact are still felt.

Such public health crises can result in volatility and disruptions in the supply and demand for various products and services, global supply chains and financial markets, as well as declining trade and market sentiment and reduced mobility of people, all of which could affect interest rates, credit ratings, credit risk and inflation. The risks to the Resulting Issuer of such public health crises also include risks to contractor health and safety and a slowdown or temporary suspension of operations in geographic locations impacted by an outbreak.

***PART VI – GENERAL MATTERS***

**Experts' Reports**

The following professional persons have prepared reports or have provided opinions that are either included or incorporated by reference within this Listing Statement:

- (a) Auditor's reports prepared by Dale Matheson Carr-Hilton LaBonte LLP, auditor for Pursuit, and included with the financial statements of Pursuit incorporated by reference in this Listing Statement;
- (b) Auditor's reports prepared by Davidson & Company LLP, auditor for SALi, and included with the consolidated financial statements of SALi attached to this Listing Statement as Appendix A.
- (c) SALi retained Leandro Andres Sastre Salim, B.Sc. (Geo) AIG of Andes Exploration S.A.S. to prepare the Quemado Technical Report. The Quemado Technical Report is referenced in "*Information Concerning SALi – Description of the Business*" and excerpted in Appendix C.

**Interests of Experts**

To the knowledge of management of Pursuit and SALi, none of the experts above, or their respective Associates or Affiliates, beneficially owns, directly or indirectly, any securities of Pursuit or SALi, has received or will receive any direct or indirect interests in the property of Pursuit or SALi or is expected to be elected, appointed or employed as a director, officer or employee of the Resulting Issuer or any Associate or Affiliate thereof.

**CERTIFICATE OF SALI LITHIUM CORP.**

This Listing Statement contains full, true and plain disclosure of all material information relating to **SALi Lithium Corp.**

Dated this 29th day of May, 2024.

/s/ Dustin Nanos

Chief Executive Officer, President, and Director  
**Dustin Nanos**

/s/ Christina Blacker

Chief Financial Officer and Corporate Secretary  
**Christina Blacker**

/s/ Ken Booth

Director  
**Ken Booth**

/s/ Michelle DeCecco

Director  
**Michelle DeCecco**

/s/ Richard Rosner

Director  
**Richard Rosner**

***APPENDIX "A" – Consolidated Financial Statements and MD&A of South American Lithium Corp.***

**[See Attached]**



# SALI

**SOUTH AMERICAN LITHIUM CORP.**

*(an exploration stage company)*  
*(Unaudited – Prepared by Management)*

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE AND NINE MONTHS ENDED NOVEMBER 30, 2023 AND NOVEMBER 30, 2022

**SOUTH AMERICAN LITHIUM CORP.**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION**  
**AS AT NOVEMBER 30, 2023**  
(Unaudited)  
(Expressed in Canadian dollars)

	November 30, 2023	February 28, 2023
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 507,059	\$ 478,774
Receivables	6,790	13,584
Due from related party (Note 9)	8,000	37,502
Deferred share issuance costs	60,064	-
Deposits (Note 4)	630,000	600,000
Total current assets	1,211,913	1,129,860
<b>Long term assets</b>		
Deferred acquisition costs	-	339,729
Exploration and evaluation assets (Note 5)	2,320,938	-
<b>Total assets</b>	<b>\$ 3,532,851</b>	<b>\$ 1,469,589</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (Note 6)	\$ 113,555	\$ 47,267
Due to related party (Note 9)	70,499	-
Total current liabilities	184,054	47,267
<b>Total liabilities</b>	<b>184,054</b>	<b>47,267</b>
<b>Shareholders' equity</b>		
Share capital (Note 7)	3,288,695	1,325,559
Subscriptions received (Note 7)	905,000	632,500
Reserves (Note 7)	1,412,400	-
Deficit	(2,536,071)	(535,737)
Total shareholders' equity	3,070,024	1,422,322
Non-controlling interest (Note 8)	278,773	-
Total equity	3,348,797	1,422,322
<b>Total liabilities and shareholders' equity</b>	<b>\$ 3,532,851</b>	<b>\$ 1,469,589</b>

**Nature and continuance of operations** (Note 1)

**Subsequent events** (Note 12)

These financial statements were approved for issue by the Audit Committee of the Board of Directors on March 7, 2024 and are signed on its behalf by:

Approved by "Dustin Nanos", Director

"Drew Nanos", Director

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

**SOUTH AMERICAN LITHIUM CORP.**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**  
**FOR THE THREE AND NINE MONTHS ENDED NOVEMBER 30, 2023 AND 2022**  
(Unaudited)  
(Expressed in Canadian dollars)

	THREE MONTHS ENDED NOVEMBER 30, 2023	THREE MONTHS ENDED NOVEMBER 30, 2022	NINE MONTHS ENDED NOVEMBER 30, 2023	NINE MONTHS ENDED NOVEMBER 30, 2022
<b>EXPENSES</b>				
Management and consulting fees (Note 9)	\$ 101,976	\$ 68,920	\$ 359,313	\$ 238,987
Exploration expenses	\$ 27,615	173,322	\$ 101,608	\$ 173,322
Office and administration	\$ 24,097	1,099	\$ 68,404	\$ 4,823
Investor relations	\$ 267	-	\$ 8,358	-
Rentals	\$ 10,184	-	\$ 56,188	-
Travel	\$ 19,598	-	\$ 70,917	\$ 8,945
Stock-based compensation (Note 7)	\$ -	-	\$ 1,412,400	-
Foreign exchange	\$ (8,157)	-	\$ (36,057)	-
Interest income (Note 4)	\$ (15,000)	-	\$ (30,000)	-
<b>Net loss and comprehensive loss for the period</b>	<b>\$ 160,580</b>	<b>\$ 243,341</b>	<b>\$ 2,011,131</b>	<b>\$ 426,077</b>
<b>Loss attributable to:</b>				
Shareholders of the Company	157,067	243,341	2,000,334	426,077
Non-controlling interest (Note 8)	3,513	-	10,797	-
<b>Basic and diluted loss per common share</b>	<b>\$ 0.01</b>	<b>\$ 0.02</b>	<b>\$ 0.08</b>	<b>\$ 0.03</b>
<b>Weighted average number of common shares outstanding -</b>				
<b>Basic and diluted</b>	<b>25,550,436</b>	<b>15,813,455</b>	<b>25,550,436</b>	<b>15,813,455</b>

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

**SOUTH AMERICAN LITHIUM CORP.**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS**  
**FOR THE THREE AND NINE MONTHS ENDED NOVEMBER 30, 2023 AND 2022**  
(Unaudited)  
(Expressed in Canadian dollars)

	<b>NINE MONTHS ENDED NOVEMBER 30,</b>		<b>NINE MONTHS ENDED NOVEMBER 30,</b>	
	<b>2023</b>		<b>2022</b>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Net loss for the period	\$	(2,011,131)	\$	(426,077)
Items not involving cash:				
Shares for services		-		280,000
Changes in non-cash working capital items:				
Receivables		(23,206)		(140,194)
Due from related party		29,502		(3,000)
Due to related party		70,499		(59,333)
Accounts payable and accrued liabilities		51,639		17,041
Stock-based compensation		1,412,400		-
<b>Net cash used in operating activities</b>		<b>(470,297)</b>		<b>(331,563)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Deposits		-		(600,000)
Deferred acquisition costs		-		(339,729)
Exploration and evaluation costs		(1,191,639)		-
<b>Net cash used in investing activities</b>		<b>(1,191,639)</b>		<b>(939,729)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Proceeds from issuance of share capital		915,000		1,052,500
Share issuance costs		(78,415)		-
Subscriptions received		905,000		337,500
Deferred share issuance costs		(51,364)		-
<b>Net cash provided by financing activities</b>		<b>1,690,221</b>		<b>1,390,000</b>
<b>Change in cash and cash equivalents during the period</b>		<b>28,285</b>		<b>118,709</b>
<b>Cash and cash equivalents, beginning of the period</b>		<b>478,774</b>		<b>-</b>
<b>Cash, end of the period</b>	<b>\$</b>	<b>507,059</b>	<b>\$</b>	<b>118,709</b>
Cash	\$	496,123	\$	118,709
Cash equivalents	\$	10,936	\$	-
<b>SUPPLEMENTARY INFORMATION WITH RESPECT TO CASH FLOWS:</b>				
Income taxes paid	\$	-	\$	-
Interest paid	\$	-	\$	-
<b>NON-CASH INVESTING AND FINANCING ACTIVITIES:</b>				
Share issuance costs included in accounts payable and accrued liabilities	\$	5,949	\$	6,941
Deferred share issuance costs included in accounts payable and accrued liabilities	\$	8,700	\$	-
Units issued for exploration and evaluation assets	\$	500,000	\$	-

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

**SOUTH AMERICAN LITHIUM CORP.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
(Unaudited)  
(Expressed in Canadian dollars)

	Number of Shares	Share capital	Subscription s received	Reserves	Deficit	Non- controlling interest	Total
<b>Balance at March 1, 2022</b>	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Private placement	20,425,000	1,052,500	-	-	-	-	1,052,500
Shares for services	2,800,000	280,000	-	-	-	-	280,000
Subscriptions received	-	-	337,500	-	-	-	337,500
Net loss for the period	-	-	-	-	(426,077)	-	(426,077)
<b>Balance at November 30, 2022</b>	<b>23,225,000</b>	<b>\$1,332,500</b>	<b>\$ 337,500</b>	<b>\$ -</b>	<b>\$ (426,077)</b>	<b>\$ -</b>	<b>\$ 1,243,923</b>
<b>Balance at February 28, 2023</b>	<b>23,225,000</b>	<b>\$1,325,559</b>	<b>\$ 632,500</b>	<b>\$ -</b>	<b>\$ (535,737)</b>	<b>\$ -</b>	<b>\$ 1,422,322</b>
Private placement	3,095,000	1,547,500	(632,500)	-	-	-	915,000
Share issuance costs	-	(84,364)	-	-	-	-	(84,364)
Subscriptions received	-	-	905,000	-	-	-	905,000
Units issued for exploration and evaluation assets	1,000,000	500,000	-	-	-	-	500,000
Stock-based compensation	-	-	-	1,412,400	-	-	1,412,400
Allocation to non-controlling interest	-	-	-	-	-	289,570	289,570
Net loss for the period	-	-	-	-	(2,000,334)	(10,797)	(2,011,131)
<b>Balance at November 30, 2023</b>	<b>27,320,000</b>	<b>\$3,288,695</b>	<b>\$ 905,000</b>	<b>\$1,412,400</b>	<b>\$(2,536,071)</b>	<b>\$ 278,773</b>	<b>\$ 3,348,797</b>

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



# **SOUTH AMERICAN LITHIUM CORP.**

## **NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

(Unaudited)

(Expressed in Canadian Dollars)

FOR THE THREE AND NINE MONTHS ENDED NOVEMBER 30, 2023 AND NOVEMBER 30, 2022

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### **1. NATURE AND CONTINUANCE OF OPERATIONS**

South American Lithium Corp (the “Company”) was incorporated on March 1, 2022 under the Business Corporations Act of the Province of Alberta. The Company’s principal business is the acquisition and exploration of mineral properties. The Company’s registered and records office is at Suite 333 7 Ave SW #800, Calgary, AB, T2P 2Z1. The Company is private.

The Company’s condensed consolidated interim financial statements (“consolidated financial statements”) are presented in Canadian dollars which is the functional currency of the Company and its subsidiary.

At the date of these condensed consolidated financial statements, the Company has not been able to identify a known body of commercial grade ore on any of its exploration and evaluation assets. The ability of the Company to realize the costs it has incurred to date on these exploration and evaluation assets is dependent upon the Company being able to identify a commercial ore body, to finance its exploration costs and to resolve any environmental, regulatory or other constraints which may hinder the successful development of the exploration and evaluation asset. To date, the Company has not earned revenues and is considered to be in the early exploration stage.

On July 14, 2023, the Company entered into a definitive amalgamation agreement with Pursuit Gold Corporation (“Pursuit Gold”) pursuant to which Pursuit Gold and the Company will carry out an amalgamation that will result in the reverse takeover of Pursuit Gold by the Company. Completion of the proposed transaction is subject to the satisfaction of a number of conditions, including receipt of all necessary shareholder and CSE approvals for listing of the combined company. The proposed transaction is structured as a three-cornered amalgamation whereby the Company will amalgamate with a wholly owned subsidiary of the Company and the current shareholders of the Company will become shareholders of the resulting issuer.

Pursuant to the amalgamation, all of the Company’s common shares outstanding will be exchanged for common shares of the resulting issuer and outstanding convertible securities of the Company will become exercisable to acquire resulting issuer shares. It is a condition to completion of the proposed transaction that the Company completes a non-brokered market financing for gross proceeds of a minimum of \$1.2 million.

#### Going Concern of Operations

These condensed consolidated interim financial statements have been prepared assuming the Company will continue on a going-concern basis. The Company has incurred losses since inception and the ability of the Company to continue as a going-concern depends upon its ability to develop profitable operations and to continue to raise adequate financing. Management is actively targeting sources of additional financing through other business and financial transactions which would assure continuation of the Company’s operations and exploration programs. At November 30, 2023, the Company had cash and cash equivalents of \$507,059. The Company’s continuation as a going concern is dependent upon the successful results from its exploration activities and its ability to attain profitable operations and generate funds therefrom and/or raise equity capital or borrowings sufficient to meet current and future obligations. The Company estimates it has sufficient working capital to continue operations for the upcoming year.

# **SOUTH AMERICAN LITHIUM CORP.**

## **NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

(Unaudited)

(Expressed in Canadian Dollars)

FOR THE THREE AND NINE MONTHS ENDED NOVEMBER 30, 2023 AND NOVEMBER 30, 2022

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### **2. BASIS OF PREPARATION**

#### **Statement of Compliance**

These condensed consolidated interim financial statements have been prepared using accounting policies consistent with IFRS Accounting Standards in accordance with International accounting Standards 34, "Interim Financial Reporting" as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). These consolidated interim financial statements do not include all the information required for the annual consolidated financial statements and should be read in conjunction with the Company's most recent audited financial statements for the year ended February 28, 2023.

The condensed consolidated financial statements have been prepared on a historical cost basis, except for financial instruments measured at fair value. In addition, these condensed consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

These condensed consolidated financial statements were prepared using accounting policies consistent with those in the audited financial statements as at and for the year ended February 28, 2023 except as outlined in Note 3.

The preparation of these condensed consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the period. Actual results could 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 estimates are revised and in any future periods affected.

In preparing the Company's condensed consolidated financial statements for the three and nine months ended November 30, 2023, the Company applied the accounting policies, critical judgments and estimates disclosed in Note 2 and 3 of its audited consolidated financial statements for the year ended February 28, 2023 and the following accounting policies, critical judgments and estimates in applying accounting policies:

#### *Critical Accounting Judgements*

The following are key assumptions concerning the future and other key sources of estimation uncertainty that have significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

1. *Going concern of operations:* The condensed consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The assessment of the Company's ability to source future operations and continue as a going concern involves judgement. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. If the going concern assumption is not appropriate for the financial statements, then adjustments would be necessary in the carrying value of assets and liabilities, the reported expenses and the statement of financial position classifications used (Note 1).

## **SOUTH AMERICAN LITHIUM CORP.**

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Unaudited)

(Expressed in Canadian Dollars)

FOR THE THREE AND NINE MONTHS ENDED NOVEMBER 30, 2023 AND NOVEMBER 30, 2022

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## **2. BASIS OF PREPARATION (continued)**

*Critical Accounting Judgements (continued)*

2. *Determination of functional currency:* The Company determines the functional currency through the analysis of several indicators such as expenses and cash flow, financing activities, and frequency of transactions with the parent entity.

## **3. MATERIAL ACCOUNTING POLICY INFORMATION**

### **New and amended IFRS standards that are effective for the current period:**

In the current period, the Company has applied the below amendments to IFRS Standards and Interpretations issued by the International Accounting Standards Board (“IASB”) that were effective for annual periods that begin on or after January 1, 2023. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements – Disclosure of Accounting Policies:

The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term “significant accounting policies” with “material accounting policy information”.

Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. The IASB has also developed guidance and examples to explain and demonstrate the application of the ‘four-step materiality process’ described in IFRS Practice Statement 2.

The amendments were applied effective March 1, 2023 and did not have a material impact on the Company’s consolidated financial statements.

### **Basis of consolidation**

These condensed consolidated financial statements include the financial statements of the Company and the entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. All intercompany balances and transactions, income and expenses have been eliminated upon consolidation.

## SOUTH AMERICAN LITHIUM CORP.

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Unaudited)

(Expressed in Canadian Dollars)

FOR THE THREE AND NINE MONTHS ENDED NOVEMBER 30, 2023 AND NOVEMBER 30, 2022

### 3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

The financial statements include the financial statements of South American Lithium Corp. and its subsidiaries listed in the following table:

<b>Name of Subsidiary</b>	<b>Country of Incorporation</b>	<b>Ownership Interest</b>	<b>Principal Activity</b>
South American Lithium S.A.	Argentina	100%	Mineral exploration
Minera Ansotana S.A.	Argentina	70%	Mining concessions

### 4. DEPOSITS

During the year ended February 28, 2023, the Company advanced funds to Alchemia LLC ("Alchemia"), a company controlled by a director, for future exploration costs related to its exploration projects (Note 5). On March 1, 2023, the Company formalized an agreement for the advances whereby the funds previously advanced would bear interest at 10% per annum and be repaid monthly over a 12 month period beginning on June 1, 2023, primarily by way of construction services for access to the Company's exploration projects. For the three and nine months ended November 30, 2023, \$15,000 and \$30,000 in interest income had accrued, respectively.

### 5. EXPLORATION AND EVALUATION ASSETS

#### Acquisition of Latin Metals

<b>November 30, 2023</b>	<b>Latin Metals</b>
<b>Acquisition Costs:</b>	
Balance, beginning of period	\$ -
Deferred acquisition costs	69,800
Shares issued on acquisition	500,000
Cash paid on acquisition	400,080
Balance, end of period	<b>\$ 969,880</b>
<b>Exploration Costs:</b>	
Balance, beginning of period	\$ -
43-101 – Technical Report	36,048
Balance, end of period	36,048
<b>Total costs, end of period</b>	<b>\$1,005,928</b>

On September 29, 2022, the Company entered into a letter of intent with Latin Metals Inc. ("Latin Metals") and its subsidiary, Cardero Argentina S.A. ("Cardero"), for the option to acquire 100% of Cardero's interest in certain mining concessions comprising the El Quemado Project located in Salta, Argentina. In consideration for the option and exclusivity period granted, the Company paid a non-refundable amount of USD\$50,000 (\$69,800) to Latin Metals.

## SOUTH AMERICAN LITHIUM CORP.

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Unaudited)

(Expressed in Canadian Dollars)

FOR THE THREE AND NINE MONTHS ENDED NOVEMBER 30, 2023 AND NOVEMBER 30, 2022

#### 5. EXPLORATION AND EVALUATION ASSETS (continued)

On March 1, 2023, the Company, Latin Metals and Cardero entered into an agreement for the purchase of certain mining properties that form part of the El Quemado Project located Salta, Argentina. Key terms include the following:

- \$400,000 to be paid within 10 days of the period granted for acceptance of the offer (paid).
- \$500,000 in units of the Company to be paid within 10 days from acceptance, as follows: i) 1,000,000 common shares (issued) and ii) 1,000,000 common share purchase warrants exercisable at \$1.00 per warrant for a 5 year term (issued).
- Up to \$150,000 for certain properties for which the Company obtains approval of an investment plan, as defined in the agreement.

In addition, the Company shall grant Latin a 2% royalty over the net smelter return (the "Royalty"). Latin will have the right, at any time prior to a production decision, to purchase one half of the Royalty from the Royalty Holder for USD\$3,000,000, in which case the Royalty will be reduced to 1%.

The Company is in the process of having title of the concessions transferred.

#### Acquisition of El Quemado Project

<b>November 30, 2023</b>	<b>El Quemado Project</b>
<b>Purchase price:</b>	
Fair value of acquisition costs	\$675,665
Non-controlling interest (Note 8)	289,570
<b>Total consideration</b>	<b>\$ 965,235</b>
<b>Purchase price allocation:</b>	
Exploration and evaluation assets	<b>\$965,235</b>

On May 30, 2022, the Company entered into a letter of intent with Enrique José Vidal and Francisco Vidal (collectively, the "Vidals") for the sale and acquisition of the El Quemado Project (the "Project") located in the province of Salta, Argentina. In compensation for the negotiations to be held, the Company paid USD\$50,000 (\$64,670).

On August 23, 2022, the Company entered into a series of agreements (the "Agreement") with the Vidals to acquire 70% of the shares of Minera Ansoтана S.A., owner of 22 mining concessions making up the El Quemado Project, as well as the option to purchase an additional 4 concessions connected to the Project (collectively, the "Purchase Options") from Enrique José Vidal upon completion of the following:

- An initial payment of US\$120,000 and US\$30,000 within 15 days of signing (\$205,259 paid);
- US\$240,000 and US\$60,000 to be paid within 6 months of signing the agreement and upon notice of exercise of the option (the "Option Date"), provided that the primary exploration campaign is satisfactory (\$405,736 paid);
- Upon the shares being transferred and the additional concessions being notarized in the name of Minera Ansoтана S.A., the Company shall pay US\$160,000 and US\$40,000 every 6 months until a Pre-feasibility Study ("PFS") under NI 43-101 or JORC codes is presented;
- Following the PFS, a payment of US\$400,000 and US\$100,000 shall be paid within 15 days; and
- Upon completion of a Feasibility Study, an additional payment of US\$400,000 and US\$100,000 shall be paid within 15 days.

## **SOUTH AMERICAN LITHIUM CORP.**

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Unaudited)

(Expressed in Canadian Dollars)

FOR THE THREE AND NINE MONTHS ENDED NOVEMBER 30, 2023 AND NOVEMBER 30, 2022

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#### **5. EXPLORATION AND EVALUATION ASSETS (continued)**

On March 22, 2023, the Purchase Options were exercised under the Agreement and the Company assigned the 4 concessions to Minera Ansotana S.A. who is the final owner of 100% of the mining properties that make up the Project. The Company owns 70% of the shares of Minera Ansotana S.A. and, therefore, 70% of the Project.

The Company has accounted for the acquisition as a purchase of assets. The acquisition did not qualify as a business combination under IFRS 3, *Business Combinations*, as the significant inputs, processes and outputs, that together constitute a business, did not exist in these projects at the time of acquisition.

##### **Acquisition of Alsina Property**

On July 5, 2023, the Company, Simon Perez Alsina and Yacones SRL entered into an agreement to purchase certain mining properties located in Salta Argentina. Key terms include the following:

- USD\$80,000 to be paid within 10 days of the execution date (\$105,987 paid)
- USD\$80,000 to be paid within 60 days of the execution date (\$137,540 paid)
- USD\$120,000 to be paid within 18 months of the execution date which can be paid in cash or shares issued by the Company
- USD\$150,000 to be paid within 24 months of the execution date which can be paid in cash or shares issued by the Company
- USD\$650,000 to be paid within 30 months of the execution date which can be paid in cash or shares issued by the Company

##### **Acquisition of property claims in Quebec**

During October 2023, the Company purchased 720 claims in Quebec, Canada for consideration of \$106,248 for 35,496 hectares of land for future exploration. The Company owns 100% working interest in these claims.

#### **6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

Accounts payable and accrued liabilities for the Company are comprised of trade payables. All payables and accrued liabilities for the Company fall due within the next 12 months.

#### **7. SHARE CAPITAL**

##### **Authorized**

The Company has an unlimited number of common shares and preferred shares without par value.

For the nine months ended November 30, 2023:

- The Company closed a non-brokered private placement by the issuance of 3,095,000 units at a price of \$0.50 per unit for gross proceeds of \$1,547,500. Each unit consists of one common share and one non-transferable common share purchase warrant. Each whole warrant will allow the holder to purchase one common share of the Company at a price of \$0.65 per share for a period of two years following the date of a going public transaction.

## **SOUTH AMERICAN LITHIUM CORP.**

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Unaudited)

(Expressed in Canadian Dollars)

FOR THE THREE AND NINE MONTHS ENDED NOVEMBER 30, 2023 AND NOVEMBER 30, 2022

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#### **7. SHARE CAPITAL (continued)**

- The Company received subscriptions of \$905,000 relating to the issuance of 3,016,660 units (closed and issued subsequent to the period) at a price of \$0.30 per unit pursuant to a non-brokered private placement. Each subscription receipt relates to a unit which upon issuance will consist of one common share and one non-transferable common share purchase warrant. Each whole warrant will allow the holder to purchase one common share of the Company at a price of \$0.65 per share for a period of two years following the date of a going public transaction.
- The Company granted 1,000,000 units valued at \$500,000 to Latin Metals in conjunction with El Quemado Project acquisition (Note 5). Each unit consists of one common share and one non-transferable common share purchase warrant. Each whole warrant allows the holder to purchase one common share of the Company at a price of \$1.00 for a period of five years.

For the nine months ended November 30, 2022:

- The Company issued 10,000,000 founders shares at \$0.001 for gross proceeds of \$10,000.
- The Company granted 2,800,000 units issued at a value of \$280,000 in exchange for management and consulting services to the CEO and a director of the Company. Each unit consists of one common share and one non-transferable common share purchase warrant. Each whole warrant allows the holder to purchase one common share of the Company at a price of \$0.20 per share for a period of five years.
- The Company closed a non-brokered private placement by the issuance of 10,425,000 units at a price of \$0.10 per unit for gross proceeds of \$10,042,500. Each unit consists of one common share and one non-transferable common share purchase warrant. Each whole warrant will allow the holder to purchase one common share of the Company at a price of \$0.20 per share for a period of five years.
- The Company received subscriptions of \$337,500 relating to the issuance of 675,000 units at a price of \$0.50 per unit pursuant to a non-brokered private placement. Each subscription receipt relates to a unit which upon issuance will consist of one common share and one non-transferable common share purchase warrant. Each whole warrant will allow the holder to purchase one common share of the Company at a price of \$1.00 per share for a period of two years. In February 2024, the terms of these agreements were amended to a price of \$0.30 per unit with a warrant to allow the holder to purchase one common share of the Company at a price of \$0.65 for two years (Note 12).

#### **Share issuance costs**

During the nine months ended November 30, 2023, share issuance costs totaled \$84,364.

#### **Stock options**

On June 30, 2023, the Company amended an equity incentive plan (the "Stock Option Plan"), effective as of August 5, 2022. The Stock Option Plan allows the Company to grant incentive stock options to directors, officers, employees and consultants of the Company. The Company can grant stock options of up to 15% of the number of voting shares that are issued and outstanding at such time. The vesting period for the incentive stock options shall vest one-third upon each successive year and become fully vested after three years unless it is unanimously approved by the Board otherwise. The expiry date of an option shall be no later than the sixth anniversary of its date of grant. The exercise price of incentive stock options will be set by the Board of Directors of the Company at the time of the grant.

## SOUTH AMERICAN LITHIUM CORP.

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Unaudited)

(Expressed in Canadian Dollars)

FOR THE THREE AND NINE MONTHS ENDED NOVEMBER 30, 2023 AND NOVEMBER 30, 2022

#### 7. SHARE CAPITAL (continued)

During the nine months ended November 30, 2023, the Company granted 2,000,000 stock options to a director of the Company at an exercise price of \$0.15 for a period of 5 years, expiring March 10, 2028. The fair value of the options granted was determined to be \$882,000 using the Black-Sholes option pricing model under the following assumptions: stock price - \$0.50; risk-free rate - 3.96%; expected life - 5 years; expected volatility - 100%, vesting term - immediately and expected dividends - nil.

During the nine months ended November 30, 2023, the Company granted 1,200,000 stock options to directors and consultants of the Company at an exercise price of \$0.15 for a period of 5 years, expiring July 5, 2028. The fair value of the options granted was determined to be \$530,400 using the Black-Sholes option pricing model under the following assumptions: stock price - \$0.50; risk-free rate - 4.25%; expected life - 5 years; expected volatility - 100%, vesting term - immediately and expected dividends - nil.

A continuity of options for the nine months ended November 30, 2023 is as follows:

Expiry date	Exercise Price	February 28, 2023	Granted	November 30, 2023
March 10, 2028	\$0.15	-	2,000,000	2,000,000
July 5, 2028	\$ 0.15	-	1,200,000	1,200,000
Warrants outstanding and exercisable		-	3,200,000	<b>3,200,000</b>
Weighted average exercise price		-	\$0.15	<b>\$ 0.15</b>

#### Warrants

The continuity of warrants for the nine months ended November 30, 2023 is as follows:

Expiry date	Exercise Price	February 28, 2023	Granted	November 30, 2023
July 21, 2027	\$ 0.20	11,225,000	-	11,225,000
September 9, 2027	\$ 0.20	2,000,000	-	2,000,000
March 10, 2028	\$1.00		1,000,000	1,000,000
2 Years from listing date <sup>(1)</sup>	\$0.65 <sup>(1)</sup>	-	3,095,000	3,095,000
Warrants outstanding and exercisable		13,225,000	4,095,000	<b>17,320,000</b>
Weighted average exercise price		\$0.20	\$0.74	<b>\$ 0.33</b>

<sup>(1)</sup> Amended from \$1.00 in November 2023. Expiry date is two years following the closing date of a going public transaction.

#### 8. NON-CONTROLLING INTEREST

On March 22, 2023, the Company closed the acquisition of the Project (Note 5). The non-controlling interest represents equity in Minera Ansootana S.A. that is not attributable to the Company. The carrying value of the non-controlling interest for Minera Ansootana S.A on November 30, 2023 was \$278,773.



## SOUTH AMERICAN LITHIUM CORP.

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Unaudited)

(Expressed in Canadian Dollars)

FOR THE THREE AND NINE MONTHS ENDED NOVEMBER 30, 2023 AND NOVEMBER 30, 2022

#### 8. NON-CONTROLLING INTEREST (continued)

The following table presents the summarized financial information of Minera Ansootana S.A. for the nine months ended November 30, 2023:

	<b>Minera Ansootana S.A.</b>
Ownership interest	70%
Loss for the period	\$ 35,988
Loss attributable to non-controlling interest	\$ 10,797

The following table presents the change in the non-controlling interest:

	<b>Minera Ansootana S.A.</b>
<b>Balance, November 30, 2022</b>	\$ -
Acquisition	289,570
Loss attributable to non-controlling interest	(10,797)
<b>Balance, November 30, 2023</b>	\$278,773

Summarized financial information about Minera Ansootana S.A. is as follows for the nine months ended November 30, 2023:

	<b>November 30, 2023</b>
Current liabilities	\$35,988
Loss	\$35,988

#### 9. RELATED PARTY TRANSACTIONS

Key management personnel are those who have the authority and responsibility for planning, directing, and controlling activities of the Company directly or indirectly. Key management personnel and related parties include the Board of Directors, officers, close family members and entities that are controlled by these individuals.

As at November 30, 2023 and February 28, 2023, \$8,000 and \$37,502, respectively, was due from a director. The amount is unsecured, non-interest bearing and due on demand. As at November 30, 2023 and February 28, 2023, \$70,499 and \$nil, respectively, was due to directors of the Company. The amounts are unsecured, non-interest bearing and due on demand.

During the three and nine months ended November 30, 2023, the Company incurred consulting fees of \$65,013 and \$194,557, respectively, from directors of the Company. During the three and nine months ended November 30, 2022, the Company incurred consulting fees of \$39,210 and \$197,297, respectively, from directors of the Company.

#### 10. SEGMENTED INFORMATION

The Company operates in one reportable operating segment, being the exploration and evaluation of mineral properties in Argentina.

## **SOUTH AMERICAN LITHIUM CORP.**

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Unaudited)

(Expressed in Canadian Dollars)

FOR THE THREE AND NINE MONTHS ENDED NOVEMBER 30, 2023 AND NOVEMBER 30, 2022

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#### **11. FINANCIAL AND CAPITAL RISK MANAGEMENT**

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 the Company's cash and cash equivalents, receivables, accounts payable and accrued liabilities, approximates carrying value, due to their short-term nature. Fair value of other assets approximates the carrying value as they are recorded at market interest rate. The Company is exposed to varying degrees to a variety of financial instrument related 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 and cash equivalents is held in interest bearing accounts at large financial institutions in both Canada and Argentina. The Company has no investment in asset backed commercial paper.

##### *Liquidity risk*

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at November 30, 2023, the Company had cash and cash equivalents of \$507,059 to settle current liabilities of \$184,054. The Company is considered to be in the exploration and evaluation stage. Thus, it is dependent on obtaining regular financings in order to continue its exploration and evaluation programs. Despite previous success in acquiring these financings, there is no guarantee of obtaining future financings. The Company's cash is invested in business accounts with quality financial institutions, is available on demand for the Company's programs, and is not invested in any asset backed commercial paper.

##### *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 has no debt instruments that bear variable interest rates. The interest earned on the investments approximates fair value rates, and the Company is not at a significant risk to fluctuating interest rates.

##### b) Foreign currency risk

The Company's operations are in Canada and Argentina. The international nature of the Company's operations results in foreign exchange risk as transactions are denominated in foreign currency.

## **SOUTH AMERICAN LITHIUM CORP.**

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Unaudited)

(Expressed in Canadian Dollars)

FOR THE THREE AND NINE MONTHS ENDED NOVEMBER 30, 2023 AND NOVEMBER 30, 2022

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#### **11. FINANCIAL AND CAPITAL RISK MANAGEMENT (continued)**

The operating results and the financial position of the Company are reported in Canadian dollars. The fluctuations of the operating currencies in relation to the Canadian dollar will, consequently, have an impact upon the reported results of the Company and may also affect the value of the Company's assets and liabilities. As at November 30, 2023, the Company has determined that a 10% increase or decrease in these currencies against the Canadian dollar would result in a \$67,000 change to profit or loss for the year.

The Company has not entered into any agreements or purchased any instruments to hedge possible currency risks at this time.

##### 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 the commodity prices of lithium, and the stock market to determine the appropriate course of action to be taken by the Company.

Based on management's knowledge and experience of the financial markets, management does not believe that the Company's current financial instruments will be affected by interest rate risk, currency risk and credit risk.

##### *Capital management*

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration of its exploration and evaluation assets, acquire additional exploration and evaluation assets and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company includes components of shareholders' equity. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash. The Company is not subject to any externally imposed capital requirements. There have been no changes to the Company's approach to capital management in the period.

#### **12. SUBSEQUENT EVENTS**

Subsequent to November 30, 2023, the following events occurred:

- The Company received subscriptions of \$240,000 relating to the issuance of 800,000 units at \$0.30 per unit through a non-brokered private placement. Each unit consists of one common share and one non-transferable common share purchase warrant. Each whole warrant allows the holder to purchase one common share of the Company at a price of \$0.65 per share for a period of two years following the closing date of a going public transaction.
- The Company received subscriptions of \$11,000 relating to the issuance of 36,666 units at \$0.30 per unit through a non-brokered private placement. Each unit consists of one common share and one non-transferable common share purchase warrant. Each whole warrant allows the holder to purchase one common share of the Company at a price of \$0.65 per share for a period of two years following the closing date of a going public transaction. The Company closed the non-brokered private placement by the issuance of units.

## **SOUTH AMERICAN LITHIUM CORP.**

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Unaudited)

(Expressed in Canadian Dollars)

FOR THE THREE AND NINE MONTHS ENDED NOVEMBER 30, 2023 AND NOVEMBER 30, 2022

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### **12. SUBSEQUENT EVENTS (continued)**

- The Company received subscriptions of \$20,633 relating to the issuance of 2,063,333 common shares at \$0.01 per common share through a non-brokered private placement. The Company closed the non-brokered private placement by the issuance of common shares.
- In February 2024, the Company amended the terms of the outstanding subscription agreements (Note 7) from \$0.50 per unit to \$0.30 per unit. Each whole common share purchase warrant will allow the holder to purchase one common share of the Company at a price of \$0.65 for a period of two years following the closing date of a going public transaction.

# SOUTH AMERICAN LITHIUM CORP.

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## Report to Shareholders and Management Discussion and Analysis

### Of the Financial Position and Results of Operations

#### For the Quarter Ended November 30, 2023

Dated: March 07, 2023

#### TO OUR SHAREHOLDERS:

This Management's Discussion and Analysis ("MD&A") supplements, but does not form part of, the financial statements of South American Lithium Corp. (the "Company") and the notes thereto for the nine months ended November 30, 2023. Consequently, the following discussion and analysis of the financial condition and results of operations for the Company should be read in conjunction with the financial statements for the nine months ended November 30, 2023, which have been prepared in accordance with International Financial Reporting Standards ("IFRS").

#### Forward looking statements

Certain statements contained in the following MD&A and elsewhere constitute forward-looking statements. Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks set forth in the Company's filings and herein.

The table below sets forth the significant forward-looking information included in this MD&A:

Forward-Looking Information	Key Assumptions	Most Relevant Risk Factors
Future funding for ongoing operations	The Company will be able to raise these funds.	Failure to raise these funds will materially impact the Company's ability to continue as a going concern.

#### General

The Company was incorporated in the province of Alberta, Canada on March 1, 2022. The Company is in the exploration stage and in the process of exploring mineral properties in Argentina. The Company has not yet determined whether these properties contain economic reserves. The head office and records office of the Company are located at suite 333 7 Ave SW #800, Calgary, Alberta, T2P 2Z1.

# SOUTH AMERICAN LITHIUM CORP.

Canadian Funds

## MANAGEMENT DISCUSSION AND ANALYSIS

### Highlights, significant events and transactions

The Company did not carry out any exploration on its mineral exploration properties. During the quarter the focus for the Company was on advancing its agreement with Pursuit Gold Inc. whereby the Company and Pursuit have agreed to amalgamate (the “**Proposed Transaction**”). On July 14, 2023, the Company and Pursuit signed a definitive amalgamation agreement (the “**Amalgamation Agreement**”) whereby the Company completes a reverse takeover of Pursuit which is listed on the Canadian Securities Exchange (the “**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**”). Upon completion of the Proposed Transaction, the Resulting Issuer will change its name to “South American Lithium Corp.”

#### Summary of Proposed Transaction

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.

It is a condition to completion of the Proposed Transaction that the Company completes a non-brokered market financing for gross proceeds of a minimum of \$1,500,000 (the “**Private Placement**”). Without taking the securities to be issued under the Private Placement into consideration, upon completion of the Proposed Transaction, it is anticipated that existing shareholders of the Company will hold approximately 70% of the outstanding authorized share structure of the Resulting Issuer on an undiluted basis and the former holders of Pursuit Common Shares will hold approximately 30%.

On March 22, 2023, Purchase Options were exercised under an Agreement entered into on August 23, 2022 for 26 mineral exploration concessions whereby the Company owns 70% of the shares of Minera Ansotana S.A. and, therefore, 70% of the 26 mineral exploration concessions.

On March 1, 2023, the Company, further to a letter of intent signed on September 29, 2022, entered into an agreement with Latin Metals and Cardero for the purchase of certain mining properties that form part of the El Quemado Project located Salta, Argentina. Key terms include the following:

- \$400,000 to be paid within 10 days of the period granted for acceptance of the offer (paid).
- \$500,000 in units of the Company to be paid within 10 days from acceptance, as follows: i) 1,000,000 common shares (issued) and ii) 1,000,000 common share purchase warrants exercisable at \$1.00 per warrant for a 5-year term (issued).
- Up to \$150,000 for certain properties for which the Company obtains approval of an investment plan, as defined in the agreement.

In addition, the Company shall grant Latin a 2% royalty over the net smelter return (the “**Royalty**”). Latin will have the right, at any time prior to a production decision, to purchase one half of the Royalty from the Royalty Holder for USD\$3,000,000, in which case the Royalty will be reduced to 1%. The Company is currently in the process of having title of the concessions transferred.

On June 28, 2023 the Company entered into an option agreement with Simon Pérez Alsina (“**Alsina**”) to acquire the Yacones property in Salta Province, Argentina. The Yacones property consists of 7,626 hectares and is located

# SOUTH AMERICAN LITHIUM CORP.

Canadian Funds

## MANAGEMENT DISCUSSION AND ANALYSIS

with the Salar del Rincon basin which is prospective for lithium bearing salars. The terms of the option are as follows:

- US\$80,000 in cash to Alsina upon execution (“**Execution Date**”) of the Yacones Option (paid);
- an option in favour of Sebastián Virgili San Millán (“**Millán**”) to purchase 300,000 shares of SALi at a price of US\$0.15 per share for a period of 30 months;
- US\$80,000 payable to Alsina in cash 60 days after the Execution Date (paid);
- US\$120,000 in cash payable to Millán, plus an additional US\$120,000 payable in cash or shares of SALi, at SALi’s option, 18 months after the Execution Date;
- US\$150,000 in cash payable to Millán, plus an additional US\$150,000 payable in cash or shares of SALi, at SALi’s option, 24 months after the Execution Date; and
- US\$650,000 in cash payable to Millán, plus US\$650,000 payable in cash or shares of SALi, at SALi’s option, 30 months after the Execution Date.

During October 2023, the Company purchased 720 claims in Quebec, Canada for consideration of \$106,248 for 35,496 hectares of land for future exploration. The Company owns 100% working interest in these claims.

The Company closed a non-brokered private placement by the issuance of 3,095,000 units at a price of \$0.50 per unit for gross proceeds of \$1,547,500. Each unit consists of one common share and one non-transferable common share purchase warrant. Each whole warrant will allow the holder to purchase one common share of the Company at a price of \$1.00 per share for a period of one year.

The Company received subscriptions of \$905,000 relating to the issuance of 3,016,660 units (closed and issued subsequent to the period) at a price of \$0.30 per unit pursuant to a non-brokered private placement. Each subscription receipt relates to a unit which upon issuance will consist of one common share and one non-transferable common share purchase warrant. Each whole warrant will allow the holder to purchase one common share of the Company at a price of \$0.65 per share for a period of two years following the date of a going public transaction.

The Company granted 2,000,000 options to the CEO. The options entitle the holder to acquire one common share in the Company at an exercise price of \$0.10 with an expiry date that is five years from the date of grant.

The Company granted 1,200,000 stock options to other directors and consultants of the Company. The options entitle the holder to acquire one common share in the Company at an exercise price of \$0.15 with an expiry date that is five years from the date of grant.

### Selected Quarterly Information

<b>Nine months ended</b>	November 30, 2023	November 30, 2022
Total Revenues	\$ -	\$ -
Net Loss	2,011,131	426,077
Basic and Diluted Loss Per Share	0.08	0.03
Total Assets	3,532,851	1,061,437

# SOUTH AMERICAN LITHIUM CORP.

Canadian Funds

## MANAGEMENT DISCUSSION AND ANALYSIS

### Long-Term Financial Liabilities

- -

The increase in net loss in the nine months ended November 30, 2023 compared to November 30, 2022 is primarily due to an increase in stock-based compensation, management and consulting fees, and exploration expenses. The increase in total assets in the quarter ended November 30, 2023 compared to November 30, 2022 is primarily due to the increase in exploration and evaluation assets. See note 5 of the financial statements for further information regarding these transactions.

### Results of operations

The net loss for the nine months ended November 30, 2023 was \$2,011,131. Including stock-based compensation of \$1,412,400 the main fluctuations in costs are as follows:

	November 30, 2023	November 30, 2022
<b>Management and consulting fees</b>	\$ 359,313	\$ 238,987

	August 31, 2023	August 31, 2022
<b>Exploration expenses</b>	\$ 101,608	\$ 173,322

### Summary of quarterly results

The Company has not reported quarterly results in past and accordingly this section has not been completed.



# SOUTH AMERICAN LITHIUM CORP.

*Canadian Funds*

## MANAGEMENT DISCUSSION AND ANALYSIS

### Outstanding Shares

As at November 30, 2023, the Company had 27,320,000 common shares issued and outstanding and 17,320,000 warrants.

### Financial Position and Liquidity

The Company's financial instruments consist of cash, amounts receivable, and accounts payable and accrued liabilities. The Company has no speculative financial instruments, derivatives, forward contracts or hedges.

Fair Value – As at November 30, 2023, the carrying values of amounts receivable, and accounts payable and accrued liabilities approximate their fair values due to their short term to maturity.

### Capital management

The Company's capital structure consists of cash and shareholders' equity. The Company's objective when managing capital is to maintain adequate levels of funding to support the acquisition and exploration of resource properties 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 invests all capital that is surplus to its immediate operational needs in short-term, highly-liquid, high-grade financial instruments. There were no changes to the Company's approach to capital management during the period. The Company is not subject to externally imposed capital requirements.

### Risk factors

Companies face many and varied kinds of risks. While risk management cannot eliminate the impact of all potential risks, the Company strives to manage such risks to the extent possible and practical. Following are the risk factors most applicable to the Company.

#### a) Fair values of financial assets and liabilities

The Company's financial instruments include cash, amounts receivable and, accounts payable and accrued liabilities. At November 30, 2023, the carrying value of cash is fair value. Amounts receivable and, accounts payable and accrued liabilities approximate their fair value due to their short term to maturity.

#### b) Liquidity risk

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time. As the Company has no significant source of cash flows this is a significant risk.

# SOUTH AMERICAN LITHIUM CORP.

Canadian Funds

## MANAGEMENT DISCUSSION AND ANALYSIS

### Environmental

Exploration and development projects are subject to the environmental laws and regulations of the jurisdictions within which the Company is conducting its operations. As such laws are subject to change, the Company carefully monitors proposed and potential changes, and ensures that it is and will be in strict compliance.

Various non-governmental organizations dedicated to environmental protection monitors, amongst others, the mining industry. These organizations have in the past commenced actions with the regulatory agencies or the courts to prevent or delay resource extraction activities.

### Related party transactions

Related party transactions and balances not disclosed elsewhere in the financial statements are as follows:

#### RELATED PARTY DISCLOSURE

Name and Principal Position	Period <sup>(1)</sup>	Remuneration or fees <sup>(2)</sup>	Share-based awards	Due from related party <sup>(3)</sup>
Dustin Nanos – President and Director	2023	\$ 72,000	\$ 882,000	\$8,000
Jose Decastro – Director	2023	121,699		
Jose Decastro – Alchemia	2023			\$ 630,000

(1) For the nine months ended November 30, 2023

(2) Amounts disclosed were paid or accrued to the related party

(3) Amount relates to a prepaid fee and a prepaid deposit for mineral exploration expenses

### Off balance sheet arrangements

The Company has no off-balance sheet arrangements.

### Proposed transactions

There are no proposed transactions.

# SOUTH AMERICAN LITHIUM CORP.

*Canadian Funds*

## MANAGEMENT DISCUSSION AND ANALYSIS

### Critical accounting estimates

The Company's key estimates relate the valuation of warrants, the recognition of deferred income tax assets, valuation and recoverability of resource properties. Actual results may differ from these estimates.

Depreciation and depletion of property, plant and equipment assets are dependent upon estimates of useful lives and reserve estimates, both of which are determined with the exercise of judgement. The assessment of any impairment of property, plant and equipment is dependent upon estimates of recoverable amount that take into account factors such as reserves, economic and market conditions and the useful lives of assets. Provisions for environmental rehabilitations are recognised in the period in which they arise and are stated as the fair value of estimated future costs.

The Company bases its estimates and assumptions on current facts, historical experience, and various other factors that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and the accrual of costs and expenses that are not readily apparent from other sources. These estimates require extensive judgement about the nature, cost and timing of the work to be completed, and may change with future changes to costs, environmental laws and regulations and remediation practices. The actual results experienced by the Company may differ materially and adversely from the Company's estimates. To the extent there are material differences between the estimates and the actual results, future results of operations will be affected.

### Investor relations activities

The company has no investor relations contract in force at this time.

### Subsequent Events

The Company received subscriptions of \$240,000 relating to the issuance of 800,000 units at \$0.30 per unit through a non-brokered private placement. Each unit consists of one common share and one non-transferable common share purchase warrant. Each whole warrant allows the holder to purchase one common share of the Company at a price of \$0.65 per share for a period of two years following the closing date of a going public transaction.

The Company received subscriptions of \$11,000 relating to the issuance of 36,666 units at \$0.30 per unit through a non-brokered private placement. Each unit consists of one common share and one non-transferable common share purchase warrant. Each whole warrant allows the holder to purchase one common share of the Company at a price of \$0.65 per share for a period of two years following the closing date of a going public transaction. The Company closed the non-brokered private placement by the issuance of units.

The Company received subscriptions of \$20,633 relating to the issuance of 2,063,333 common shares at \$0.01 per common share through a non-brokered private placement. The Company closed the non-brokered private placement by the issuance of common shares.

In February 2024, the Company amended the terms of the outstanding subscription agreements from \$0.50 per unit to \$0.30 per unit. Each whole common share purchase warrant will allow the holder to purchase one common share of the Company at a price of \$0.65 for a period of two years following the closing date of a going public transaction.

In February 2024, the Company entered into an agreement to terminate the agreement with Alchemia. The agreement was settled for net consideration of \$300,000.

# SOUTH AMERICAN LITHIUM CORP.

Canadian Funds

## MANAGEMENT DISCUSSION AND ANALYSIS

### Approval

The Board of Directors of South American Lithium has approved the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it.

### A Cautionary Tale

*This document contains “forward-looking information” which may include, but is not limited to, statements with respect to the future financial or operating performance of the Company, its subsidiaries and its projects, the future supply, demand, inventory, production and price of mineral resources, the estimation of reserves and resources, the realization of reserve estimates, the timing and amount of estimated future production, costs of production, capital, operating and exploration expenditures, costs and timing of the development of new deposits, costs and timing of future exploration, requirements for additional capital, government regulation operations, environmental risks, reclamation expenses, title disputes or claims, limitations of insurance coverage and the timing and possible outcome of pending litigation and regulatory matters.*

*Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “expects”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates”, or “believes” or variations (including negative variations) of such words and phrases, or state that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company and/or its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, general business, economic, competitive, political and social uncertainties; the actual results of current exploration activities; actual results of reclamation activities; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; future prices of resources; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the resource industry; political instability, insurrection or war; delays in obtaining governmental approvals or financing or in the completion of development or construction activities. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.*



**SALI**

**SOUTH AMERICAN LITHIUM CORP.**

*(an exploration stage company)*

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED FEBRUARY 28, 2023

## INDEPENDENT AUDITOR'S REPORT

To the Directors of  
South American Lithium Corp.

### *Opinion*

We have audited the accompanying consolidated financial statements of South American Lithium Corp. (the "Company"), which comprise the consolidated statement of financial position as at February 28, 2023 and the consolidated statements of loss and comprehensive loss, cash flows, and changes in shareholders' equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at February 28, 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS").

### *Basis for Opinion*

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

### *Key Audit Matters*

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our auditor's report.

### *Other Information*

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

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



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

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

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

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

### ***Auditor's Responsibilities for the Audit of the Consolidated Financial Statements***

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

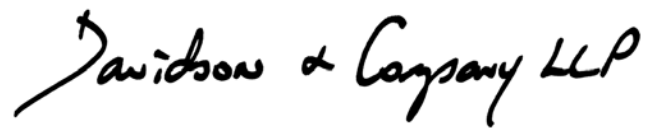
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

A handwritten signature in black ink that reads "Davidson & Coysany LLP". The signature is written in a cursive, flowing style.

Vancouver, Canada

Chartered Professional Accountants

June 22, 2023



**SOUTH AMERICAN LITHIUM CORP.**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT FEBRUARY 28, 2023**  
(Expressed in Canadian dollars)

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**ASSETS**

**Current assets**

Cash and cash equivalents	\$	478,774
Receivables		13,584
Due from related party (Note 8)		37,502
Deposits (Note 4)		600,000
Total current assets		1,129,860

**Long term assets**

Deferred acquisition costs (Note 5)		339,729
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**Total assets**

\$	1,469,589
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**LIABILITIES AND SHAREHOLDERS' EQUITY**

**Current liabilities**

Accounts payable and accrued liabilities (Note 6)	\$	47,267
Total current liabilities		47,267

**Total liabilities**

47,267

**Shareholders' equity**

Share capital (Note 7)		1,325,559
Subscriptions received		632,500
Deficit		(535,737)
Total shareholders' equity		1,422,322

**Total liabilities and shareholders' equity**

\$	1,469,589
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**Nature and continuance of operations** (Note 1)

**Subsequent events** (Note 11)

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

**SOUTH AMERICAN LITHIUM CORP.**  
**CONSOLIDATED STATEMENT OF LOSS AND COMPREHENSIVE LOSS**  
**YEAR ENDED FEBRUARY 28, 2023**  
(Expressed in Canadian dollars)

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**EXPENSES**

Management and consulting fees (Note 8)	\$ 381,472
Exploration expenses	182,169
Office and administration	9,090
Investor relations	2,879
Rentals	14,810
Travel	12,900
Interest income	(641)
Foreign exchange	(66,942)

**Net loss and comprehensive loss for the year** \$ 535,737

**Basic and diluted loss per common share** \$ 0.03

**Weighted average number of common shares outstanding -**  
**Basic and diluted** 17,370,742

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

**SOUTH AMERICAN LITHIUM CORP.**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**YEAR ENDED FEBRUARY 28, 2023**  
(Expressed in Canadian dollars)

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Net loss for the year	\$ (535,737)
Items not involving cash:	
Shares for services	280,000
Changes in non-cash working capital items:	
Receivables	(13,584)
Due from related party	(37,502)
Accounts payable and accrued liabilities	<u>47,267</u>
<b>Net cash used in operating activities</b>	<b><u>(259,556)</u></b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Deposits	(600,000)
Deferred acquisition costs	<u>(339,729)</u>
<b>Net cash used in investing activities</b>	<b><u>(939,729)</u></b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Proceeds from issuance of share capital	1,052,500
Share issuance costs	(6,941)
Subscriptions received	<u>632,500</u>
<b>Net cash provided by financing activities</b>	<b><u>1,678,059</u></b>
<b>Change in cash and cash equivalents during the year</b>	<b>478,774</b>
<b>Cash and cash equivalents, beginning of the year</b>	<b><u>-</u></b>
<b>Cash and cash equivalents, end of the year</b>	<b>\$ <u>478,774</u></b>
Cash	\$ 372,918
Cash equivalents	<u>\$ 105,856</u>
	<b>\$ 478,774</b>

There were no non-cash investing or financing activities during the year ended February 28, 2023. The Company paid no cash for taxes or interest.

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

**SOUTH AMERICAN LITHIUM CORP.**  
**CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
(Expressed in Canadian dollars)

	Number of Shares	Share capital	Subscriptions received	Deficit	Total
<b>Balance at March 1, 2022</b>	-	\$ -	\$ -	\$ -	\$ -
Private placement	20,425,000	1,052,500	-	-	1,052,500
Share issuance costs	-	(6,941)	-	-	(6,941)
Shares for services	2,800,000	280,000	-	-	280,000
Subscriptions received	-	-	632,500	-	632,500
Net loss for the year	-	-	-	(535,737)	(535,737)
<b>Balance at February 28, 2023</b>	<b>23,225,000</b>	<b>1,325,559</b>	<b>632,500</b>	<b>(535,737)</b>	<b>1,422,322</b>

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

# **SOUTH AMERICAN LITHIUM CORP.**

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

FOR THE YEAR ENDED FEBRUARY 28, 2023

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### **1. NATURE AND CONTINUANCE OF OPERATIONS**

South American Lithium Corp (“the Company” or “SALi”) was incorporated on March 1, 2022 under the Business Corporations Act of the Province of Alberta. The Company’s principal business is the acquisition and exploration of exploration and evaluation assets. The Company’s registered and records office is at Suite 333 7 Ave SW #800, Calgary, AB, T2P 2Z1. The Company is private.

The Company’s consolidated financial statements are presented in Canadian dollars which is the functional currency of the Company and its subsidiary.

At the date of these consolidated financial statements, the Company has not been able to identify a known body of commercial grade ore on any of its exploration and evaluation assets. The ability of the Company to realize the costs it has incurred to date on these exploration and evaluation assets is dependent upon the Company being able to identify a commercial ore body, to finance its exploration costs and to resolve any environmental, regulatory or other constraints which may hinder the successful development of the exploration and evaluation asset. To date, the Company has not earned revenues and is considered to be in the early exploration stage.

#### Going Concern of Operations

These consolidated financial statements have been prepared assuming the Company will continue on a going-concern basis. The Company has incurred losses since inception and the ability of the Company to continue as a going-concern depends upon its ability to develop profitable operations and to continue to raise adequate financing. Management is actively targeting sources of additional financing through other business and financial transactions which would assure continuation of the Company’s operations and exploration programs. At February 28, 2023, the Company had cash and cash equivalents of \$478,774. The Company’s continuation as a going concern is dependent upon the successful results from its exploration activities and its ability to attain profitable operations and generate funds therefrom and/or raise equity capital or borrowings sufficient to meet current and future obligations. The Company estimates it has sufficient working capital to continue operations for the upcoming year.

### **2. BASIS OF PREPARATION**

#### **Statement of Compliance**

These consolidated financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”).

The financial statements were authorized for issue by the Audit Committee and Board of Directors on June 21, 2023.

The consolidated financial statements have been prepared on a historical cost basis, except for financial instruments measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the period. Actual results could 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 estimates are revised and in any future periods affected.

## SOUTH AMERICAN LITHIUM CORP.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

FOR THE YEAR ENDED FEBRUARY 28, 2023

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## 2. BASIS OF PREPARATION (continued)

### Statement of Compliance (continued)

#### *Critical Accounting Judgements*

The following are key assumptions concerning the future and other key sources of estimation uncertainty that have significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

1. *Going concern of operations:* The financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The assessment of the Company's ability to source future operations and continue as a going concern involves judgement. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. If the going concern assumption is not appropriate for the financial statements, then adjustments would be necessary in the carrying value of assets and liabilities, the reported expenses and the statement of financial position classifications used (Note 1).
2. *Determination of functional currency:* The Company determines the functional currency through the analysis of several indicators such as expenses and cash flow, financing activities, and frequency of transactions with the parent entity.

## 3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below are applied consistently to all years presented in these consolidated financial statements.

### **Basis of consolidation**

These consolidated financial statements include the financial statements of the Company and the entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. All intercompany balances and transactions, income and expenses have been eliminated upon consolidation.

The financial statements include the financial statements of South American Lithium Corp. and its subsidiary listed in the following table:

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<b>Name of Subsidiary</b>	<b>Country of Incorporation</b>	<b>Ownership Interest</b>	<b>Principal Activity</b>
South American Lithium S.A.	Argentina	100%	Mineral exploration

## **SOUTH AMERICAN LITHIUM CORP.**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

FOR THE YEAR ENDED FEBRUARY 28, 2023

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#### **3. SIGNIFICANT ACCOUNTING POLICIES (continued)**

##### **Foreign currencies**

The functional currency is the currency of the primary economic environment in which the entity operates and has been determined for each entity within the Company. The functional currency for all entities within the Company is the Canadian dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, The Effects of Changes in Foreign Exchange Rates.

Transactions in foreign currencies are initially recorded in the Company's functional currency at the exchange rate at the date of transaction. Monetary assets and liabilities of the Company that are denominated in foreign currencies are re-translated at the rate of exchange prevailing at the statement of financial position date. Non-monetary assets and liabilities are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when fair value is determined. Exchange gains and losses arising on translation are included in profit or loss.

##### **Cash and cash equivalents**

Cash and cash equivalents consist of cash on deposit with banks and investment-grade short-term deposit certificates that are readily convertible into a fixed amount of cash. As at February 28, 2023, the Company has \$25,274 in cash equivalents.

##### **Receivables**

Receivables are recorded at face value less any provisions for uncollectible accounts considered necessary.

##### **Financial instruments**

###### Financial assets

On initial recognition, financial assets are recognized at fair value and are subsequently classified and measured at: (i) amortized cost; (ii) fair value through other comprehensive income ("FVOCI"); or (iii) fair value through profit or loss ("FVTPL"). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial asset is measured at fair value net of transaction costs that are directly attributable to its acquisition except for financial assets at FVTPL where transaction costs are expensed. All financial assets not classified and measured at amortized cost or FVOCI are measured at FVTPL. On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income.

The classification determines the method by which the financial assets are carried on the statement of financial position subsequent to inception and how changes in value are recorded. Cash and cash equivalents, due from related party and deposits are measured at amortized cost with subsequent impairments recognized in profit or loss.

###### Financial liabilities

Financial liabilities are designated as either: (i) fair value through profit or loss; or (ii) amortized cost. All financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities at FVTPL. The classification determines the method by which the financial liabilities are carried on the statement of financial position subsequent to inception and how changes in value are recorded. Accounts payable and accrued liabilities are classified and measured at amortized cost on the statement of financial position.

As of February 28, 2023, the Company does not have any derivative financial liabilities.

## **SOUTH AMERICAN LITHIUM CORP.**

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

FOR THE YEAR ENDED FEBRUARY 28, 2023

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#### **3. SIGNIFICANT ACCOUNTING POLICIES (continued)**

##### **Exploration and evaluation assets**

###### *Pre-exploration costs*

Pre-exploration costs are expensed in the period in which they are incurred.

###### *Exploration and evaluation expenditures*

All direct costs related to the acquisition of exploration and evaluation assets are capitalized upon acquiring the legal right to explore a property. Exploration and evaluation expenditures incurred prior to the determination of the feasibility of mining operations and a decision to proceed with development, are charged to profit or loss as incurred.

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditure costs, in excess of estimated recoveries, are written off to profit or loss.

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as “mines under construction.” Exploration and evaluation assets are also tested for impairment before the assets are transferred to development properties.

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

###### *Deferred acquisition costs*

Costs incurred in relation to transactions that are pending at the end of the reporting period are recognized as deferred acquisition costs until the closing of such transactions or expensed if such transactions do not complete.

##### **Rehabilitation provision**

The Company is subject to various government laws and regulations relating to environmental disturbances caused by exploration and evaluation activities. The Company records the present value of the estimated costs of legal and constructive obligations required to restore the exploration sites in the period in which the obligation is incurred. The nature of the rehabilitation activities includes restoration, reclamation and re-vegetation of the affected exploration sites.

The rehabilitation provision generally arises when the environmental disturbance is subject to government laws and regulations. When the liability is recognized, the present value of the estimated costs is capitalized by increasing the carrying amount of the related mining assets. Over time, the discounted liability is increased for the changes in present value based on current market discount rates and liability specific risks. Additional environment disturbances or changes in rehabilitation costs will be recognized as additions to the corresponding assets and rehabilitation liability in the period in which they occur.

The Company does not have any rehabilitation obligations.



## **SOUTH AMERICAN LITHIUM CORP.**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

FOR THE YEAR ENDED FEBRUARY 28, 2023

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#### **3. SIGNIFICANT ACCOUNTING POLICIES (continued)**

##### **Contingent consideration**

Contingent consideration from an asset acquisition is recognized when: (i) the conditions associated with the contingency are met; (ii) the Company has a present legal or constructive obligation that can be estimated reliably; and (iii) and it is probable that an outflow of economic benefits will be required to settle the obligation.

##### **Warrants issued in equity financing transactions**

The Company engages in equity financing transactions to obtain the funds necessary to continue operations and explore and evaluate mineral properties. These equity financing transactions may involve the issuance of common shares or units. A unit comprises a certain number of common shares and a certain number of share purchase warrants (“Warrants”). Depending on the terms and conditions of each equity financing agreement (“Agreement”), the Warrants are exercisable into additional common shares prior to expiry at a price stipulated by the Agreement. Warrants that are part of units are valued based on the residual value method. Warrants that are issued as payment for agency fees or other transactions costs are accounted for as share-based payments.

##### **Income taxes**

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 year end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded by 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 which affect neither accounting nor taxable loss as well as differences relating to investments in subsidiaries to the extent that they will probably not 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 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.

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.

##### **Recent accounting pronouncements**

There were no new accounting standards or amendments to standards that were applicable to the Company for the year ended February 28, 2023, nor does the Company expect any that have not yet become effective to have a significant impact on its consolidated financial statements.

## **SOUTH AMERICAN LITHIUM CORP.**

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

FOR THE YEAR ENDED FEBRUARY 28, 2023

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#### **3. SIGNIFICANT ACCOUNTING POLICIES (continued)**

##### **Loss per share**

Loss per share is computed by dividing net loss available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted loss per share is computed similar to basic loss per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options, warrants and conversion of convertible notes, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

#### **4. DEPOSITS**

During the year ended February 28, 2023, the Company advanced funds to Alchemia LLC (“Alchemia”), a company controlled by a director, for future exploration costs related to its exploration projects (Note 5). On March 1, 2023, the Company formalized an agreement for the advances whereby the funds previously advanced would bear interest at 10% per annum and be repaid monthly over a 12 month period beginning on June 1, 2023, primarily by way of construction services for access to the Company’s exploration projects (Note 5).

#### **5. DEFERRED ACQUISITION COSTS**

On May 30, 2022, the Company entered into a letter of intent with Enrique José Vidal and Francisco Vidal (collectively, the “Vidals”) for the sale and acquisition of the El Quemado Project (the “Project”) located in the province of Salta, Argentina. In compensation for the negotiations to be held, the Company paid USD\$50,000 (\$64,670).

On August 23, 2022, the Company entered into a series of agreements (the “Agreement”) with the Vidals to acquire 70% of the shares of Minera Ansotana S.A., owner of 22 mining concessions making up the El Quemado Project, as well as the option to purchase an additional 4 concessions connected to the Project (collectively, the “Purchase Options”) from Enrique José Vidal upon completion of the following:

- An initial payment of US\$120,000 and US\$30,000 within 15 days of signing (\$205,259 paid);
- US\$240,000 and US\$60,000 to be paid within 6 months of signing the agreement and upon notice of exercise of the option (the “Option Date”), provided that the primary exploration campaign is satisfactory (completed and paid subsequent to year-end);
- Upon the shares being transferred and the additional concessions being notarized in the name of Minera Ansotana S.A., the Company shall pay US\$160,000 and US\$40,000 every 6 months until a Pre-feasibility Study (“PFS”) under NI 43-101 or JORC codes is presented;
- Following the PFS, a payment of US\$400,000 and US\$100,000 shall be paid within 15 days; and
- Upon completion of a Feasibility Study, an additional payment of US\$400,000 and US\$100,000 shall be paid within 15 days.

Once the Purchase Options have been exercised under the Agreement, the Company will assign the 4 concessions to Minera Ansotana S.A. who will be the final owner of 100% of the mining properties that make up the Project. The Company will own 70% of the shares of Minera Ansotana S.A. and, therefore, 70% of the Project.

## **SOUTH AMERICAN LITHIUM CORP.**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

FOR THE YEAR ENDED FEBRUARY 28, 2023

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#### **5. DEFERRED ACQUISITION COSTS (continued)**

On September 29, 2022, the Company entered into a letter of intent with Latin Metals Inc. ("Latin Metals") and its subsidiary, Cardero Argentina S.A. ("Cardero"), for the option to acquire 100% of Cardero's interest in certain mining concessions comprising the El Quemado Project located in Salta, Argentina. In consideration for the option and exclusivity period granted, the Company paid a non-refundable amount of USD\$50,000 (\$69,800) to Latin Metals.

The Company entered into a definitive agreement and acquired the concessions subsequent to year end (Note 11).

#### **6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

Accounts payable and accrued liabilities for the Company are comprised of trade payables. All payables and accrued liabilities for the Company fall due within the next 12 months.

#### **7. SHARE CAPITAL**

##### **Authorized**

The Company has an unlimited number of common shares and preferred shares without par value.

During the year ended February 28, 2023:

- The Company issued 10,000,000 founders shares at \$0.001 for gross proceeds of \$10,000.
- The Company closed a non-brokered private placement by the issuance of 10,425,000 units at a price of \$0.10 per unit for gross proceeds of \$1,042,500. Each unit consists of one common share and one non-transferable common share purchase warrant. Each whole warrant allows the holder to purchase one common share of the Company at a price of \$0.20 per share for a period of five years.
- The Company granted 2,800,000 units issued at a value of \$280,000 in exchange for management and consulting services to the CEO and a director of the Company. Each unit consists of one common share and one non-transferable common share purchase warrant. Each whole warrant allows the holder to purchase one common share of the Company at a price of \$0.20 per share for a period of five years.
- The Company received subscriptions of \$632,500 relating to the issuance of 1,265,000 units at a price of \$0.50 per unit pursuant to an open non-brokered private placement. Each subscription receipt relates to a unit which upon issuance will consist of one common share and one non-transferable common share purchase warrant. Each whole warrant will allow the holder to purchase one common share of the Company at a price of \$1.00 per share for a period of one year.

##### **Share issuance costs**

During the year ended February 28, 2023, share issuance costs totaled \$6,941.

##### **Stock options**

During the year ended February 28, 2023, the Company did not grant any stock options.

## SOUTH AMERICAN LITHIUM CORP.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

FOR THE YEAR ENDED FEBRUARY 28, 2023

#### 7. SHARE CAPITAL (continued)

##### Warrants

The continuity of warrants for the year ended February 28, 2023 is as follows:

Expiry date	Exercise Price	March 1, 2022	Granted	February 28, 2023
July 21, 2027	\$ 0.20	-	11,225,000	11,225,000
September 9, 2027	\$ 0.20	-	2,000,000	2,000,000
Warrants outstanding and exercisable		-	13,225,000	<b>13,225,000</b>
Weighted average exercise price		-	\$0.20	<b>\$ 0.20</b>

#### 8. RELATED PARTY TRANSACTIONS

Related party personnel are those who have the authority and responsibility for planning, directing, and controlling activities of the Company directly or indirectly. Related parties include the Board of Directors, officers, close family members and entities that are controlled by these individuals.

During the year ended February 28, 2023, the Company:

- issued 800,000 units valued at \$80,000 (Note 7) for management fees paid to the Company's CEO.

- issued 2,000,000 units valued at \$200,000 (Note 7) to a director to be applied against current (\$92,364) and future consulting fees, as well as exploration costs previously paid and incurred on behalf of the Company (\$70,134). As at February 28, 2023, \$37,502 was due from the director. The amount is unsecured, non-interest bearing and due on demand. The Company also incurred additional consulting fees paid in cash of \$65,748.

As at February 28, 2023, \$nil accounts payable and accrued liabilities were owed to related parties.

#### 9. SEGMENTED INFORMATION

The Company operates in one reportable operating segment, being the exploration and evaluation of mineral properties in Argentina.

#### 10. FINANCIAL AND CAPITAL RISK MANAGEMENT

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.

## **SOUTH AMERICAN LITHIUM CORP.**

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

FOR THE YEAR ENDED FEBRUARY 28, 2023

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#### **10. FINANCIAL AND CAPITAL RISK MANAGEMENT (continued)**

The fair value of the Company's cash and cash equivalents, receivables, accounts payable and accrued liabilities, approximates carrying value, due to their short-term nature. Fair value of other assets approximates the carrying value as they are recorded at market interest rate. The Company is exposed to varying degrees to a variety of financial instrument related 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 and cash equivalents is held in interest bearing accounts at large financial institutions in both Canada and Argentina. The Company has no investment in asset backed commercial paper.

The Company's receivables consist mainly of GST/VAT due from the governments of Canada and Argentina. As such, the Company does not believe it is subject to significant credit risk.

##### *Liquidity risk*

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at February 28, 2023, the Company had cash and cash equivalents of \$478,774 to settle current liabilities of \$47,267. The Company is considered to be in the exploration and evaluation stage. Thus, it is dependent on obtaining regular financings in order to continue its exploration and evaluation programs. Despite previous success in acquiring these financings, there is no guarantee of obtaining future financings. The Company's cash is invested in business accounts with quality financial institutions, is available on demand for the Company's programs, and is not invested in any asset backed commercial paper.

##### *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 has no debt instruments that bear variable interest rates. The interest earned on the investments approximates fair value rates, and the Company is not at a significant risk to fluctuating interest rates.

##### b) Foreign currency risk

The Company's operations are in Canada and Argentina. The international nature of the Company's operations results in foreign exchange risk as transactions are denominated in foreign currency.

The operating results and the financial position of the Company are reported in Canadian dollars. The fluctuations of the operating currencies in relation to the Canadian dollar will, consequently, have an impact upon the reported results of the Company and may also affect the value of the Company's assets and liabilities. As at February 28, 2023, the Company has determined that a 10% increase or decrease in these currencies against the Canadian dollar would result in a \$71,000 change to profit or loss for the year.

## **SOUTH AMERICAN LITHIUM CORP.**

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

FOR THE YEAR ENDED FEBRUARY 28, 2023

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#### **10. FINANCIAL AND CAPITAL RISK MANAGEMENT (continued)**

b) Foreign currency risk (continued)

The Company has not entered into any agreements or purchased any instruments to hedge possible currency risks at this time.

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 the commodity prices of lithium, and the stock market to determine the appropriate course of action to be taken by the Company.

Based on management's knowledge and experience of the financial markets, management does not believe that the Company's current financial instruments will be affected by interest rate risk, currency risk and credit risk.

*Capital management*

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration of its exploration and evaluation assets, acquire additional exploration and evaluation assets and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company includes components of shareholders' equity. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash. The Company is not subject to any externally imposed capital requirements.

#### **11. SUBSEQUENT EVENTS**

Subsequent to February 28, 2023, the following events occurred:

- On March 1, 2023, the Company, Latin Metals and Cardero entered into an agreement for the purchase of certain mining properties that form part of the El Quemado Project (Note 5) located Salta, Argentina. Key terms include the following:
  - \$400,000 to be paid within 10 days of the period granted for acceptance of the offer (paid).
  - \$500,000 in units of the Company to be paid within 10 days from acceptance, as follows: i) 1,000,000 common shares (issued) and ii) 1,000,000 common share purchase warrants exercisable at \$1.00 per warrant for a 5 year term (issued).
  - Up to \$150,000 for certain properties for which the Company obtains approval of an investment plan, as defined in the agreement.

In addition, the Company shall grant Latin a 2% royalty over the net smelter return (the "Royalty"). Latin will have the right, at any time prior to a production decision, to purchase one half of the Royalty from the Royalty Holder for USD\$3,000,000, in which case the Royalty will be reduced to 1%.

The Company is currently in the process of having title of the concessions transferred.

## SOUTH AMERICAN LITHIUM CORP.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

FOR THE YEAR ENDED FEBRUARY 28, 2023

#### 11. SUBSEQUENT EVENTS (continued)

- The Company received subscriptions of \$885,000 relating to the issuance of 1,770,000 units at \$0.50 per unit through an open non-brokered private placement. Each unit consists of one common share and one non-transferable common share purchase warrant. Each whole warrant allows the holder to purchase one common share of the Company at a price of \$1.00 per share for a period of one year.

#### 12. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows for the year ended February 28, 2023:

		<b>2023</b>
Loss for the year	\$	(535,737)
Expected income tax (recovery)	\$	(145,000)
Change in statutory, foreign tax, foreign exchange rates and Permanent differences		2,000
Share issue cost		(2,000)
Change in unrecognized deductible temporary differences		141,000
<b>Total income tax expense (recovery)</b>	<b>\$</b>	<b>-</b>

The significant components of the Company's deferred tax assets that have not been included on the statement of financial position are as follows:

	<b>2023</b>
Deferred tax assets (liabilities)	
Share issue costs	1,000
Non-Capital losses	140,000
<b>Net deferred tax assets (liability)</b>	<b>\$ 141,000</b>

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the statement of financial position are as follows:

		<b>2023</b>	<b>Expiry Date Range</b>
<b>Temporary Differences</b>			
Share issue costs	\$	6,000	No expiry date
Non-Capital losses	\$	523,000	2028 to 2043
Canada		511,000	2043
Argentina		12,000	2028

Tax attributes are subject to review, and potential adjustment, by tax authorities.

# SOUTH AMERICAN LITHIUM CORP.

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## Report to Shareholders and Management Discussion and Analysis

### Of the Financial Position and Results of Operations

For the Year Ended February 28, 2023

Dated: August 3, 2023

#### TO OUR SHAREHOLDERS:

This Management's Discussion and Analysis ("MD&A") supplements, but does not form part of, the financial statements of South American Lithium Corp. (the "Company") and the notes thereto for the year ended February 28, 2023. Consequently, the following discussion and analysis of the financial condition and results of operations for the Company should be read in conjunction with the financial statements for the year ended February 28, 2023, which have been prepared in accordance with International Financial Reporting Standards ("IFRS").

#### Forward looking statements

Certain statements contained in the following MD&A and elsewhere constitute forward-looking statements. Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks set forth in the Company's filings and herein.

The table below sets forth the significant forward-looking information included in this MD&A:

Forward-Looking Information	Key Assumptions	Most Relevant Risk Factors
Future funding for ongoing operations	The Company will be able to raise these funds.	Failure to raise these funds will materially impact the Company's ability to continue as a going concern.

#### General

The Company was incorporated in the province of Alberta, Canada on March 1, 2022. The Company is in the exploration stage and in the process of exploring mineral properties in Argentina. The Company has not yet determined whether these properties contain economic reserves. The head office and records office of the Company are located at suite 333 7 Ave SW #800, Calgary, Alberta, T2P 2Z1.



# SOUTH AMERICAN LITHIUM CORP.

Canadian Funds

## MANAGEMENT DISCUSSION AND ANALYSIS

### Highlights, significant events and transactions

On May 30, 2022, the Company entered into a letter of intent with Enrique José Vidal and Francisco Vidal (collectively, the "Vidals") for the sale and acquisition of the El Quemado Project (the "Project") located in the province of Salta, Argentina. In compensation for the negotiations to be held, the Company paid USD\$50,000 (\$64,670).

On August 23, 2022, the Company entered into a series of agreements (the "Agreement") with the Vidals to acquire 70% of the shares of Minera Ansotana S.A., owner of 22 mining concessions making up the El Quemado Project, as well as the option to purchase an additional 4 concessions connected to the Project (collectively, the "Purchase Options") from Enrique José Vidal upon completion of the following:

- An initial payment of US\$120,000 and US\$30,000 within 15 days of signing (\$205,259 paid);
- US\$240,000 and US\$60,000 to be paid within 6 months of signing the agreement and upon notice of exercise of the option (the "Option Date"), provided that the primary exploration campaign is satisfactory (completed and paid subsequent to year-end);
- Upon the shares being transferred and the additional concessions being notarized in the name of Minera Ansotana S.A., the Company shall pay US\$160,000 and US\$40,000 every 6 months until a Pre-feasibility Study ("PFS") under NI 43-101 or JORC codes is presented;
- Following the PFS, a payment of US\$400,000 and US\$100,000 shall be paid within 15 days; and
- Upon completion of a Feasibility Study, an additional payment of US\$400,000 and US\$100,000 shall be paid within 15 days.

Once the Purchase Options have been exercised under the Agreement, the Company will assign the 4 concessions to Minera Ansotana S.A. who will be the final owner of 100% of the mining properties that make up the Project. The Company will own 70% of the shares of Minera Ansotana S.A. and, therefore, 70% of the Project.

On September 29, 2022, the Company entered into a letter of intent with Latin Metals Inc. ("Latin Metals") and its subsidiary, Cardero Argentina S.A. ("Cardero"), for the option to acquire 100% of Cardero's interest in certain mining concessions comprising the El Quemado Project located in Salta, Argentina. In consideration for the option and exclusivity period granted, the Company paid a non-refundable amount of USD\$50,000 (\$69,800) to Latin Metals.

During the year ended February 28, 2023 the Company completed its first exploration on the El Quemado Property. Before conducting field work the Company carried out remote sensing analysis and data review and compilation. Following the desktop work the Company initiated a field programme commencing with a drone survey followed by mapping and systematic sampling of pegmatite outcrops in one area of the El Quemado property known as Santa Elena. South American Lithium took 24 samples from channels and chips from five pegmatites. The samples were taken in 100m intervals. Additionally, the Company took eight rock samples from a dump in the vicinity of historical small workings in the Santa Elena area. Lithium bearing minerals, columbite and tantalite were observed in and around many of the pegmatites.

The sampling returned positive results with 40 samples returning lithium grades greater than 0.5% and 13 returning grades greater than 1.0%. The highest grade of lithium from the sampling was 2.02% with an average grade of 1.51%.

During the year ended February 28, 2023, the Company issued 10,000,000 founders shares at \$0.001 for gross proceeds of \$10,000. The Company closed a non-brokered private placement by the issuance of 10,425,000 units at a price of \$0.10 per unit for gross proceeds of \$1,042,500. Each unit consists of one common share and one non-transferable common share purchase warrant. Each whole warrant allows the holder to purchase one common share of the Company at a price of \$0.20 per share for a period of five years. The Company granted 2,800,000 units issued at a value of \$280,000 in exchange for management and consulting services to the CEO and a director of the

## SOUTH AMERICAN LITHIUM CORP.

Canadian Funds

### MANAGEMENT DISCUSSION AND ANALYSIS

Company. Each unit consists of one common share and one non-transferable common share purchase warrant. Each whole warrant allows the holder to purchase one common share of the Company at a price of \$0.20 per share for a period of five years. The Company received subscriptions of \$632,500 relating to the issuance of 1,265,000 units at a price of \$0.50 per unit pursuant to an open non-brokered private placement. Each subscription receipt relates to a unit which upon issuance will consist of one common share and one non-transferable common share purchase warrant. Each whole warrant will allow the holder to purchase one common share of the Company at a price of \$1.00 per share for a period of one year.

#### Selected Annual Information

<b>Fiscal Year Ended</b>	<b>February 28, 2023</b>
Total Revenues	\$ -
Net Loss	535,737
Basic and Diluted Loss Per Share	0.03
Total Assets	1,469,589
Long-Term Financial Liabilities	-

### Results of operations

The loss for the year ended 28 February 2023 was \$535,737. The main fluctuations in costs are as follows:

<b>Management and consulting fees</b>	<b>28 February 2023</b>
	\$ 381,472

<b>Exploration expenses</b>	<b>28 February 2023</b>
	\$ 182,169

### Summary of quarterly results

The Company has not reported quarterly results in past and accordingly this section has not been completed.

# SOUTH AMERICAN LITHIUM CORP.

*Canadian Funds*

## MANAGEMENT DISCUSSION AND ANALYSIS

### Outstanding Shares

As at February 28, 2023, the Company had 23,225,000 common shares issued and outstanding and 13,225,000 warrants.

### Financial Position and Liquidity

The Company's financial instruments consist of cash, amounts receivable, and accounts payable and accrued liabilities. The Company has no speculative financial instruments, derivatives, forward contracts or hedges.

Fair Value – As at February 28, 2023, the carrying values of amounts receivable, and accounts payable and accrued liabilities approximate their fair values due to their short term to maturity.

### Capital management

The Company's capital structure consists of cash and shareholders' equity. The Company's objective when managing capital is to maintain adequate levels of funding to support the acquisition and exploration of resource properties 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 invests all capital that is surplus to its immediate operational needs in short-term, highly-liquid, high-grade financial instruments. There were no changes to the Company's approach to capital management during the period. The Company is not subject to externally imposed capital requirements.

### Risk factors

Companies face many and varied kinds of risks. While risk management cannot eliminate the impact of all potential risks, the Company strives to manage such risks to the extent possible and practical. Following are the risk factors most applicable to the Company.

#### a) Fair values of financial assets and liabilities

The Company's financial instruments include cash, amounts receivable and, accounts payable and accrued liabilities. At February 28, 2023, the carrying value of cash is fair value. Amounts receivable and, accounts payable and accrued liabilities approximate their fair value due to their short term to maturity.

#### b) Liquidity risk

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time. As the Company has no significant source of cash flows this is a significant risk.

# SOUTH AMERICAN LITHIUM CORP.

Canadian Funds

## MANAGEMENT DISCUSSION AND ANALYSIS

### Environmental

Exploration and development projects are subject to the environmental laws and regulations of the jurisdictions within which the Company is conducting its operations. As such laws are subject to change, the Company carefully monitors proposed and potential changes, and ensures that it is and will be in strict compliance.

Various non-governmental organizations dedicated to environmental protection monitors, amongst others, the mining industry. These organizations have in the past commenced actions with the regulatory agencies or the courts to prevent or delay resource extraction activities.

### Related party transactions

Related party transactions and balances not disclosed elsewhere in the financial statements are as follows:

<b>RELATED PARTY DISCLOSURE</b>			
<b>Name and Principal Position</b>	<b>Period <sup>(1)</sup></b>	<b>Remuneration or fees <sup>(2)</sup></b>	<b>Share-based awards</b>
Dustin Nanos – President and Director	2023	\$ -	\$ 80,000
Jose Decastro - Director	2023	65,748	200,000
			-
			-
			-
			-
			-
			-

(1) For the year ended February 28, 2023

(2) Amounts disclosed were paid or accrued to the related party

### Off balance sheet arrangements

The Company has no off-balance sheet arrangements.

### Proposed transactions

There are no proposed transactions.

# SOUTH AMERICAN LITHIUM CORP.

*Canadian Funds*

## MANAGEMENT DISCUSSION AND ANALYSIS

### Critical accounting estimates

The Company's key estimates relate the valuation of warrants, the recognition of deferred income tax assets, valuation and recoverability of resource properties. Actual results may differ from these estimates.

Depreciation and depletion of property, plant and equipment assets are dependent upon estimates of useful lives and reserve estimates, both of which are determined with the exercise of judgement. The assessment of any impairment of property, plant and equipment is dependent upon estimates of recoverable amount that take into account factors such as reserves, economic and market conditions and the useful lives of assets. Provisions for environmental rehabilitations are recognised in the period in which they arise and are stated as the fair value of estimated future costs.

The Company bases its estimates and assumptions on current facts, historical experience, and various other factors that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and the accrual of costs and expenses that are not readily apparent from other sources. These estimates require extensive judgement about the nature, cost and timing of the work to be completed, and may change with future changes to costs, environmental laws and regulations and remediation practices. The actual results experienced by the Company may differ materially and adversely from the Company's estimates. To the extent there are material differences between the estimates and the actual results, future results of operations will be affected.

### Investor relations activities

The company has no investor relations contract in force at this time.

### Subsequent Events

On March 1, 2023 the Company, Latin Metals and Cardero entered into an agreement for the purchase of certain mining properties that form part of the El Quemado Project located Salta, Argentina. Key terms include the following:

- \$400,000 to be paid within 10 days of the period granted for acceptance of the offer (paid).
- \$500,000 in units of the Company to be paid within 10 days from acceptance, as follows: i) 1,000,000 common shares (issued) and ii) 1,000,000 common share purchase warrants exercisable at \$1.00 per warrant for a 5-year term (issued).
- Up to \$150,000 for certain properties for which the Company obtains approval of an investment plan, as defined in the agreement.

In addition, the Company shall grant Latin a 2% royalty over the net smelter return (the "Royalty"). Latin will have the right, at any time prior to a production decision, to purchase one half of the Royalty from the Royalty Holder for USD\$3,000,000, in which case the Royalty will be reduced to 1%.

The Company is currently in the process of having title of the concessions transferred.

The Company issued 3,095,000 units at \$0.50 per unit for gross proceeds of \$1,547,500 through a non-brokered private placement. Each unit consists of one common share and one non-transferable common share purchase warrant. Each whole warrant allows the holder to purchase one common share of the Company at a price of \$1.00 per share for a period of one year.

The Company granted 3,200,000 options to directors and consultants. 2,000,000 options entitle the holder to acquire one common share in the Company at an exercise price of \$0.10 with an expiry date that is five years from

# SOUTH AMERICAN LITHIUM CORP.

Canadian Funds

## MANAGEMENT DISCUSSION AND ANALYSIS

the date of grant. 1,200,000 options entitle the holder to acquire one common share in the Company at an exercise price of \$0.10 with an expiry date that is five years from the date of grant.

On June 28, 2023 the Company entered into an option agreement with Simon Pérez Alsina (“**Alsina**”) to acquire the Yacones property in Salta Province, Argentina. The Yacones property consists of 7,626 hectares and is located with the Salar del Rincon basin which is prospective for lithium bearing salars. The terms of the option are as follows:

- US\$80,000 in cash to Alsina upon execution (“**Execution Date**”) of the Yacones Option;
- an option in favour of Sebastián Virgili San Millán (“**Millán**”) to purchase 300,000 shares of SALi at a price of US\$0.15 per share for a period of 30 months;
- US\$80,000 payable to Alsina in cash 60 days after the Execution Date;
- US\$120,000 in cash payable to Millán, plus an additional US\$120,000 payable in cash or shares of SALi, at SALi’s option, 18 months after the Execution Date;
- US\$150,000 in cash payable to Millán, plus an additional US\$150,000 payable in cash or shares of SALi, at SALi’s option, 24 months after the Execution Date; and
- US\$650,000 in cash payable to Millán, plus US\$650,000 payable in cash or shares of SALi, at SALi’s option, 30 months after the Execution Date.

## Approval

The Board of Directors of South American Lithium has approved the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it.

All scientific and technical information contained in this MD&A was reviewed and approved by Jose de Castro Alem, a director of the Company and a qualified person for the purposes of NI 43-101.

## A Cautionary Tale

*This document contains “forward-looking information” which may include, but is not limited to, statements with respect to the future financial or operating performance of the Company, its subsidiaries and its projects, the future supply, demand, inventory, production and price of mineral resources, the estimation of reserves and resources, the realization of reserve estimates, the timing and amount of estimated future production, costs of production, capital, operating and exploration expenditures, costs and timing of the development of new deposits, costs and timing of future exploration, requirements for additional capital, government regulation operations, environmental risks, reclamation expenses, title disputes or claims, limitations of insurance coverage and the timing and possible outcome of pending litigation and regulatory matters.*

*Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “expects”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates”, or “believes” or variations (including negative variations) of such words and phrases, or state that certain actions, events or results “may”,*

## **SOUTH AMERICAN LITHIUM CORP.**

*Canadian Funds*

### **MANAGEMENT DISCUSSION AND ANALYSIS**

*“could”, “would”, “might” or “will” be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company and/or its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, general business, economic, competitive, political and social uncertainties; the actual results of current exploration activities; actual results of reclamation activities; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; future prices of resources; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the resource industry; political instability, insurrection or war; delays in obtaining governmental approvals or financing or in the completion of development or construction activities. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.*

***APPENDIX "B" - Pro Forma Consolidated Financial Statements of Resulting Issuer***

**[See attached]**



# **SOUTH AMERICAN LITHIUM CORP.**

## **Pro Forma Condensed Consolidated Financial Statements**

**For the nine-month period ended November 30, 2023 and the year ended February 28, 2023**

**(Unaudited)**

**(Expressed in Canadian Dollars)**

**SOUTH AMERICAN LITHIUM CORP.**  
**PRO FORMA CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

November 30, 2023

(Unaudited) (Expressed in Canadian Dollars)

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As at	Pursuit Gold Corp. February 29, 2024 \$	South American Lithium Corp. November 30, 2023 \$	Pro Forma Adjustments Note \$	Pro Forma Consolidated November 30, 2023 \$
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	5,463	507,059	1,176,000 4(a) 20,633 4(d)	1,709,155
GST receivable and other receivables	3,642	6,790		10,432
Due from related party	-	8,000	-	8,000
Deferred share issuance costs	-	60,064	-	60,064
Deposits	-	630,000	-	630,000
Prepaid expenses	3,500	-	-	3,500
	12,605	1,211,913	1,196,633	2,421,151
Deferred acquisition costs	-	-	-	-
Exploration and evaluation assets	-	2,320,938	300,000 4(e)	2,620,938
<b>TOTAL ASSETS</b>	<b>12,605</b>	<b>3,532,851</b>	<b>1,496,633</b>	<b>5,042,089</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Accounts payable and accrued liabilities	84,189	113,555	50,000 4(c)	247,744
Due to related party	-	70,499	-	70,499
Promissory notes	31,747	-	-	31,747
	115,936	184,054	50,000	349,990
<b>TOTAL LIABILITIES</b>	<b>115,936</b>	<b>184,054</b>	<b>50,000</b>	<b>349,990</b>
<b>SHAREHOLDERS' EQUITY</b>				
Share capital	576,400	3,288,695	1,176,000 4(a) (576,400) 4(b) 4,934,700 4(c) 300,000 4(e) 20,633 4(d)	9,720,028
Contributed surplus	93,495	-	(93,495) 4(b)	-
Subscriptions received	-	905,000	-	905,000
Reserves	-	1,412,400	204,393 4(c)	1,616,793
Deficit	(773,226)	(2,536,071)	773,226 4(b) (5,292,424) 4(c)	(7,828,495)
Non-controlling interest	-	278,773	-	278,773
	(103,331)	3,348,797	1,446,633	4,692,099
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>12,605</b>	<b>3,532,851</b>	<b>1,496,633</b>	<b>5,042,089</b>

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

**SOUTH AMERICAN LITHIUM CORP.**  
**PRO FORMA CONDENSED CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**  
February 28, 2023  
(Unaudited) (Expressed in Canadian Dollars)

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Year ended	Pursuit Gold Corp. November 30, 2023	South American Lithium Corp. February 28, 2023	Pro Forma Adjustments Note	Pro Forma Consolidated February 28, 2023
	\$	\$	\$	\$
<b>EXPENSES</b>				
Management and consulting fees	30,000	381,472	-	411,472
Exploration expenses	-	182,169	-	182,169
General and administrative	2,248	9,090	-	11,338
Insurance	13,402	-	-	13,402
Investor relations	-	2,879	-	2,879
Professional fees	162,447	-	-	162,447
Rentals	-	14,810	-	14,810
Share-based payments	67,167	-	-	67,167
Transfer agent and filing fees	26,980	-	-	26,980
Travel	-	12,900	-	12,900
Interest income	-	(641)	-	(641)
Foreign exchange gain	-	(66,942)	-	(66,942)
<b>Net loss before other items</b>	<b>(302,244)</b>	<b>(535,737)</b>	<b>-</b>	<b>(837,981)</b>
<b>Other items</b>				
Listing fee	-	-	(5,292,424) 4(c)	(5,292,424)
Mineral property impairment	-	-	-	-
<b>Net loss and comprehensive loss for the year</b>	<b>(302,244)</b>	<b>(535,737)</b>	<b>(5,292,424)</b>	<b>(6,130,405)</b>
<b>Loss attributable to:</b>				
Shareholders of the Company	(302,244)	(528,453)	(5,292,424)	(6,123,121)
Non-controlling interest	-	(7,284)	-	(7,284)
<b>Net loss per share, basic and diluted</b>			\$	(0.13)
<b>Weighted average number of shares outstanding, basic and diluted</b>				46,657,325

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

**SOUTH AMERICAN LITHIUM CORP.**  
**PRO FORMA CONDENSED CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**

November 30, 2023

(Unaudited) (Expressed in Canadian Dollars)

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	Note 7 Pursuit Gold Corp. 9 months ended February 29, 2024 \$	South American Lithium Corp. 9 months ended November 30, 2023 \$	Pro Forma Adjustments Note	Pro Forma Consolidated 9 months ended November 30, 2023 \$
<b>EXPENSES</b>				
Management and consulting fees	22,500	359,313	-	381,813
Exploration expenses	-	101,608	-	101,608
General and administrative	4,852	68,404	-	73,256
Insurance	9,109	-	-	9,109
Investor relations	-	8,358	-	8,358
Professional fees	98,233	-	-	98,233
Rentals	-	56,188	-	56,188
Share-based payments	-	1,412,400	-	1,412,400
Transfer agent and filing fees	17,843	-	-	17,843
Travel	-	70,917	-	70,917
Interest income	-	(30,000)	-	(30,000)
Foreign exchange gain	-	(36,057)	-	(36,057)
<b>Net loss before other items</b>	<b>(152,537)</b>	<b>(2,011,131)</b>	<b>-</b>	<b>(2,163,668)</b>
<b>Other item</b>				
Listing fee	-	-	(5,292,424) 4(c)	(5,292,424)
<b>Net loss and comprehensive loss for the period</b>	<b>(152,537)</b>	<b>(2,011,131)</b>	<b>(5,292,424)</b>	<b>(7,456,092)</b>
<b>Loss attributable to:</b>				
Shareholders of the Company	(152,537)	(2,000,334)	(5,292,424)	(7,445,295)
Non-controlling interest	-	(10,797)	-	(10,797)
<b>Net loss per share, basic and diluted</b>			\$	(0.15)
<b>Weighted average number of shares outstanding, basic and diluted</b>				50,752,325

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

**SOUTH AMERICAN LITHIUM CORP.**  
**NOTES TO THE PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

November 30, 2023

*(Unaudited) (Expressed in Canadian Dollars)*

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**1. DESCRIPTION OF THE TRANSACTION**

On July 14, 2023, Pursuit Gold Corp. ("Pursuit") entered into a definitive amalgamation agreement, which was amended and reinstated January 31, 2024 (the "Amalgamation Agreement") with South American Lithium Corp. ("the "Company" or "SALi"), a private Alberta corporation, pursuant to which the Pursuit and the Company have agreed to carry out an amalgamation (the "Proposed Transaction") that will result in a reverse takeover ("RTO") of Pursuit by the Company, which will constitute a "fundamental change" of Pursuit under the policies of the Canadian Securities Exchange ("CSE").

In accordance with the terms of the Amalgamation Agreement, the Proposed Transaction is structured as a three-cornered amalgamation whereby the Company will amalgamate with a wholly owned subsidiary of Pursuit, with SALi surviving as a wholly-owned subsidiary of Pursuit. The current shareholders of the Company will become shareholders of Pursuit. Pursuant to the Amalgamation Agreement, all SALi common shares outstanding will be exchanged for common shares of Pursuit on a 1:1 basis and outstanding convertible securities of SALi will become exercisable to acquire Pursuit's shares, also on a 1:1 basis in accordance with their terms. SALi has been identified as the accounting acquirer, and the net assets of Pursuit at the date of the RTO are deemed to have been acquired by SALi.

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

It is a condition to completion of the Proposed Transaction that the Company completes a non-brokered market private placement for net proceeds sufficient to provide the working capital required to satisfy the listing requirements of the CSE, on terms mutually agreeable to the Company and Pursuit (the "SALi Private Placement"). 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.

**2. BASIS OF PRESENTATION**

The unaudited pro forma condensed consolidated statement of financial position as at November 30, 2023, and the unaudited pro forma condensed consolidated statement of loss and comprehensive loss for the nine month period ended November 30, 2023 and for the year ended February 28, 2023, have been prepared, for illustrative purposes only, to give effect to the Proposed Transaction that will result in a takeover of Pursuit by the Company pursuant to the assumptions described in notes 3 and 4 of these unaudited pro forma condensed consolidated financial statements. These unaudited pro forma condensed consolidated financial statements have been prepared based on financial statements prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS") and have been compiled from the following historical information:

**SOUTH AMERICAN LITHIUM CORP.**  
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**2. BASIS OF PRESENTATION (Cont'd)**

- a) A pro forma condensed consolidated statement of financial position combining:
  - i. The unaudited condensed consolidated interim statement of financial position of SALi as at November 30, 2023; and
  - ii. The unaudited condensed interim statement of financial position of Pursuit as at February 29, 2024.
  
- b) A pro forma condensed consolidated statement of loss and comprehensive loss for the nine-month period ending November 30, 2023 combining:
  - i. The unaudited condensed consolidated interim statement of loss and comprehensive loss of the SALi for the nine-month period ended November 30, 2023; and
  - ii. The constructed nine-month period ended February 29, 2024 of Pursuit by taking the audited statement of loss and comprehensive loss for the year ended November 30, 2023, and deducting the results of the unaudited condensed interim six-month period ending May 31, 2023, then adding the results of the unaudited condensed interim three-month period ending February 28, 2024.
  
- c) A pro forma condensed consolidated statement of loss for the year ended February 28, 2023 combining:
  - i. The audited consolidated statement of loss and comprehensive loss of the SALi for the year ended February 28, 2023; and
  - ii. The audited statement of loss and comprehensive loss of Pursuit for the year ended November 30, 2023.

The unaudited pro forma condensed consolidated statement of financial position as at November 30, 2023, has been prepared as if the transactions described in notes 3 and 4 had occurred on November 30, 2023. The unaudited pro forma condensed consolidated statement of loss and comprehensive loss for the nine-month period ended November 30, 2023, have been prepared as if the transactions described in notes 3 and 4 had occurred on March 1, 2023. The unaudited pro forma condensed consolidated statement of loss and comprehensive loss for the year ended February 28, 2023, have been prepared as if the transactions described in notes 3 and 4 had occurred on March 1, 2022.

The unaudited pro forma condensed consolidated financial statements are not intended to reflect the financial performance or the financial position of the Company, which would have actually resulted had the transaction been effected on the dates indicated. Actual amounts recorded upon consummation of the Amalgamation Agreement will likely differ from those recorded in the unaudited pro forma condensed consolidated financial statement information. Similarly, the calculation and allocation of the purchase price has been prepared on a preliminary basis and is subject to change between the time such preliminary estimations were made and closing as a result of several factors which could include among others: changes in fair value of assets acquired and liabilities assumed and the market price of the related shares.

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**2. BASIS OF PRESENTATION (Cont'd)**

Any potential synergies that may be realized and integration costs that may be incurred upon consummation of the transactions have been excluded from the unaudited pro forma financial information. Further, the unaudited pro forma financial information is not necessarily indicative of the financial performance that may be obtained in the future. The unaudited pro forma condensed consolidated financial statements should be read in conjunction with the audited financial statements of Pursuit for the years ended November 30, 2023 and 2022, the unaudited interim condensed financial statements of Pursuit for the three months ended February 29, 2024 and February 29, 2023, the audited consolidated financial statements of SALi for the years ended February 28, 2023 and 2022, and notes thereto; as well as the unaudited interim condensed consolidated financial statements of SALi for the three and nine months ended November 30, 2023 and 2022.

The accounting policies used in the preparation of these unaudited pro forma condensed consolidated financial statements are those set out in the Company's audited consolidated financial statements as at February 28, 2023 and 2022. In preparing the unaudited pro forma condensed consolidated financial statements, a review was undertaken to identify accounting policy differences between the Company and Pursuit where the impact was potentially material. The significant accounting policies of Pursuit conform in all material respects to those of the Company.

**3. REVERSE TAKEOVER OF PURSUIT BY SALI**

Pursuant to the RTO, Pursuit will acquire all of the outstanding shares of SALi by way of a three-cornered amalgamation and change its name to "South American Lithium Corp." (Note 1). The transaction will be completed by way of a share exchange between the shareholders of Pursuit and the shareholders of SALi. In exchange for 100% of the issued and outstanding shares of SALi, the shareholders of Pursuit will receive an aggregate of 16,449,000 common shares of the Company. Stock options of Pursuit and SALi will be exchanged for equivalent stock options of the Company.

The transaction will result in SALi obtaining control of the combined entity by obtaining control of governance and management decision-making processes, and the resulting authority to govern the financial and operating policies of the combined entity. The transaction constitutes a RTO of Pursuit by SALi and has been accounted for as a RTO transaction in accordance with IFRS 2, Share-based payments. The Company did not meet the definition of a business in accordance with IFRS 3, Business combinations, as such, the transaction does not constitute a business combination.

For accounting purposes, SALi is treated as the accounting parent (legal subsidiary) and Pursuit as the accounting subsidiary (legal parent). The fair value of the consideration paid by SALi less the fair value of net assets acquired of Pursuit constitutes the listing fee and has been recorded in the statement of loss and comprehensive loss.

The RTO was measured at the fair value of the shares that SALi would have had to issue to the shareholders of Pursuit, being 16,449,000 common shares, to give the shareholders of Pursuit the same percentage of equity interest in the combined entity that results from the reverse acquisition had it taken the legal form of SALi acquiring Pursuit.

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**3. REVERSE TAKEOVER OF PURSUIT BY SALi (Cont'd)**

The consideration given by SALi will be valued at the date of closing of the transaction and therefore the final consideration may be significantly different from that used in these unaudited pro forma condensed consolidated financial statements. A change of 10% in the share price would increase or decrease the consideration expected to be transferred by approximately \$493,470. Therefore, it is likely that the purchase price and fair values of assets and liabilities acquired will vary from those shown above and the differences may be material.

For the purpose of these unaudited pro forma condensed consolidated financial statements:

- i. a total of 16,449,000 Pursuit common shares outstanding will be exchanged on a 1:1 basis between Pursuit and SALi. The value of the SALi common shares issued was calculated based on the SALi Private Placement price \$0.30. The final common share purchase consideration will be determined based on the market price of SALi's common shares on the closing date of the acquisition.

The preliminary allocation of the purchase price for the purposes of these unaudited pro forma condensed consolidated financial statements is summarized in the table below:

**The purchase price is allocated as follows:**

	<b>Amount</b>
Fair value of Pursuit shares (16,449,000 common shares at \$0.30 per share)	\$ 4,934,700
Fair value of replacement options	\$ 204,393
Transaction costs	\$ 50,000
<b>Consideration</b>	<b>\$ 5,189,093</b>
<b>Net Assets Acquired:</b>	
Net current assets	12,605
Accounts payable and accrued liabilities	(115,936)
<b>Net Assets:</b>	<b>\$ (103,331)</b>
<b>Listing fee</b>	<b>\$ 5,292,424</b>



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**4. PRO FORMA ASSUMPTIONS AND ADJUSTMENTS**

The unaudited pro forma condensed consolidated statement of financial position and the condensed consolidated statement of loss and comprehensive loss as at November 30, 2023, and the condensed consolidated statement of income (loss) and comprehensive income (loss) for the year ended February 28, 2023 reflects the following adjustments:

- a) To record the \$1,176,000 SaLi Private Placement based on \$0.30 per unit ("Unit") offered for 3,919,992 SALi common shares. Each Unit is comprised of one common share and one share purchase warrant exercisable for a period of 24 months from the time of listing of the Company at an exercise price of \$0.65 to acquire one common share of SALi or the Company.
- b) Elimination of historical equity of Pursuit.
- c) To record the reverse takeover transaction referred to in Note 3.
- d) To record 2,063,333 shares which SALi issued at a price of \$0.01 to the investors in the first tranche of the Unit private placement which closed on August 1, 2023, to reduce the effective price to those investors from \$0.50 per unit to \$0.30 per unit.
- e) To record SALi's issuance of 1,000,000 shares for the acquisition of the Mineral Antosana Property on March 25, 2024.

**5. SHARE CAPITAL**

The Company's authorized share capital permits for an unlimited number of common shares without par value.

The Company's issued and outstanding shares, after reflecting the additional shares resulting from transactions described in notes 3 and 4 at November 30, 2023, are as follows:

	Number of shares	Value
March 1, 2023, issued and outstanding	23,225,000	1,325,559
Share consideration issued in connection with:		
Issuance of common shares from private placement ("Tranche 1")	3,095,000	1,463,136
Additional common shares issued for Tranche 1 to reduce effective price	2,063,333	20,633
Issuance of common shares for exploration and evaluation assets	1,000,000	500,000
SALi private placement	3,919,992	1,176,000
SALi's share issuance to acquire Pursuit on a 1:1 basis	16,449,000	4,934,700
Issuance of common shares for exploration and evaluation assets	1,000,000	300,000
November 30, 2023, issued and outstanding	50,752,325	9,720,028

**5. SHARE CAPITAL (Cont'd)**

The Company's stock options at November 30, 2023, are as follows:

Number Outstanding	Exercise Price	Expiry Date
800,000	0.10	5-May-28
2,000,000	0.15	10-Mar-28
1,200,000	0.15	5-Jul-28
4,000,000	\$ 0.14	

The Company's issued and outstanding share purchase warrants, after reflecting the additional share purchase warrants resulting from transactions described in notes 3 and 4 at November 30, 2023, are as follows:

Number Outstanding	Exercise Price	Expiry Date
11,225,000	\$ 0.20	21-Jul-27
2,000,000	0.20	9-Sep-27
1,000,000	1.00	10-Mar-28
3,095,000	0.65*	24 Months from listing date
3,919,992	0.65	24 Months from listing date
21,239,992	\$ 0.39	

\* In November 2023, SALi amended the terms of the share purchase warrants. Under the amended terms, the exercise price was changed from \$1.00 to \$0.65, and the expiry date was changed to 24 months from the listing date.

**6. CONSTRUCTION OF PURSUIT'S HISTORICAL FINANCIAL STATEMENTS**

To create Pursuit's statement of loss and comprehensive loss for the nine months ended February 29, 2024, the results for the fiscal year ended November 30, 2023 were reduced by results for the six months ended May 31, 2023, and results for the three months ended February 28, 2024 were added. No adjustments have been made for operational differences that would be experienced by Pursuit during this period.

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**6. CONSTRUCTION OF PURSUIT'S HISTORICAL FINANCIAL STATEMENTS (Cont'd)**

Pursuit's unaudited condensed interim statement of loss and comprehensive loss for the nine months ended February 29, 2024:

	Twelve months ended November 30, 2023	Six months ended May 31, 2023	Three months ended February 29, 2024	Nine months ended February 29, 2024
	A	B	C	D = A - B + C
<b>EXPENSES</b>				
Consulting fees	30,000	15,000	7,500	22,500
General and administrative	2,248	737	3,341	4,852
Insurance	13,402	6,686	2,393	9,109
Professional fees	162,447	80,246	16,032	98,233
Share-based payments	67,167	67,167	-	-
Transfer agent and filing fees	26,980	13,054	3,917	17,843
<b>Net loss and comprehensive loss</b>	<b>(302,244)</b>	<b>(182,890)</b>	<b>(33,183)</b>	<b>(152,537)</b>

***APPENDIX "C" - Property Disclosure – El Quemado Project***

**[See attached]**

## The El Quemado Project

The technical information in this Form 2A regarding the El Quemado Project is derived from the Technical Report, dated effective April 5, 2023, prepared for SALi in accordance with NI 43-101 by Leandro Andrés Sastre Salim (Mr. Sastre or the Author). The Author is an independent Qualified Person for the purposes of NI 43-101. The full text of the Technical Report is available for review at the registered office of Pursuit at 6<sup>th</sup> Floor, 905 West Pender Street, Vancouver, BC, V6C 1L6 and will be available online under the Resulting Issuer's SEDAR+ profile at [www.sedarplus.com](http://www.sedarplus.com).

### PROPERTY DESCRIPTION AND LOCATION

#### LOCATION

The El Quemado property is located in Salta province, in north-western Argentina (*Figure 1*), approximately 175 kilometres southwest of the city of Salta. The geographic coordinates at the center of the property are 24°49' South latitude and 66°20' West longitude.

The Project encompasses 46 mining concessions for an area of 58,290.23 hectares.

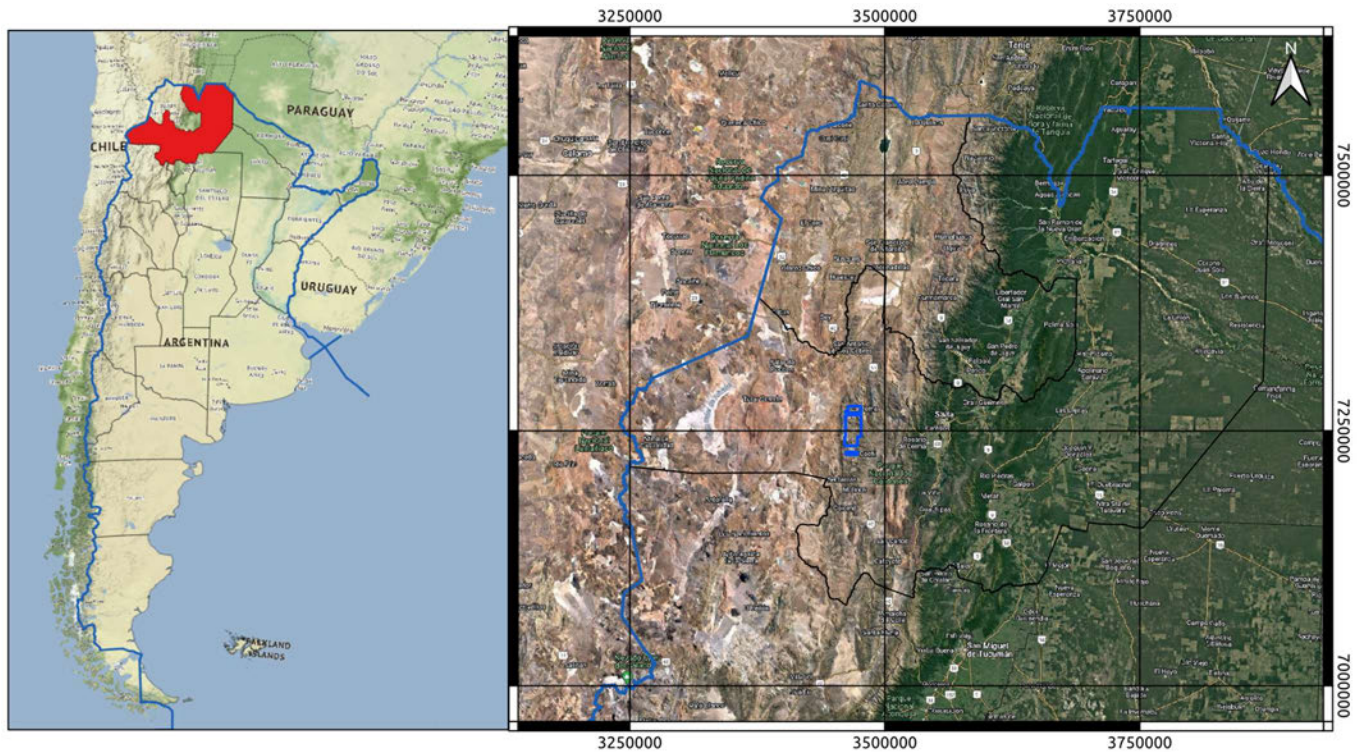


Figure 1: General Location of the El Quemado Project

#### MINING LAW IN ARGENTINA

There are two types of minerals rights connected to mining activities that are granted under Argentinean Law:

- Exploration Permits or *Cateos*, which are limited in duration.
- Mining Concessions which can be requested either through the *Discovery Tenements* or *Request for Abandoned Mines* procedures.

All concessions comprising the El Quemado project are Mining Concessions. Under the Argentinean Mining Code, the mining concessions are unlimited in duration and remain the concessionaire's property if the Mining Code obligations are satisfied, mainly the annual canon payments, legal labour, legal survey and minimum investment commitment.

Under Argentinean Law, mineral deposits are the property of the provincial or federal government, depending on their location. In the case of El Quemado, the mineral rights are held for the Province of Salta, but private individuals or companies are entitled to benefit and dispose of the discovered mineral deposits in accordance with the Mining Code provisions (Mining Code, Section 8). The private property of the mineral deposits is granted by the government to private individuals in accordance with the provisions of the Mining Code through the legal concession procedure (Mining Code, Section 10).

It is important that the law distinguishes mineral rights from surface ownership. As mining activity is considered in the public interest (Mining Code, Section 13), surface owners cannot prohibit mining activities within their property, although the regulations provide for notice and indemnification to surface owners and procedures for obtaining easements. However, in practice, it is always best to conduct friendly negotiations with surface owners, preferably in early stages of exploration, in order to ensure access to the land throughout the duration of the project.

The Mining Code also provides regulations for obtaining easements for those activities that need to be located outside the concession boundaries. An approved Environmental Impact Assessment (EIA) is not a condition to maintain the mining concession title in good standing, but it is a pre-requisite to carrying out mining-related activities on the properties. An EIA needs to be submitted for every type of mining activity (Prospecting, exploration, exploitation, development, extraction, etc.), and needs to be updated every two years. SALI has submitted EIAs for exploration, and others are in preparation. Additional permits are required for such items as camp installations, water usage, waste disposal, etc.

The author declares the EIA was not provided by SALI and thus the main activities declared in EIA Exploration permits have not been reviewed.

## MINERAL TENURE

Mr. Sastre has relied on land tenure information provided by SALI. This includes a letter of legal opinion regarding the validity of the tenure from the legal firm, Perez Alsina Consultores Mineros, of Buenos Aires (Perez Alsina, February 23, 2023).

Table 1 below shows the detail of the mining concessions that altogether comprises the El Quemado project, for a total of 58,290.23 hectares (Figure 2). Details on the agreements signed between SALI and the different mining concession holders are detailed below under heading "Agreements".

Table 1: List of mining properties of El Quemado Project

Name	Type of Mining Concession	File Number	Area (ha)	Holder
Santa Elena	Mine	18.159	59.99	Enrique José Vidal
Tres Tetas	Mine	18.263	42.00	Enrique José Vidal
Hesta	Mine	18.348	51.39	Vittone, Héctor Félix
El Quemado	Mine	19.516	999.97	Enrique José Vidal
Mirkos 4	Mine	20.203	1859.62	Minera Ansotana S.A.
Mirkos 5	Mine	20.204	2883.23	Minera Ansotana S.A.
Mirkos 6	Mine	20.205	2994.20	Minera Ansotana S.A.
Mirkos 7	Mine	20.206	2756.56	Minera Ansotana S.A.
Mirkos 10	Mine	20.209	2994.21	Minera Ansotana S.A.
La Elvirita	Mine	20.999	1200.00	Minera Ansotana S.A.
Leilita 1	Mine	21.154	234.00	Vittone, Héctor Félix
Leilita 2	Mine	21.155	234.00	Vittone, Héctor Félix

Name	Type of Mining Concession	File Number	Area (ha)	Holder
Leilita 4	Mine	21.157	234.01	Vittone, Héctor Félix
Micas 3	Mine	21.162	221.99	Vittone, Héctor Félix
Pomitas 5	Mine	21.169	234.00	Vittone, Héctor Félix
Leilita 7	Mine	21.322	270.00	Vittone, Héctor Félix
Leilita 8	Mine	21.323	270.00	Vittone, Héctor Félix
Leilita 9	Mine	21.324	270.00	Vittone, Héctor Félix
Leilita 10	Mine	21.325	119.89	Vittone, Héctor Félix
Micas 6	Mine	21.339	270.03	Vittone, Héctor Félix
Crosby 1	Mine	21.648	1281.82	Minera Ansotana S.A.
Crosby 2	Mine	21.649	1469.40	Minera Ansotana S.A.
Crosby 3	Mine	21.650	1464.31	Minera Ansotana S.A.
Crosby 4	Mine	21.651	1564.27	Minera Ansotana S.A.
Palermo 1	Mine	21.748	270.00	Vittone, Héctor Félix
Palermo 4	Mine	21.751	270.02	Vittone, Héctor Félix
Leilita 12	Mine	21.753	270.00	Vittone, Héctor Félix
Leilita 13	Mine	21.754	270.00	Vittone, Héctor Félix
Leila	Mine	21.915	1000.00	Vittone, Héctor Félix
Aguas Calientes V	Mine	21.992	333.42	Minera Ansotana S.A.
El Quemado V	Mine	21.993	634.65	Enrique José Vidal
Leilita 15	Mine	22.022	254.54	Vittone, Héctor Félix
Leilita 16	Mine	22.023	270.04	Vittone, Héctor Félix
Peñas Blancas V	Mine	22.045	2324.48	Minera Ansotana S.A.
Leilita 18	Mine	22.111	1497.10	Vittone, Héctor Félix
Crosby 5	Discovery	22.116	2625.54	Minera Ansotana S.A.
Crosby 6	Mine	22.117	1727.64	Minera Ansotana S.A.
Mirkos 9	Mine	22.142	2993.86	Minera Ansotana S.A.
Mircos 1	Mine	22.143	2994.20	Minera Ansotana S.A.
Mircos 3	Mine	22.144	2706.34	Minera Ansotana S.A.
Crosby 7	Mine	22.317	1936.43	Minera Ansotana S.A.
Crosby 8	Mine	22.318	1496.35	Minera Ansotana S.A.
Josefina VII	Mine	22.349	2941.25	Minera Ansotana S.A.
Leilita 19	Mine	22.462	1497.10	Vittone, Héctor Félix
Mircos 2	Mine	22.767	2998.35	Minera Ansotana S.A.
Mircos 8	Mine	22.768	3000.02	Minera Ansotana S.A.



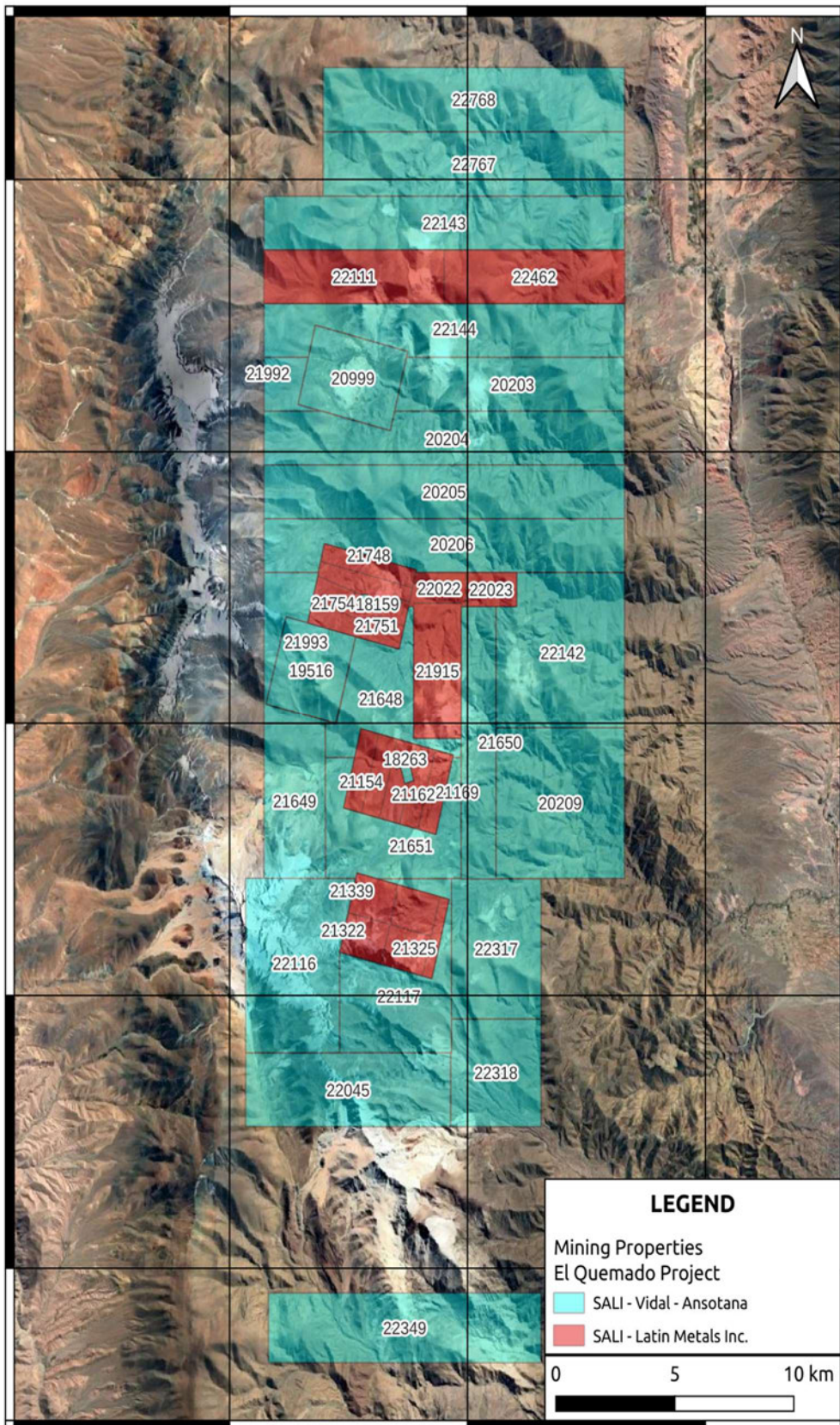


Figure 2: Mining Concessions of El Quemado Project. Labels represents the File Numbers



All of the Mining Rights are located on private lands that belong to different landowners. On that regard, Perez Alsina mentions that:

- a. One of the land cadastres (Mat. 1541 of Chachi) belongs to more than 50 landowners.
- b. There was an expropriation procedure (File 4138/08 before Juz. Cont. Adm.) over one cadastre (Mat. 28 of La Poma). Perez Alsina has asked for a new land certificate and this expropriation procedure does not appear anymore. There could have been a division of the land to separate the expropriated land.
- c. Cadastre identified as Mat. 403 of Molinos is subject to different easements, for cattle grazing.

## **MINERAL TENURE**

Mr. Sastre has relied on land tenure information provided by SALI. This includes a letter of legal opinion regarding the validity of the tenure from the legal firm, Perez Alsina Consultores Mineros, of Buenos Aires (Perez Alsina, February 23, 2023).

All of the Mining Rights are located on private lands that belong to different landowners. On that regard, Perez Alsina mentions that:

- d. One of the land cadastres (Mat. 1541 of Chachi) belongs to more than 50 landowners.
- e. There was an expropriation procedure (File 4138/08 before Juz. Cont. Adm.) over one cadastre (Mat. 28 of La Poma). Perez Alsina has asked for a new land certificate and this expropriation procedure does not appear anymore. There could have been a division of the land to separate the expropriated land.
- f. Cadastre identified as Mat. 403 of Molinos is subject to different easements, for cattle grazing.

## **AGREEMENTS**

The author had access to three different documents that verifies that agreements between SALI and different parties were signed for the cession of the mining properties between the individuals and third parties to SALI.

### **AGREEMENT BETWEEN SALI AND ENRIQUE VIDAL**

Dated on August 23, 2022, South American Lithium Corp and Enrique José Vidal, a particular who is the holder of 4 mining concessions in the project area, have signed an Option Agreement to acquire 70% of four properties that are part of the project after the following is completed:

- An initial payment of US\$ 120,000
- US\$ 240,000 to be paid 6 months after the signing of the agreement (Option Date) This payment has been made and the Option Date has occurred. At this milestone, the 4 mining concessions acquired from Enrique José Vidal are be transferred to Minera Ansotana S.A., in which SALi has obtained 70% of shares, so it will have the ownership of 70% of the properties. The concession transfer is in process.
- After the Option Date, SALI must pay US\$ 160,000 every 6 months until a Pre-feasibility Study (PFS) under NI 43-101 or JORC codes is presented.
- Following the PFS, a payment of US\$ 400,000 must be made within 15 days.
- Upon the filling of a Feasibility Study (FS) and a subsequent payment of US\$ 400,000 must be done within 15 days.

- Properties involved in this agreement are Santa Elena (N°18.159), Tres Tetras (N°18.263), El Quemado (19.516) and El Quemado V (21.993).

#### **AGREEMENT BETWEEN SALI AND ENRIQUE VIDAL AND MINERA ANSOTANA S.A.**

Following the agreement previously detailed, on the 23<sup>rd</sup> of August 2022 both SALI and Enrique José Vidal signed an agreement with Minera Ansotana S.A., a private Argentinian company, that is the holder of the remaining 22 mining concessions that comprises the El Quemado project. SALI had the option to acquire 70% of the shares of Minera Ansotana S.A., pursuant to the following payment schedule:

- An initial payment of US\$ 30,000 within 15 days of the signing
- A following payment of US\$ 60,000 6 months after the signing
- Periodic payments of US\$ 40,000 every 6 months until a Pre-feasibility Study (PFS) under NI 43-101 or JORC codes is presented.
- Following the PFS, a payment of US\$ 100,000 must be done within 15 days.
- Upon the filling of a Feasibility Study (FS) and a subsequent payment of US\$ 100,000 must be done within 15 days.

The option was exercised and the transfer of the Minera Ansotana S.A. shares was performed accordingly, and SALI has the ongoing obligations related to the PFS and the FS.

#### **AGREEMENT BETWEEN SALI AND LATIN METALS INC.**

On March 1<sup>st</sup>, 2023, South American Lithium Corp and LATAM and its subsidiary, Cardero Argentina S.A. ("Cardero") signed a purchase agreement for the purchase by SALI of 20 Mining Properties that forms part of the El Quemado Project (see Table 1 above). Key terms include:

- CAD 400,000 in concept of Acceptance Payment at the acceptance of the Offer, which amount shall be paid within the 10 days of the period granted for the acceptance of the Offer.
- The amount of CAD 500,000 in units (shares plus warrants) of SALI to be paid as follows:
  - i. 1,000,000 shares of SALI to be transferred to LATAM, and
  - ii. 1,000,000 warrants for shares of SALI priced at CAD 1.00 for 5-year term to exercise the purchase option. The shares and warrants will be delivered to LATAM or issued in its name by SALI within 10 days as from the acceptance of the Offer. Following closing of the transaction, the issued shares will be free-trading and will represent approximately 2.4% of the issued and outstanding shares of SALI before the concurrent go public financing.
- The amount of CAD 25,000 for each one of the Properties with Investment Plan Subject to Review in which SALI obtains the approval of the investment plan.
- SALI shall grant LATAM in the Deed a 2% royalty over the net smelter return (NSR). SALI will have the right, at any time prior to a production decision with respect to the Property, to purchase one half (1/2) of the Royalty upon the payment to the Royalty Holder of USD \$3,000,000, in which case the Royalty will be reduced to 1%.

The above payments have been made, other than the \$25,000 payments payable upon approval of the investments plans, which may be payable in future, and the LATAM concessions are in the process of being transferred to SALI.

## ENVIRONMENTAL PERMITS

The Environmental Protection Mining Code of Argentina, enacted in 1996, establishes the guidelines for preparing the environmental impact statement for mining projects. The federal nature of the Argentine government leaves the application of this law to each province. Initially the provinces adhered to the mining law and established the provincial mining secretary as the application authority. However, starting in 2002 several of the provinces have re-evaluated their approach to mining and have shifted the environmental criteria and authority to the environmental secretary.

A party wishing to commence or modify any mining-related activity as defined by the Mining Code, including prospecting, exploration, exploitation, development, preparation, extraction, and storage of mineral substances, as well as property abandonment or mine closure activity, must prepare and submit to the Provincial Environmental Management Unit (PEMU) an Informe de Impacto Ambiental or Environmental Impact Assessment (EIA) prior to commencing the work. Each EIA must describe the nature of the proposed work, its potential risk to the environment, and the measures that will be taken to mitigate that risk. The PEMU has a sixty-day period to review and either approve or reject the EIA; however, the EIA is not considered to be automatically approved if the PEMU has not responded within that period. If the PEMU deems that the EIA does not have sufficient content or scope, the party submitting the EIA is granted a thirty-day period in which to resubmit the document.

If accepted by the PEMU, the EIA is used as the basis to create a Declaración de Impacto Ambiental or Declaration of Environmental Impact (DEI) to which the party must agree to uphold during the mining-related activity in question. The DEI must be updated at least once every six months. Sanctions and penalties for non-compliance to the DEI are outlined in the Environmental Protection Mining Code, and may include warnings, fines, suspension of Environmental Quality Certification, restoration of the environment, temporary or permanent closure of activities, and removal of authorization to conduct mining-related activities.

In terms of the Glaciers Law legislation, the following Mining Rights have a small part of their area within the *Inventario Nacional de Glaciares*: Crosby 5 (117.7 has) and Crosby 6 (112.7 has), and these forms parts of the Peñas Blancas Norte target (*Figure 3*)

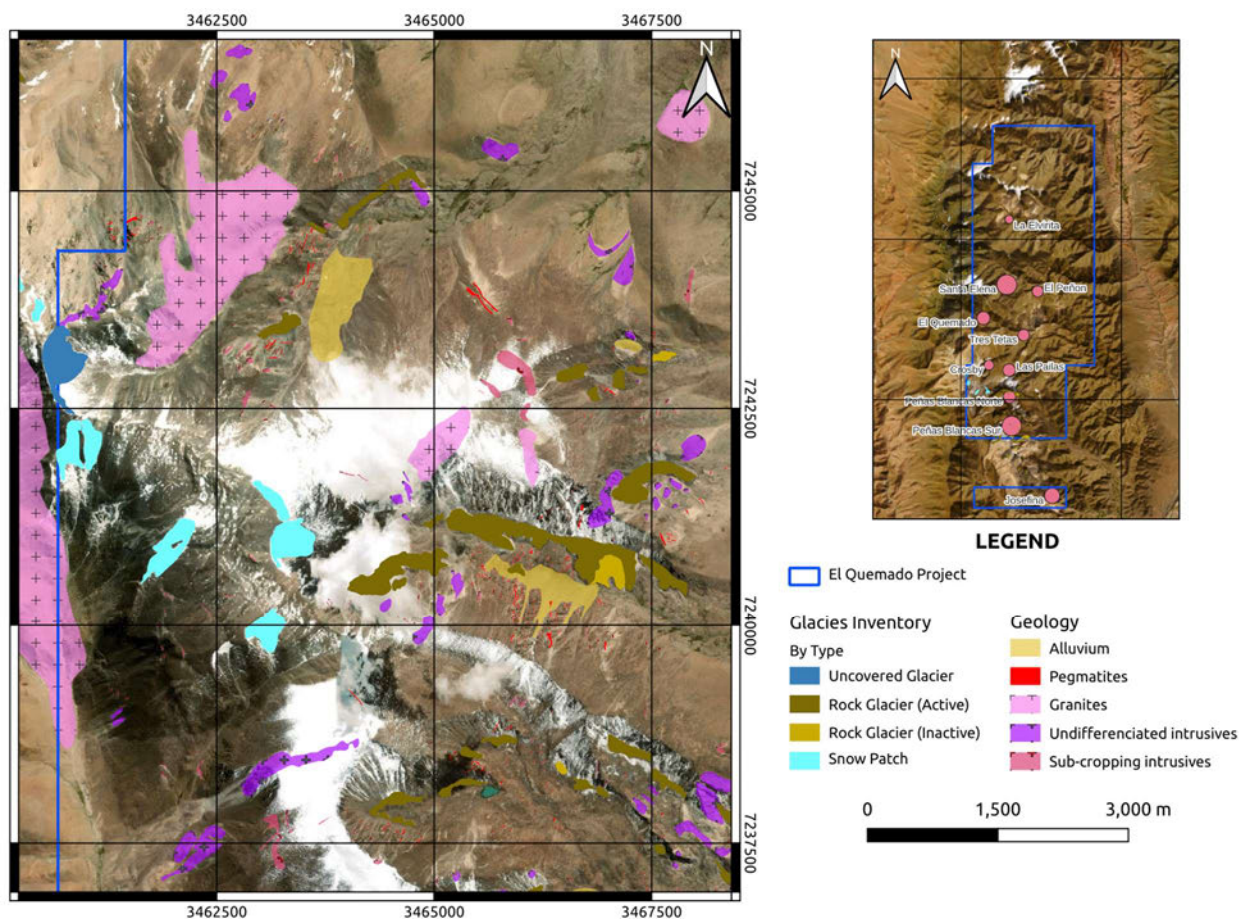


Figure 3: Glaciers in the area of the Project, according to the inventory of IANIGLA

## ENVIRONMENTAL LIABILITIES

To the extent known by the author there are no known environmental liabilities on the mining concessions that comprises the Project.

## ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY

Access to the Project from the city of Salta can be done by following the National Route N° 68 through the towns of Cerrillos (16 km), La Merced (24 km) and El Carril (30 km), and then turning West onto Provincial Route N° 33 to Chicoana, Quebrada de Escoipe, reaching an altitude of 3,380 masl at Piedra del Molino, and then driving to Payogasta (147 km from Salta) and turning North onto National Route N° 40 for 13 kilometres. This first part of the access is straightforward and can be done in any kind of vehicles.

From that point there are only small tracks that can be partially followed by using 4x4 vehicles and the by mules or walking for about 25 kilometres. This second part of the access is complex and is recommended to be done accompanied by a local and using proper communication tools such as a satellite phone, and proper safety equipment.

## CLIMATE

Climate in the area of the project is predominantly semi-arid, with significant thermal amplitude that can reach up to 25°C. Winter season extends from May to September and are cold but dry, and summer season between December and April is rainy and with precipitation that reaches 200 millimetres, including electrical storms, hail and occasional snowfall.

Winds are predominantly from the South, and they discharge part of their moisture in the area due to the altitude and orientation of the mountains in the area, which acts as orographic barrier. These winds can reach significant speeds running throughout the north-south elongated valleys, mainly during autumn and winter.

Records from precipitation in the area of influence of the project shows an average of 164 millimetres per year (Bianchi and Yañez, 1992), in the locality of Molinos, distant 65 kilometres to the south, and at a notable lower altitude (2,070 masl versus 4,000 masl in average)

Temperature averages 14.2°C and is colder during the winter, with a recorded average temperature of 7.7°C for July, the coldest month of the year. Since the source for the temperature is the same as for precipitation, this can only be used as a guide for the project, and considering as a general guideline that the temperature generally decreases with altitude at an average lapse rate of about 6.5°C per kilometre (IPCC, 2013), it is possible to assume that temperatures during winter in the project can be as low as -5°C in average during the winter.

Table 2: Average temperature (°C) and precipitation (mm)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
Average Temperature °C	19.2	18.6	17.1	14.1	10.8	8	7.7	10	12.7	15.7	17.7	19	14.2
Average Precipitation mm	59	48	13	1	1	0	0	0	0	1	8	30	164

## HYDROLOGY AND PHYSIOGRAPHY

The river network in the area is formed by a main collector, the Calchaqui River, which permanently receives volumes of water from its headwaters in the Acay mountain to the North. In the upper section and towards the headwaters, the Calchaqui River (*Figure 4*) is characterized by a marked contrast between the eastern and western flanks, with the latter having a higher density of courses with permanent regime tributaries and a clear west-east orientation; their flows are fed by the frequent thawing of the Palermo and Cachi glaciers, among the best-known tributaries are the Blanco or Potrero River, Cuevas River, Piul, Mollar, and Tin-Tin.

In the middle section of the Calchaqui River, between Cachi and Angastaco, the eastern slope stands out due to the higher number of drainage channels, with the Seclantas River being noteworthy for its flow. On the western slope, the most important tributaries are the La Paya, Brealito, Luracatao, Tacuil, and Angastaco rivers. In Angastaco, the Calchaqui River changes its course and heads east for approximately 15 km before draining southward, flowing through a wide valley until its confluence with the Santa María River, which changes its name to the Conchas River in the Cafayate department.

Near the project area, the use of watercourses stands out in agricultural-livestock activities, mainly in the Calchaqui Valley. It also serves for human consumption by the populations established along the Valley. The water comes directly from the spring thaw or from snow, rain or hail precipitation that occurs throughout the year, mainly in mountainous areas.

In the upper area of the Calchaqui River and its main tributaries, the development of aquifers is scarce due to the small thickness of the existing Quaternary cover.

In the project area, there are poor soils with limited development, skeletal in nature, formed by rocky material with little sand.



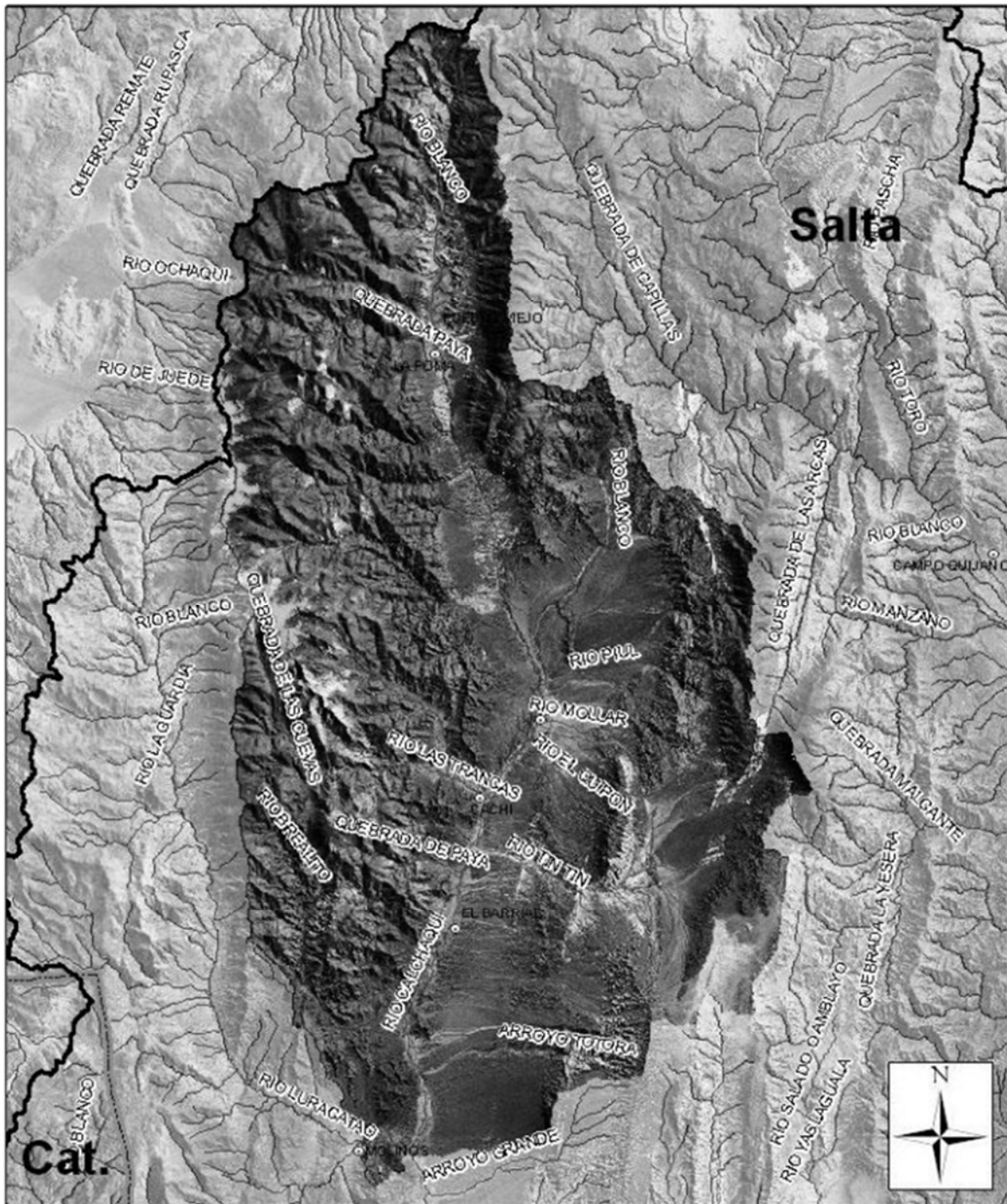


Figure 4: Upper basin of the Juramento River - Subbasin Calchaqui Superior (Paoli et al., 2011)

## FLORA AND FAUNA

The vegetation in the study area is mainly poor, consisting of shrubs, tough grasses, cardones, churquis (*Prosopis feroz*), queñoas (*Polylepis tomentella*), Jarilla (*Larrea divaricata* – *Larrea cuneifolia*), Bisco, Rica rica, Retama, Incayuyo, Incayerba, and Garabatos.

There are also some trees such as willows and weeping willows, algarrobo, churqui, arcas, and poplars that are commonly used in carpentry.

In populated areas and estates, exotic tree species have been planted to serve as protection or windbreaks.

In terms of fauna, the Prepuna and Puna biomes covers high altitude areas in the Andean region. The study area is located within these biomes, which are characterized by a diversity of animal and plant species adapted to extreme climate and altitude conditions. In this region, the plant and animal species of the Prepuna and Puna biomes intermix, making it difficult to differentiate them.

## **INFRASTRUCTURE**

The La Poma and Cachi departments have a joint population of 10,838 people, with Cachi accounting for 83% of the total (INDEC, 2022).

Cachi is connected to other major cities in the region through the National Route 40, which is a paved road that runs north-south through the town. However, some of the surrounding rural areas have limited or unpaved roads, which can make transportation difficult during rainy seasons. To access from Salta, the most populated city in the area, the most used route is Provincial Route 33, which connects Salta with Cachi via the town of El Carril. The road is paved and generally in good condition, but it has many curves and steep sections, which require cautious driving. There are also bus services available from Salta to Cachi, with several departures per day. The journey takes approximately 4-5 hours, depending on the type of bus and the number of stops.

Access to electricity is provided by the Salta Energy Company. However, there are occasional power outages due to the town's location in a mountainous region.

Cachi has a small public hospital, the Hospital San Carlos, which provides basic healthcare services to the local population. However, the hospital has limited resources and patients with more serious health conditions may need to be transferred to larger hospitals in Salta City.

There are several public schools, including primary and secondary schools. The quality of education varies depending on the school, but efforts have been made to improve education in the region. For example, in 2016, the government of Salta invested in the construction of new school buildings in Cachi to improve educational facilities (Source: "Entregaron 15 edificios escolares en la Puna y el Valle Calchaquí", El Tribuno, November 18, 2016).

## **HISTORY**

The discovery of Nb, Ta, and Bi minerals in outcropping pegmatites in the area dates back to 1940. In 1942, the Anzotana Mining Company began to recover tantalite and bismuth primarily from the alluviums of the Tres Tetras area. The company continued exploitation work on the primary mineralization of the Tres Tetras, El Quemado, El Peñón, Anzotana, and Santa Elena pegmatites (*Figure 5*), with the latter producing the highest volumes of ore (Ramallo et al., 2011).

Extractive activity was interrupted in 1945, only continuing for a short period in 1957. In 1943-1944, the mining company extracted 10 tonnes of tantalite concentrates with average grades slightly above 40% Ta<sub>2</sub>O<sub>5</sub>, in addition to 5 tons of bismuth concentrates with slightly higher average grades than 50% Bi (Galliski, 1999).

The exploitation was carried out in five pegmatites, although there were exploratory works in twelve of them. The primary method of extraction was open-pit mining, although underground works were developed in the Tres Tetras and Elvirita pegmatites through short galleries and adits (Galliski, 1983).

Blasco and Zappettini (1996) reported reserves of 5 Mt of ore containing 1,000 tonnes of Nb and Ta pentoxides with grades ranging from 0.01 to 0.035%, as well as an estimated volume of 1,000 tonnes of spodumene for the Santa Elena sector.





*Figure 5: Photographs from old workings in Santa Elena Target. A: Underground Shaft. B: Overview of the abandoned camp, looking East. C: Overview of the abandoned camp, looking south.*

Over the last 30 years the old mines of El Quemado were sporadically reviewed, although from an academic point of view, by geologist Dr. Miguel Galliski, one of the scientists heading most of the visits and scientific publications.

Minera Ansotana, a privately held Argentinian company, carried out sampling campaigns during 2011, where a total of 48 rock chip samples were obtained; samples coordinates, and laboratory certificates are available. Mr. Sastre has not had access to any reports or documents that provides additional support to this documentation.

During April and May 2017, Rojas Mining Consultants carried out a field campaign for Centenera Mining Corporation, a Canadian junior explorer company that had agreements to explore some of the main properties at that time. This campaign consisted of channel (*Figure 6*), rock chip and soil samples and was focused on the Santa Elena target. A total of 260 samples were obtained,





Figure 6: Example of channel sampling done by Rojas Mining Advisors for Centenera Mining Corporation during 2017 and 2018. A: General view of the grinder and pegmatites. B: Detail view on the channel.

There are no other documents available to the author, neither public or private, that shows records of additional exploration or mining activity carried out on the project in any other periods that the described above, and 2022 when SALI took control of the project.

## **GEOLOGICAL SETTING**

### **REGIONAL GEOLOGY**

The Pampean Pegmatitic Province is a morpho-structural unit of the Sierras Pampeanas. It is characterized by Paleozoic magmatism that intrudes low, medium, and high-grade metamorphic rocks. Numerous districts and fields of pegmatites of varied mineralogical nature, geochemical signature, and age are located there. Pegmatites carrying spodumene are recognized in the Northwestern Argentina region, from north to south, corresponding to those of the El Quemado district located on the northern edge of the Cachi mountain range to the west of the province of Salta and the Ancasti-spodumene district in the homonymous range in the southeastern sector of the province of Catamarca.

### **STRUCTURE AND STRATIGRAPHY**

Predominant events during the Paleozoic are erosion and transport, without depositional basins in the Calchaqui Region. During a part of the Mesozoic (Triassic-Jurassic) the area remained stable. The onset of subsidence in the Cretaceous will delineate the zone on the western edge of the Andean continental basin with coastal and marine intermittences.

Tectonically, the Cachi mountain range and the southern extensions of the Palermo Nevado constitute the structural boundary of two classic morphostructural units of northwestern Argentina: The Puna to the west and the Eastern Cordillera to the east.

The Cachi mountain range and southern extensions emerge on the regional relief, limited by regional extensional faults, where interesting hydrothermal alteration models (discordant veins of pegmatites -

aplite - quartz dikes) have been placed, affecting the metamorphic sequences of the Precambrian basement.

The Upper Precambrian (Figure 7) is represented by the Puncoviscana Formation (Turner, 1960), a thick and heterogeneous sedimentary and volcanic succession, highly deformed and slightly metamorphosed. Lithologically, it is composed of lutites, slates, phyllites, graywackes, and quartzitic schists. The whole set has a greenish gray to dark coloration and is affected by a weak regional metamorphism of a dynamic nature, which did not manage to obliterate the original sedimentary characteristics.

These metasediments are intruded by small plutons and dikes of the Cachi Formation, with trondhjemitic composition. Trondhjemites are sterile in economic elements, in contrast to the metasedimentary rocks, which have a high content of Ta, Nb, Li, and Be. Their origin is due to melting in the contact aureole with the intrusive bodies. These intrusions developed a thermal aureole (granulite facies) with partial melting up to green schists. The mineralized bodies (pegmatites) contain high values of tantalum and niobium oxides, 10 times more concentrated in the host rocks than in the trondhjemitic bodies. Tantalum and niobium were concentrated in areas with high metamorphism, developing pegmatitic bodies within the metasedimentary rocks. The suite of lithophile elements was mobilized from the metasediments to the areas of partial melting. The origin of the trondhjemitic magma is associated with active subduction zones during the evolution of the Famatinian magmatic arc (480 to 460 Ma). Pegmatite dikes carrying beryl, columbite, tantalite, and uranium are observed on the eastern slope of the Nevados de Palermo. It is difficult to calculate the thickness of this entity because it is highly folded and faulted.

The intensity of metamorphism increases as one moves south from Cachi. Milky quartz veins are recognized cutting through the sedimentary sequence, with variable thicknesses ranging from 5 cm to 1 m, with the most common being between 10 and 25 cm. The basin where these sediments were deposited had shallow water sectors where much of the siliclastic and carbonate sequences accumulated, which according to Jezek (1990) characterize levels of marine platform and relative elevations within the deposition environment, while others would represent a gently inclined continental slope.

The slate and schist facies that make up this metasedimentary formation constitute elongated outcrops from north to south, located between the meridians of 64° 45' and 66°30'. They occur from the border with Bolivia to the north, where they constitute relatively narrow bands that thicken towards the south and extend into the Catamarca Province. The general direction of the outcrops is north-northeast until the latitude of the parallel 24°, where they take a markedly meridian course. Although the sequence was originally considered to belong to the Precambrian basement of the region, the discovery of Eocambrian fossil traces allowed for its chronological reassignment, which was later confirmed by isotopic means (Aceñolaza et al, 2021).

The La Paya Formation (Aceñolaza et al. 1976b), includes all the metamorphic rocks that have undergone greater metamorphic transformations than the Puncoviscana Formation, according to Toselli and Rossi de Toselli (1990) and Toselli (1990).

The outcrops of this formation can be divided into two main areas, separated by the lower course of the Luracatao River. The northern portion, in Brealito, consists of phyllites and spotted schists, nodular schists, gneisses, and migmatites. Spotted and nodular schists are the most widespread lithology and correspond to dark, quartz-mica schists with biotite and/or cordierite spots and nodules. They exhibit well-marked schistosity. The spotted phyllites integrate the transition zone between the Puncoviscana Formation and the spotted and nodular schists. They are gray and greenish-gray rocks, in which stratification is regularly preserved. Gneisses and migmatites are the least abundant and are observed in the vicinity of the intrusives.

The southern portion is composed of a wide variety of lithologic types, including phyllites, metacherts, schists, gneisses, and migmatites. Quartz-mica schists dominate, which are dark and have a well-defined schistosity.

The Cachi Formation (Turner, 1960) consists of two closely related synchronous igneous groups, one represented by trondhjemites-tonalites (TT), and the other by granites-granodiorites and locally pegmatites (GG), which define bimodal magmatic suites.

The intrusives generally exhibit significant petrographic similarities, are leucocratic, and are essentially composed of plagioclase and quartz, which define the T-T compositions that grade to rocks with higher alkali feldspar contents, which define the G-G compositions. The dominant texture is holocrystalline, hypidiomorphic, with medium grain size. Porphyritic varieties occur localized in the border zones of the intrusives, which often develop tectonic foliation defined by the preferential orientation of biotite laminae and feldspar phenocrysts. Occasionally, where foliation and lineation are well-defined, they are oriented parallel to the structure of the La Paya Complex (Hongn et al., 2001).

The intrusives of the Cachi Formation are elongated in the direction of the host rock structure (La Paya Formation) and show pseudoconcordant contacts with it.

The absolute ages obtained from the Cachi Formation (Galliski, 1981, 1983a; Lork et al., 1989; Friedrich, in Toselli, 1992; Lork and Bahlburg, 1993; Miller, 1996) range between 564 and 453 million years ago (Ma). The most frequent ages are between 564 and 520 Ma, so this formation is assigned to the terminal Neoproterozoic-Early Cambrian, according to Toselli (1992). The Cachi Formation intrudes the metamorphic rocks of the La Paya Formation, which originated from a thermal event associated with the intrusives, according to Toselli (1990).

In the Cretaceous period, the Pirgua Subgroup (Figure 7, Vilela 1951, transl. Reyes and Salfity, 1973) represents the initial fill of the grabens and semi-grabens generated by the extension that originated the basin. With respect to the boundaries of the subgroup, it lies on an angular unconformity on pre-Cretaceous rocks. The upper limit is often a clear contact, that separates it from the overlying Balbuena Subgroup. This Subgroup is formed by three formations:

La Yesera Formation is the basal conglomerate of this subgroup. Its clasts, of all sizes, are composed of granite, schist, gneiss, pegmatite, and other lithologies in the southwestern portion of the basin, where the basement corresponds to the northern end of the Pampean Ranges. In the Eastern Cordillera, Tres Cruces sub-basin, the clasts are from Cambrian and Ordovician marine units; in the Subandean Ranges, they are formed of Ordovician, Silurian-Devonian, and Carboniferous units. Usually, the conglomerate has a sandy matrix, and carbonate cement; lens-shaped intercalations of red, calcareous sandstones are common.

Las Curtiembres Formation: This siltstone unit lies concordantly on the La Yesera Formation, and consists of a sequence of mudstones, with predominance of fine-grained sandstones and siltstones, all with red, reddish-purple, and reddish-gray tones. The mudstones are interbedded with basaltic flows. The thickness reaches up to 1,500 m.

Los Blanquitos Formation is the upper unit of the Pirgua Subgroup. It is composed of medium to coarse-grained sandstones, partly feldspathic, calcareous, and light red in color. The presence of conglomerate lenses with basement clasts is common. It is concordant with the Las Curtiembres Formation, but in other areas, it overlies the La Yesera Formation and even, unconformably, the basement. Its thickness exceeds 1,500 m.

Subgrupo Balbuena (Moreno in 1970): It is constituted by the Lecho, Yacoraite, and Olmedo Formations. In the study area, two of these are present:

Lecho Formation (Turner, 1959), which corresponds to the basal sequence of this group. It is composed of whitish calcareous sandstones with abundant quartz. It has isolated clasts of green quartzite and phyllite. Conglomerate and silt guide levels are present. The grain size varies from fine to coarse, depending on their position within the basin. The maximum known thicknesses reach 300 m.

Yacoraite Formation (Turner, 1959): This formation records a major transgressive episode within the basin. This peculiarity is reflected in a distinctive lithological composition, with a significant participation of carbonate rocks. Its light (yellowish due to weathering) tones and strong topographic expression make its outcrops stand out significantly. Its verified maximum thicknesses are around 200 m. It can be differentiated into four members from bottom to top:

- i. Predominantly gray sandy limestones intercalated with calcareous sandstones and tuffs.
- ii. Green mudstones and claystones with fine intercalations of sandy limestones.
- iii. White calcareous sandstones with some conglomeratic intercalations. Towards the top, gray mudstones.
- iv. Sandy limestones, partly calcareous sandstones, with shale intercalations.

The **Santa Bárbara Subgroup** (Moreno, 1970) is overlying the Balbuena Subgroup with a clear contact, which corresponds to a true unconformity. Following the reordering of De Spirito (1979), it is constituted by the Olmedo, Mealla, Maíz Gordo, and Lumbrera formations. The following formations are recognized in the study area:

- **Mealla Formation** (Moreno, 1970) Consists of claystone, mudstone, marl, and thin intercalations of sandstone; it often contains thin layers of gypsum and stromatolitic algae. The color of the formation is red with brown and purple shades; and its maximum thickness is 400 metres. Its stratigraphic relationships are concordant; the base is characterized by conglomeratic sandstones that lose the predominant calcareous character of the Yacoraite Formation. Thick white conglomerates appear towards the top.
- **Lumbrera Formation** (Moreno, 1970) is the unit that culminates the tecto-sedimentary cycle of the Salta Group. It is characterized by being composed of reddish-brown to red mudstone, easily distinguishable. Gómez Omil et al. (1989) synthesized the Lumbrera Formation, based on the contrasting characteristics of the facies associations, and differentiated three sections: Lower Lumbrera Member, Green Belt, and Upper Lumbrera Member. The Green Belt constitutes a continuous level of regional extent and is composed of green and black mudstones and calcareous sequences in the center of the basin, and whitish sandstones in the border zones. Above this level, the Lumbrera Formation presents similar characteristics to its base with reddish-brown mudstones. The lower unit is rich from a paleontological standpoint (Pascual et al., 1981; Bond and López, 1993; Gasparini et al., 1993; Babot et al., 2002). Based on the vertebrate associations, it is assigned a lower to middle Eocene age (Pascual, 1980).

The **Tertiary** is represented by the following units:

**Payogastilla Group** (Díaz and Malizzia in 1983): It outcrops in the southwestern sector of the Eastern Cordillera and is composed, from bottom to top, of the Quebrada Los Colorados, Angastaco, Palo Pintado, and San Felipe formations. In the study area, the first two formations are recognized.

- **Quebrada Los Colorados Formation:** This unit was originally defined by Díaz and Malizzia (1983); nom. transl. Díaz et al., (1987) in the Los Colorados ravine located on the eastern flank of the northern end of the Cajón range and immediately to the south-southwest of the town of Angastaco, where a thickness of 300 metres was measured. It is a sequence of coarse to medium-grained sandstones, with levels of fine sandstones and shales. Its color is intense red at the base and lighter at the top. The contact with the Puncoviscana Formation is through faulting in some sectors and unconformable in others, as in Cerro Negro. The thickness of this formation is approximately 300 metres.
- The sedimentary environment was interpreted as continental fluvial, with probable development of levees and floodplains with soil formation and development of eolian dunes (Díaz and Malizzia,

1983; Díaz et al., 1987). In the absence of fossil record and radiometric dating, Díaz and Malizzia (1983) tentatively assigned it a middle Late Miocene age based on the stratigraphic relationship with the Angastaco Formation. The transition between the Quebrada Los Colorados Formation and the overlying Angastaco Formation is para-concordant.

- **Angastaco Formation** (Díaz, 1987): It outcrops in several sites, but the best representation is in the Picacho gorge, a left tributary of the Calchaquí River. It is composed by a thick series of conglomerate layers with the typical texture of fluvial sedimentation. The clasts in the conglomerate are granitic, quartzite, and gneiss, with a predominance of pale pink color. Micaceous sandy marls intercalate, ranging from greenish gray to sometimes yellowish. The basal section is composed of a series of red layers of very cross-bedded, friable, micaceous, and clayish-fine sandstones.

Some important levels of tuffs are recorded in this unit, and an age of  $13.4 \pm 0.4$  Ma was obtained from the middle section of the deposit using  $^{40}\text{Ar}/^{39}\text{Ar}$  dating (Grier, 1990; Grier and Dallmeyer, 1990). The approximate thickness of this unit ranges from 4,450 to 1,500 m. The depositional environment was interpreted as fluvial, dominated by shallow, channelized currents of an entwined type, associated with distal positions of alluvial fans and the development of eolian dunes (Díaz and Malizzia, 1983).

The stratigraphy culminates with **Quaternary** alluvial terrace deposits at the foothills, valley fill, and lacustrine sequences, which lies with marked angular unconformity on the Tertiary sediments. The Quaternary deposits are concentrated especially in the Calchaquí valley, constituting extensive alluvial cones and terraces, and in the streambeds as channel deposits.

Based on lithological data, in this region the Quaternary deposits can be differentiated into:

- **Lower:** characterized by deposits consisting mostly of sand with minor clay intercalations. They are characterized by a limestone and red clay layer at the top. These deposits correspond to fluvial and lacustrine accumulations, and their most notable feature is that they contain friable sandstones with abundant reddish-brown coloring, sometimes slightly calcareous. The stratification is mostly horizontal, although in certain locations the deposits are slightly dislocated. The banks are generally thick, with a thickness of 1 to 2 metres.
- **Upper:** consisting of intercalated sand and clay. They are found as relicts in the terraces of canyons and ravines. Above the basal layers, there are poorly stratified gray sands and clays, with light tones predominating.

The thickness of these deposits varies from one ravine to another, reaching a maximum of 20 metres.

A general Stratigraphic Column is shown below in *Figure 8*.



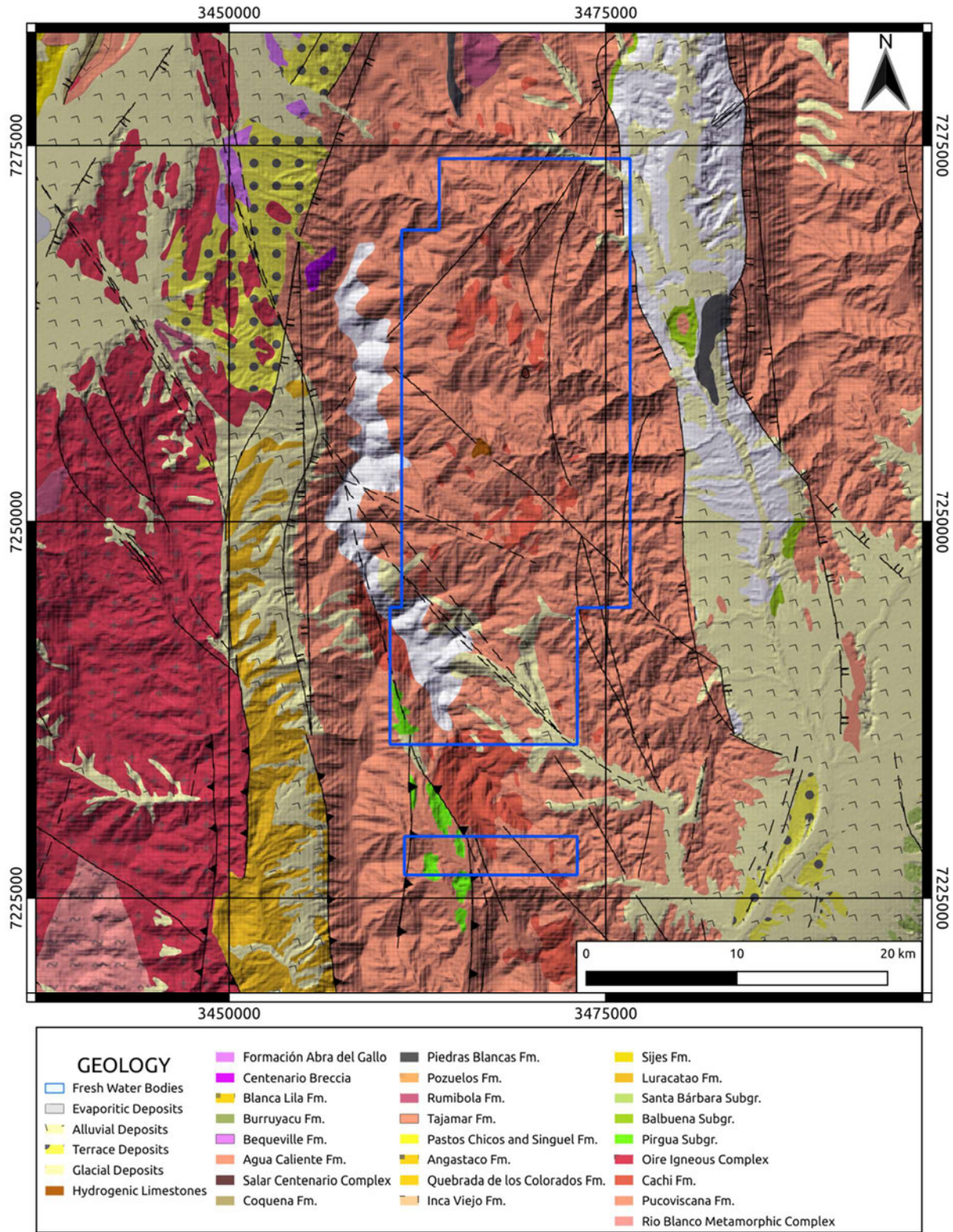


Figure 7: Regional Geological Map of El Quemado. Adapted from Hoja Geológica 2566 –I. San Antonio de los Cobres. 1996, SEGEMAR. POSGAR94 UTM Argentina 3.

## CUADRO ESTRATIGRAFICO



- 65 DEPOSITOS ALUVIALES Y COLUVIALES - Rodados, arenas y arcillas; barreales.
- 64 DEPOSITOS EVAPORITICOS - Halita, boratos, carbonatos y sulfatos.
- 63 FORMACION PIEDRAS BLANCAS - Basaltos.
- 62 DEPOSITOS GLACIARIOS - Restos de morenas.
- 61 DEPOSITOS TERRAZADOS - Fanglomerados medianos a gruesos con intercalaciones de niveles tobáceos.
- 60 CALIZAS HIDATOGENICAS - Travertinos.
- 59 FORMACION BLANCA LILA (continental) - Pelitas, evaporitas, cineritas, travertinos y boratos.
- 56-58 COMPLEJO EFUSIVO TUZGLE - 56: Dacitas y riolacitas;
- 57: Andesitas porfíricas; 58: Tobas riolacíticas.
- 55 FORMACION ABRA DEL GALLO - Ignimbritas y tobas.
- 54 FORMACION BEQUEVILLE y equivalentes - Dacitas.
- 53 FORMACION RUMBOLA - Andesitas y basaltos. Incluye localmente riolitas.
- 52 FORMACION PASTOS CHICOS (continental) - Conglomerados y areniscas subordinadas con intercalaciones de tobas y yeso. - FORMACION SINGUEL - Depósitos fluviales. Areniscas y conglomerados.
- 51 BRECHA CENTENARIO - Brecha hidrotermal.
- 50 FORMACION TAJAMAR - Tobas e ignimbritas.
- 49 FORMACION AGUA CALIENTE y equivalentes - Dacitas.
- 48 FORMACION PUCARA - Andesitas.
- 47 FORMACIONES RIO GRANDE, PISUNGO Y LOS PATOS - Depósitos fluviales y de abanico aluvial ortoconglomerados y areniscas conglomerádicas.
- 46 FORMACION LURACATAO - Depósitos fluviales. Areniscas y conglomerados.
- 45 FORMACION BATIN - Conglomerados y areniscas continentales con intercalaciones de tuffas y tobas.
- 44 FORMACION SUES - Areniscas y pelitas con intercalaciones de tuffas y tobas.
- 42-43 FORMACION POZUELOS - Depósitos fluviales y eólicos.
- 43: MIEMBRO SUPERIOR - Areniscas y pelitas con intercalaciones de yeso y halita;
- 42: MIEMBRO INFERIOR - Areniscas y pelitas.
- 41 FORMACION POZUELOS indiferenciado - Depósitos fluviales. Areniscas con intercalaciones de yeso.
- 40 FORMACION GESTE - Depósitos fluviales y de abanico aluvial. Conglomerados de medianos a gruesos.
- 39 FORMACION ACAY - Granitos y monzonitas.
- 38 GRUPO PASTOS GRANDES indiferenciado - Depósitos fluviales. Arcillas, limolitas, areniscas y conglomerados.
- 37 SUBGRUPO SANTA BARBARA indiferenciado - Depósitos fluviales. Areniscas, sabulitas y arcillas.
- 36 SUBGRUPO BALBUENA indiferenciado - Depósitos marinos someros con pasaje a continentales. Areniscas calcáreas con niveles estromatolíticos.
- 35 SUBGRUPO PIRGUA indiferenciado - Depósitos continentales. Conglomerados y areniscas conglomerádicas.
- 34 FORMACION ARIZARO - Depósitos marinos. Areniscas calcáreas, limolitas, calizas y fangolitas.
- 33 FORMACION CERRO OSCURO - Depósitos continentales, fluviales. Conglomerados polimíticos, areniscas vísceras y pelitas.
- 32 FORMACION SALAR DEL RINCON - Depósitos marinos. Conglomerados y areniscas cuarzosas.
- 30-31 COMPLEJO ERUPTIVO POCITOS - 30: Diorita; 31: Granito Porfírico.
- 25-29 COMPLEJO ERUPTIVO OJRE - 25: Granodiorita fina;
- 26: Granito-granodiorita porfírica; 27: Leucogranito;
- 28: Porfiro riolacítico; 29: Pegmatitas, apitas y lamprófitos.
- 24-24 COMPLEJO ERUPTIVO CHACHAS - 23: Granodioritas y monzonitas;
- 24: Granodioritas y granitos finos a porfíricos.
- 22 FORMACION QUEBUYACU - Diabasas (bojitas) y basandesitas.
- 21 FORMACION BURRUYACU - Metadacitas y metamadacitas.
- 20 FORMACION AGUA DE CASTILLA - Ignimbritas y tobas riolacíticas.
- 17-19 FORMACION COQUENA - 17: Metasedimentitas y sedimentitas;
- 19: Metapiroclastitas y metavolcanitas lávicas.
- 18 COMPLEJO BASICO OJO DE COLORADOS - intercalaciones gábricas a dioríticas localmente serpentinizadas.
- 16 FORMACION TOLLILLAR - Depósitos marinos. Metagrauvasas y hornfels.
- 15 FORMACION PARCHA - Depósitos marinos. Pelitas.
- 14 FORMACION LAS VICUNAS - Depósitos marinos. Lutitas, calizas y coquinitas con piroclastitas intercaladas.
- 13 FORMACION TOLAR CHICO - Depósitos marinos. Areniscas cuarzosas y ortocuarzitas.
- 12 GRUPO MESON indiferenciado - Depósitos marinos. Ortocuarzitas.
- 10-11 FORMACION NAVARRO - 10: Granodioritas;
- 11: Granitos.
- 8-9 FORMACION CACHI - 8: Trondhjemitas;
- 9: Pegmatitas.
- 7 FORMACION TASTIL - Granitos y granodioritas.
- 6 FORMACION MACON - Granitos y granodioritas.
- 2-4 FORMACION PUNCOVISCANA - Depósitos marinos. Sedimentitas afectadas por metamorfismo de diferentes grados;
- 2: Facies sedimentaria y de esquistos verdes;
- 3: Facies clorítica;
- 4: Facies biotítica.
- 1,5 COMPLEJO IGNEO METAMORFICO SALAR CENTENARIO
- 1: Ortogneises, granitoides gneisicos y granodioríticos y esquistos cordieríticos;
- 5: Diabasas anfibolíticas.

Figure 8: Generalized Stratigraphic Column. Not all units are present in El Quemado area. Hoja Geológica 2566 -I. San Antonio de los Cobres. 1996, SEGEMAR.



## METALLOGENIC DOMAINS

The Pampean Mountains in northwestern Argentina are lithologically composed of predominantly Paleozoic metamorphic and igneous rocks. Aceñolaza and Toselli (1973, 1981) have grouped the different geological processes (magmatism, metamorphism, sedimentation, tectonics) that occurred in the northwest region of the country into orogenic cycles, defining the following:

- **Pampean Cycle:** Extending from Precambrian to Lower Cambrian
- **Famatinian Cycle:** Extending from Upper Cambrian to Lower Carboniferous
- **Precordilleran Cycle:** Extending from Upper Carboniferous to Triassic
- **Andean Cycle:** Extending from Cretaceous to the present.

Towards the end of the Famatinian cycle, a characteristic magmatism developed, giving rise to a set of plutons generally with Type A affinity, emplaced during the Middle Devonian and Early Carboniferous, which was named the **Achalian cycle** by Sims et al. (1998).

The Famatinian cycle is characterized by significant development in the NOA region, recording a voluminous magmatism that gives rise to numerous plutonic bodies of mostly granitic composition related to an active-orogenic magmatic arc developed mainly during the Ordovician (e.g., Rapela et al. 2001, Miller and Söllner 2005, Dahlquist et al. 2006, 2013, Toselli et al. 2007), while the Achalian cycle developed during the Middle Devonian-Lower Carboniferous with essentially post-orogenic magmatism (e.g., Dahlquist et al. 2006, 2010, Grosse et al. 2009). Additionally, during the Famatinian, a regional metamorphism essentially on rocks of the Puncoviscana Formation took place.

Among the pioneering regional studies of the Pampean Pegmatite Province, Herrera's works (1965, 1968) group pegmatites into four main groups according to their internal structure, composition, and mineral associations. The groups are numerically named from 1 to 4 in increasing order of fractionation, with type 1 pegmatites being those that are essentially barren, composed of quartz and feldspars (with very little participation of beryl) to type 4 pegmatites that are highly evolved, constituted by significant Li mineralization, and with intense Na metasomatism.

Galliski, based on new observations and mainly on the availability of isotopic data in parental granitic rocks, groups four districts within the Pampean Pegmatite Province, as of the Muscovite class and fifteen districts of the Rare Elements class, emplaced in metamorphic rocks of different degrees of metamorphism and in granitic rocks (Galliski 2009). Furthermore, this author introduces the denomination of *orogenic pegmatite fields or districts* for those developed during the Lower Paleozoic, especially during the Famatinian orogenic cycle (mainly Ordovician age), and *post-orogenic pegmatite fields or districts* for those genetically related to parental granites of that nature of the Achalian cycle (Devonian or Carboniferous).

The set of Pegmatites in the northwestern Argentine located in the Pampean Pegmatite Province, the northern sector, can be divided according to their predominant accessory mineral or main structure. The following pegmatite sets (*Figure 9*) result from this, with an indication of the corresponding districts according to Galliski's (1994a) nomenclature:

- **Muscovite and andalusite-bearing pegmatites:** these are found from north to south in the Centenario (Salta), Quilmes (Tucumán) and Mazán-Ambato (La Rioja and Catamarca) districts.
- **Beryllium-bearing pegmatites:** these are found in the Cerro Blanco (Salta), Calchaquí (Tucumán), Ancasti-beryl (Catamarca), Sierra Brava (La Rioja) and Velasco (La Rioja) districts.
- **Tourmaline-bearing pegmatites:** these are found in the Ancasti district (Catamarca).
- **Spodumene(-lepidolite) and columbite-tantalite-bearing pegmatites:** these are found in the El Quemado (Salta) and Ancasti-spodumene (Catamarca) districts.



- **Intragranitic miarolitic pegmatites:** these are found in the El Portezuelo (Catamarca) and La Chinchilla (La Rioja) granites.

### **SPODUMENE(-LEPIDOLITE) AND COLUMBITE-TANTALITE-BEARING PEGMATITES**

The spodumene-bearing pegmatites in the NOA region, from north to south, correspond to those of the El Quemado district located in the Cachi range to the west of the province of Salta and the Ancasti-spd district in the homonymous range in the southeastern sector of the province of Catamarca.

In the El Quemado district, in addition to spodumene as an important accessory mineral, Galliski (1994a) also mentions the presence of lepidolite and tantalite-columbite. These pegmatites containing Ta and Bi minerals (Galliski 1999d, Galliski and Lomniczi de Upton 1993) were exploited in past decades, as detailed before in section 6.

Based on the chemical composition of Nb and Ta minerals in pegmatites from this district, Galliski and Lomniczi de Upton (1993) established that the trend of fractionation of Ta/Nb and Mn/Fe ratios corresponds to Li-rich districts, under significant Fluorine activity.

K/Ar dating of pegmatitic muscovite indicates Pampean ages ( $545 \pm 15$  and  $564 \pm 25$  Ma) for the El Quemado district (Galliski 1983a). A slightly younger age (480 Ma) has been obtained more recently by von Quadt and Galliski (2011) using U-Pb methodology (LAICPMS) on phases of the columbite group.

The origin of the pegmatites in El Quemado is linked to the highly specialized granite domes of the Cachi Formation magmatism (Galliski 1999d) attributable to trondhjemitic facies (Galliski 1983b), with the emplacement of the bodies predominantly forced and rarely permissive. These granites are of S-type affinity generated by extreme fractionation (Galliski 1999d).

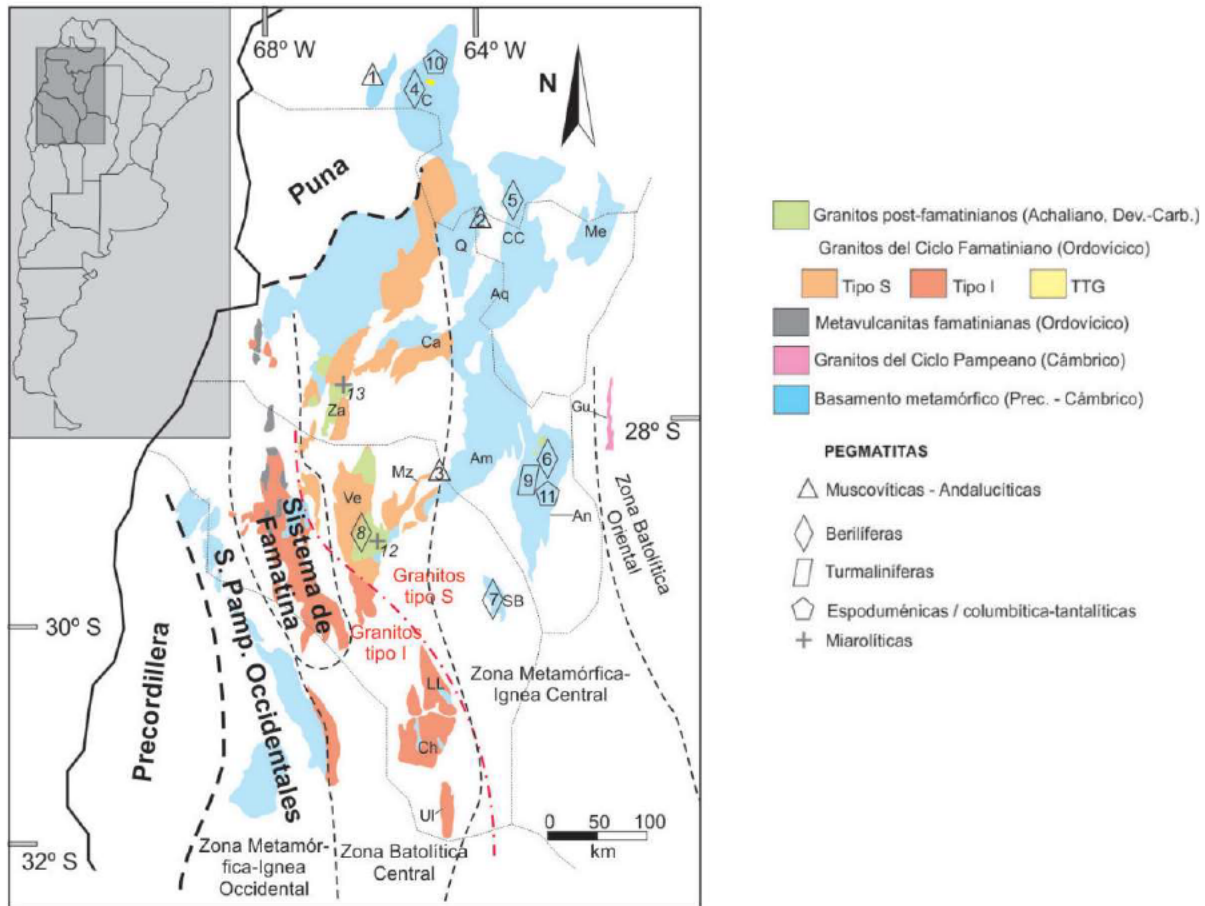


Figure 9: Regional geological map of the Pampean Pegmatite Province. Divisions into igneous-metamorphic belts and types of dominant granites according to Toselli et al. (1986) and Pankhurst et al. (2000), respectively. Orographic references: C, Cachi range; Me, Medina range; CC, Calchaquíes hills; Q, Quilmes range; Aq, Aconquija range; Ca, Capillitas range; Za, Zapata range; An, Ancasti range; Gu, Guasayán range; Am, Ambato range; Mz, Mazán range; Ul, Ulapes range; Ch, Chepes range. Pegmatite district references: 1, Centenario; 2, Quilmes; 3, Mazán-Ambato; 4, Cerro Blanco; 5, Calchaquí; 6, 9 and 11, Ancasti; 7, Sierra Brava; 8, Velasco; 10, El Quemado; 12, El Portezuelo Granite (Papachacra); 13, La Chinchilla Granite. In italics, 'postorogenic' districts according to Galliski's nomenclature (2009). Modified from Sardi et al, 2017.

## PROJECT GEOLOGY

### METAMORPHIC BASEMENT

The metamorphic basement constitutes the host rock of the pegmatites in the El Quemado District and corresponds to the Puncoviscana and La Paya formations. It includes phyllites and schistose mica-layers (Figure 10), light greenish gray in color, whose foliation generally occurs with variable inclinations between 50° and 70°, although sometimes reaches subvertical positions (Figure 11a). These foliation planes were used for the emplacement of the Toro Muerto, Wilson, Miguel Ángel, Bonifacio, and Santa Elena pegmatites, although various sub perpendicular pegmatites were observed in relation to the metamorphic structure, as is the case with Amador and multiple minor branches that diverge from the main bodies.

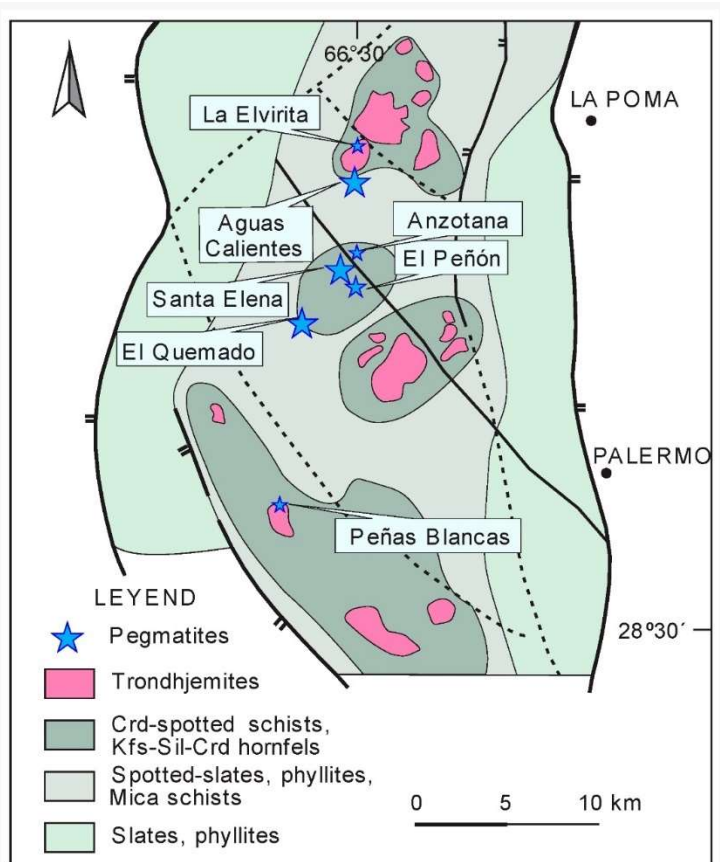


Figure 10: Geological Map of the El Quemado pegmatite district with the main Li-bearing pegmatites (Galliski et al., 2022)

Likewise, the phyllites and schistose mica-layers show thermal metamorphism (contact metamorphism) that increases in intensity in proximity to the ore. The phyllites and schists have darker shades near the pegmatite bodies, and frequently exhibit abundant porphyroblasts of sillimanite (Figure 11b), sometimes pseudomorphically replaced by tourmaline. In the contacts and vicinity of the pegmatites, the rocks often present total replacement by very fine-grained tourmaline and biotite, constituting halos of 5 to 30 cm in thickness (Figure 11c).

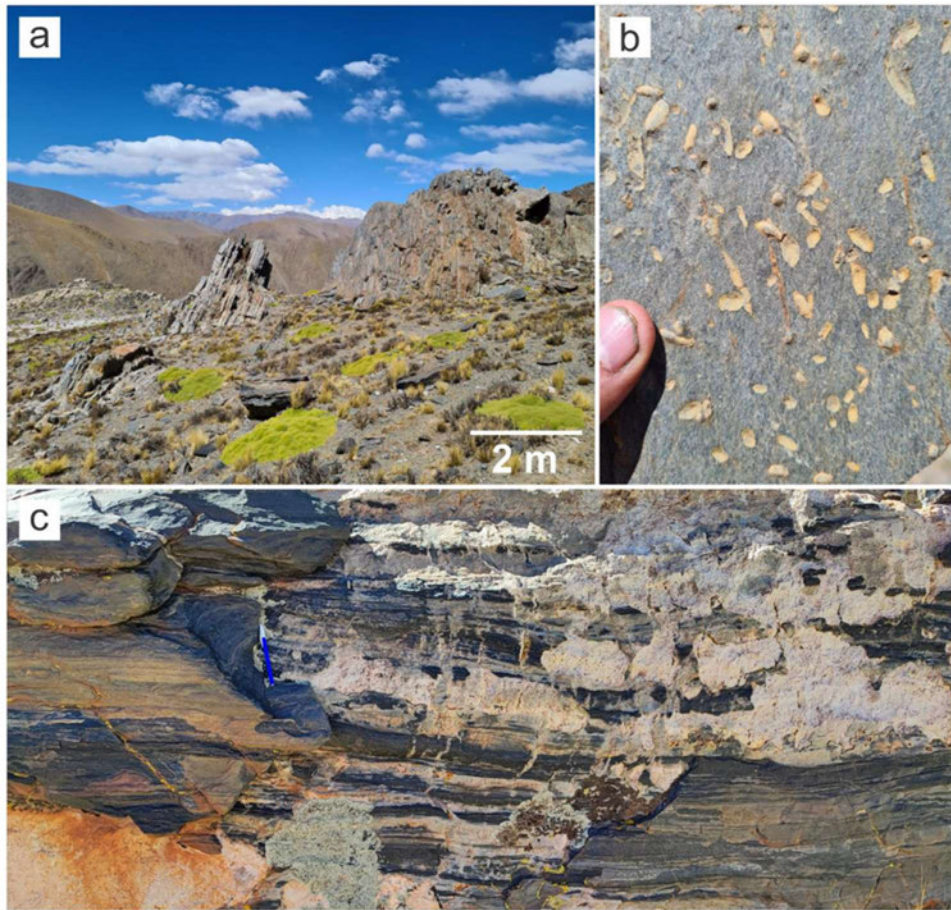


Figure 11: Photographs of the metamorphic basement. A: Outcrops of mica schist lajous. B: Detail of sillimanite porphyroblasts in a phyllite sample. C: Turmalinized and biotitized contact of the Toro Muerto pegmatite. The border zone is shown in white. From Wernert et al, 2022.

## PEGMATITES

Several pegmatites have been identified and mapped in the project area and are included in a total of 10 exploration targets (Figure 12) that spans for about 40 kilometres from north to south and are genetically and spatially associated with the different intrusive bodies that outcrops in the area.



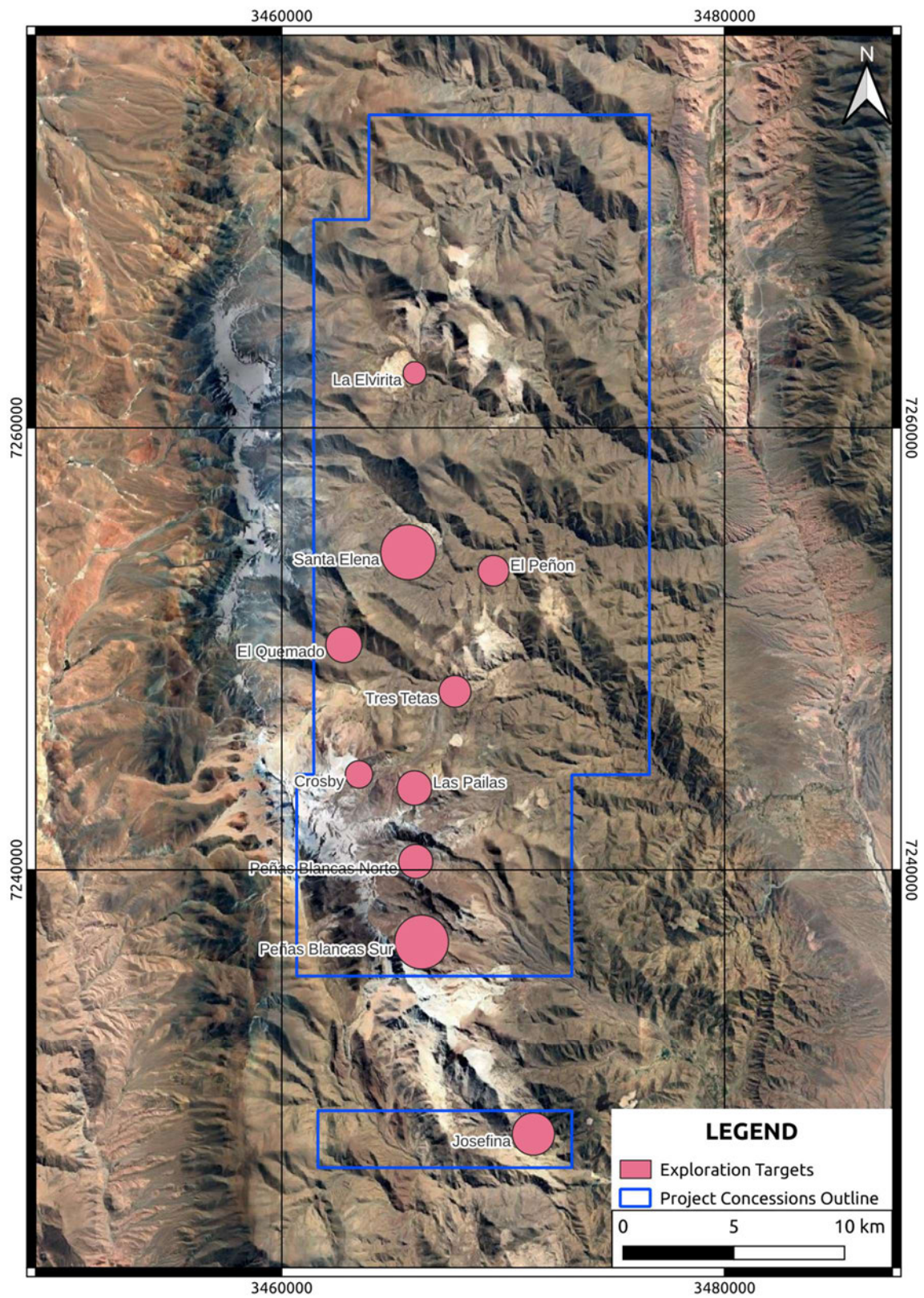


Figure 12: Pegmatite targets and mining concessions in the El Quemado project area. POSGAR94 UTM Argentina 3.

Different pegmatites identified at **Santa Elena** includes:

- **Toro Muerto:** Is a complex pegmatite with vein-like emplacement, with a variable trend between 330° and 345° and dips between 70° and subvertical positions (*Figure 13a* and *b*). Its thickness varies between approximately 4 and 10 metres and has a strike length of about 700 metres.

It has a well-developed internal structure, and zones were identified for the pegmatite, including the border, external or wall, intermediate, and core zones (*Figure 13b*). The border zone usually does not exceed 10 cm in thickness and is made up of very fine aggregates of quartz, feldspar, muscovite, white micas, and scarce phosphates (*Figure 11*). The external or wall zone has variable thicknesses between 10 and 40 cm and is mainly composed of fine granular aggregates of microcline, quartz, and muscovite, with occasional tourmaline, biotite, phosphates, and spodumene.

The intermediate zone has thicknesses between 1.5 and 5 metres and constitutes most of the pegmatite (*Figure 13b*), as well as the zone with the highest concentration of ore. It has a medium to very coarse granular texture and is mainly composed of quartz, microcline, and muscovite. Among the accessory minerals, black tourmaline, elbaite, lepidolite, biotite, spodumene, beryl, chlorite, columbite-tantalite, and montebrasite were identified. The core zone ranges from 0.5 to 2 metres thick and is made up of megacrystals of quartz and microcline (*Figure 13b*), with accessory minerals of muscovite and black tourmaline. The cores are discontinuous within the pegmatites and usually constitute delimited masses within the intermediate zone.

The Toro Muerto pegmatite has abundant Li and REE, and high concentrations of lepidolite, spodumene, and columbite-tantalite were identified. Lepidolite is disseminated in the intermediate zone or in the transition between the intermediate and core zones, forming dense aggregates and sometimes enveloping megacrystals of microcline or quartz (Figs. 4b and 5a). It is also common to find blocks of these lepidolite aggregates in topographically lower areas, whose origin would correspond to the Toro Muerto pegmatite. On the other hand, spodumene appears in the intermediate zone as fresh minerals, olive green in color, with acicular and prismatic habits (Fig. 5c). Columbite-tantalite appears as fine aggregates, sometimes fibrous in character, filling the interstices of other minerals in the intermediate zone. Its distribution does not usually occupy the entire zone, but its presence is restricted to delimited sectors that do not usually exceed 2 metres in thickness.



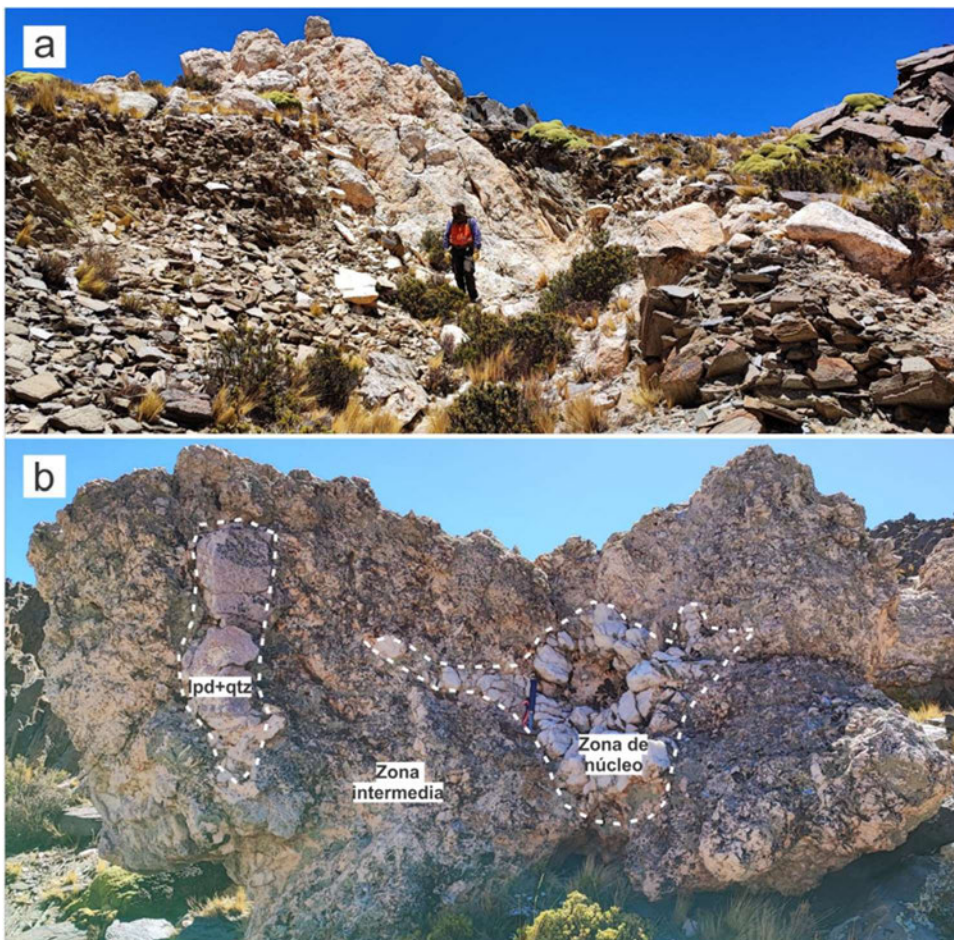


Figure 13: Outcrops of the Toro Muerto pegmatite. A: Contacts with metamorphic slab rock. B: Detail of the internal structure of the pegmatite, where a core zone with megacrystals of microcline and a transition zone between the core and intermediate zone with abundant lepidolite can be appreciated. Lpd: Lepidolite; qtz: Quartz.

- **Miguel Angel:** This pegmatite is complex and with a vein-like emplacement, with an approximate strike of 335° and subvertical dipping. Its thickness varies between 8 and 25 metres, and with a length of 1 kilometre.

In its internal structure it is possible to identify border areas, external or wall and core areas. Border zones varies from 5 to 10 cm in thickness, and is formed by quartz, feldspar, muscovite and very fine-grained white micas. The external or wall zone has variable thickness from 0.1 to 1 m, and is formed mainly by fine aggregates of microcline, quartz and muscovite, with tourmaline and spodumene as accessories.

The intermediate area ranges between 1.5 to 10 m thick, with coarse to very coarse grainy texture, and is formed by quartz, microcline and muscovite, with black tourmaline, lepidolite, spodumene, chlorite and columbite-tantalite as accessories.

The core zone has thicknesses between 0.5 and 2 m, and is formed by quartz and microcline megacrystals, with black tourmaline and muscovite as accessories. This zone tends to be discontinuous within the pegmatite, and usually constitutes bounded masses in the intermediate zone. In general, the Miguel Angel pegmatite contains abundant lithium-bearing minerals such as lepidolite and spodumene, and other ore-bearing minerals like elbaite and columbite-tantalite. Spodumene is usually observed altered to pink clays as reported by Gallisky (1981, 1999) and is interpreted as a product of hydrothermal alteration of the lithium pyroxene.

Columbite-tantalite is present as fine aggregates that are filling the voids of other minerals in the intermediate zone, and its presence is often restricted to bounded areas within the intermediate zone of the pegmatite.

- **Bonifacio:** Is a simple pegmatite with a vein-like emplacement, oriented between 335° and 350° and with a subvertical inclination, although towards the south the body takes a position close to the N-S trend. Its thickness varies between approximately 0.5 and 8 m, along a strike length of almost 700 m, where greater thicknesses are recorded towards the south.

The body is dissected by various pegmatites and sub-parallel oriented faults, which sometimes displace it up to 10 metres, and has a border zone of less than 5 cm thickness, consisting of very fine aggregates of quartz, feldspar, muscovite, and white micas, followed by an intermediate zone that represents almost the entirety of the body, consisting of microcline, quartz, muscovite, and occasional tourmaline with medium to coarse-grained textures. This quality gives the Bonifacio pegmatite a homogeneous appearance.

## DEPOSIT TYPES

The deposit type that SALI is currently investigating, and that was also the target of previous exploration works corresponds to rare-element LCT Pegmatites, as defined by Černý, 1991. These deposits contain variable amounts of Li, Rb, Cs, Be, Sn, Ga, Ta and Nb, and are often associated with spodumene as the main source for ore-grade lithium.

Schists, gneisses and early intrusions are the predominant hosts rocks for rare-element pegmatites of the LCT family, which in this case corresponds to La Paya Formation. The shapes of these pegmatites are controlled by the ductility of their host rocks, and in the El Quemado project the principal geometry appears to be dyke-like, filling pre-existent fractures in the brittle host rocks or concordant with the metamorphic foliation.

These pegmatites typically exhibit a zonation that consists at least of:

- Border, external or wall zones
- Intermediate zones and
- Core zones (*Figure 13*)

The zonation and details can vary in the different pegmatites described in the project, but spodumene-bearing are most commonly associated with the intermediate zones, where spodumene, lepidolite and columbite-tantalite are observed.

In the models proposed by Trueman and Černý (1982), Černý (1991) and London (2008), the regional evolution of granitic-pegmatitic bodies can be observed at different scales, ideally starting from the roof of a parental pluton, from which many pegmatitic bodies are ejected, and mainly following a vertical trend. Chemical fractionation produces zoning in relation to the granite source, and this differentiation becomes stronger in the more distant bodies. The chemical fractionation is invariably reflected in the mineralogy of each pegmatite, and those closest to the parental granite bodies have simple mineralogy, sometimes containing only quartz, feldspar and micas. In contrast, the farthest bodies have higher volumes of minerals containing volatile elements and/or rare metals. In *Figure 14*, a simplified model shows the relation between the different facies of parental granite and pegmatites.



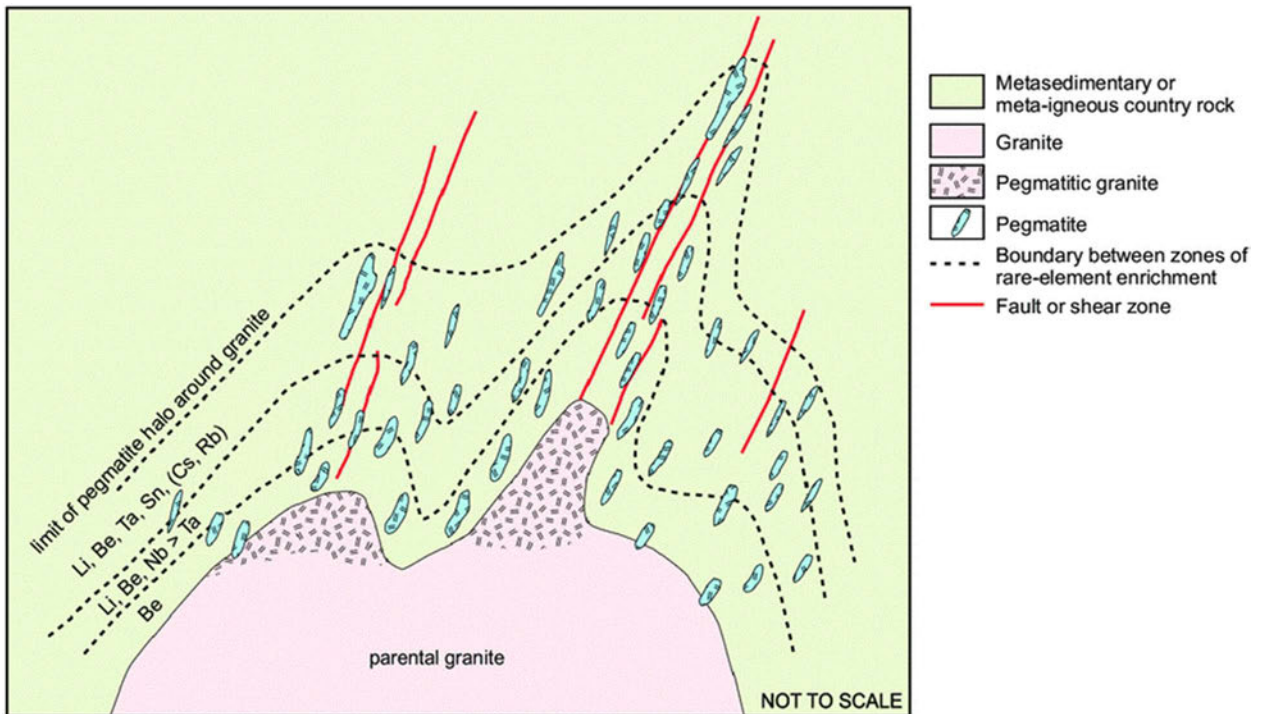


Figure 14: Schematic model in profile that shows regional zoning patterns in a pegmatite field (modified after Trueman and Cerný, 1982; Cerný, 1989; Galeschuk and Vanstone, 2005; Bradley et al., 2017). Characteristic rare-element suites of the most enriched pegmatites in each zone are indicated. The most prospective pegmatites are located in distal areas compared to the parental granite.

Exploration work must hence focus on the understanding of the complexity and zonation of the identified pegmatites, together with detailed geological mapping and systematic sampling to identify geochemical anomalies that leads to a better understanding of the potential of the system to host economic grade mineralization.

There is also potential for the discovery of additional pegmatites, currently not identified. A campaign of stream sediments would be helpful to identify associated anomalies in Ta and Sn, which comes from Columbite-Tantalite and Cassiterite and has proved to be efficient in identifying concealed Li-bearing pegmatites in other districts (Kaeter et al, 2021).

The author verified the presence of abundant pegmatites in the project and the zonation of these between March 3 and 7, 2023.

## EXPLORATION

During 2022, SALI carried out exploration works that consisted of remote sensing analysis, bibliography and database consolidation, and a field campaign that included drone surveying, geological mapping and channel sampling.

Mr. Sastre had access to a database which comprises a total of 357 samples, which includes Channel, Rock Chip, Soil and Talus Fine samples (Figure 15). The samples in this database consists of those taken by Centenera Mining Corporation and SALI. Other sources of information are not available for the purposes of this report. Figure 17 shows a general summary with for the Sample ID, Sample Types and Easting, Northing and Elevation coordinates.

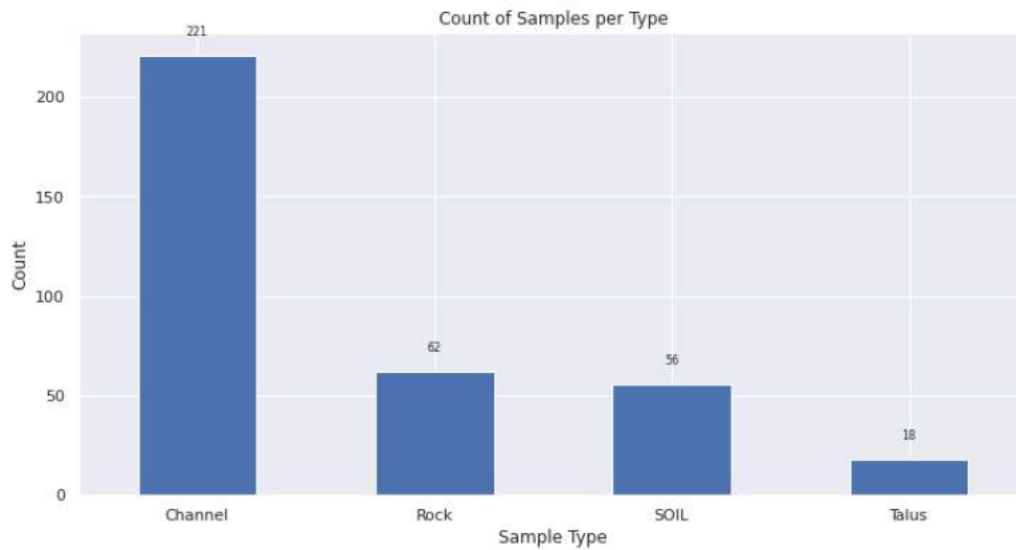


Figure 15: Samples in database at El Quemado, by type

The exploration work has been focused on the Santa Elena and El Peñon targets, with limited sampling at the Tres Tetos and Peñas Blancas targets, and no work or sampling done in the rest of the property. The spatial distribution of the samples is shown below in Figure 16.

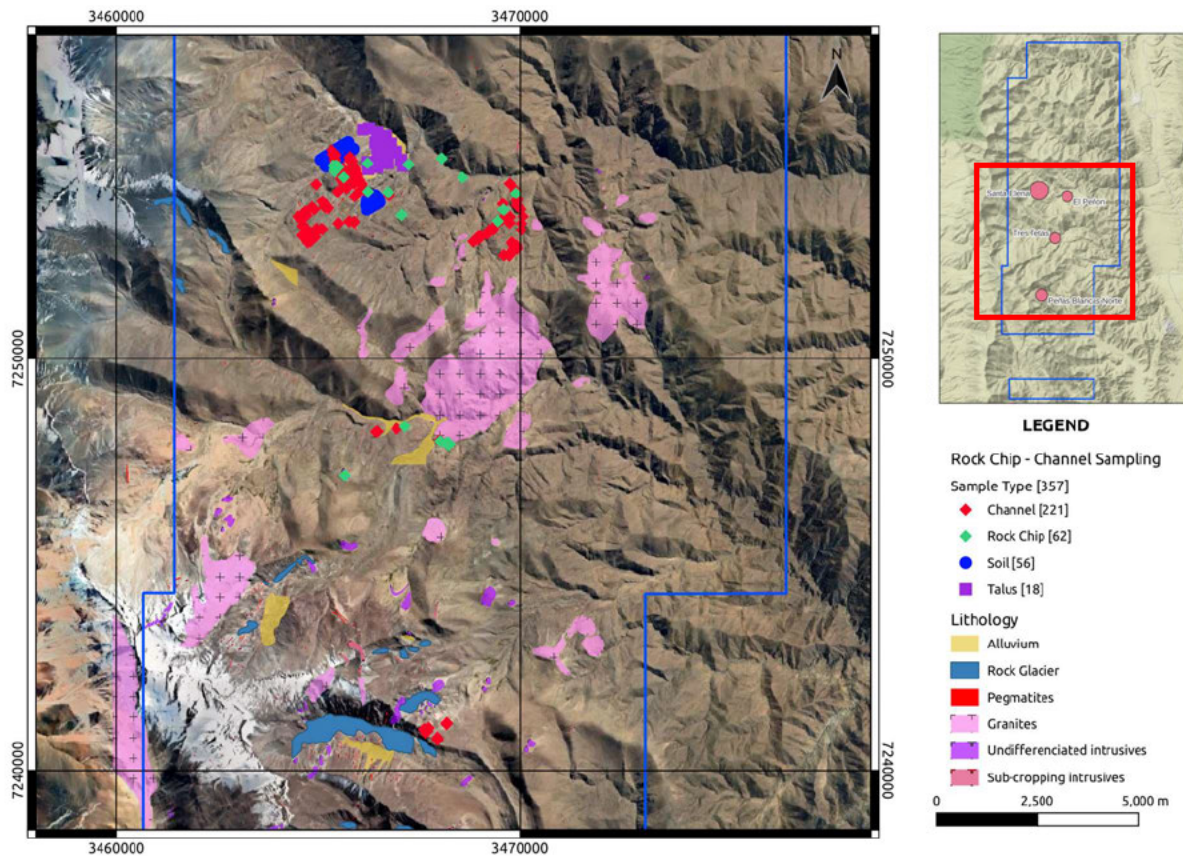


Figure 16: Location and type of samples at El Quemado Project. Only a few targets were sampled by previous companies and by SALI, including Santa Elena, El Peñon, Tres Tetos and Peñas Blancas Norte.

Table 3 summarizes the results obtained for Li, Bi, Cs, Nb, Ta and Rb, and Figure 18 next shows the rock chips and channel samples histogram for these elements, and Figure 19 shows the correlation matrix. It is important to notice that these results comes from the full database and has not been filtered by rock type, therefore should not be considered as a guidance for mineralization values in the pegmatites.

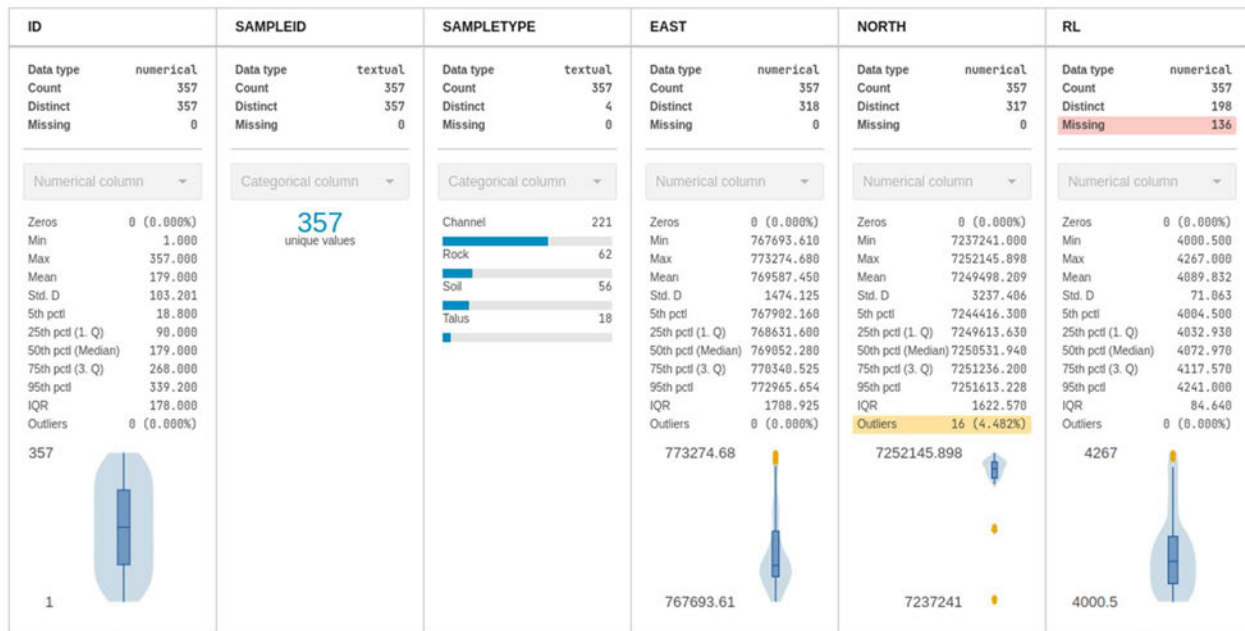


Figure 17: Samples in database, separated by type and general location statistics.

Table 3: Basic statistics for main elements of interest at El Quemado

	Li ppm	Bi ppm	Cs ppm	Nb ppm	Ta ppm	Rb ppm
Count	194	194	194	194	194	194
Mean	825.28	9.11	60.84	64.16	0.72	666.66
Std	1839.27	19.20	71.76	86.47	0.36	581.79
Min	0.00	0.05	0.20	0.50	0.25	1.00
25%	20.00	0.50	6.83	4.50	0.50	104.12
50%	48.00	2.70	43.65	61.00	0.70	646.80
75%	409.50	8.47	83.97	92.50	1.00	978.73
Max	9404.00	137.20	601.10	1031.00	1.80	2993.10

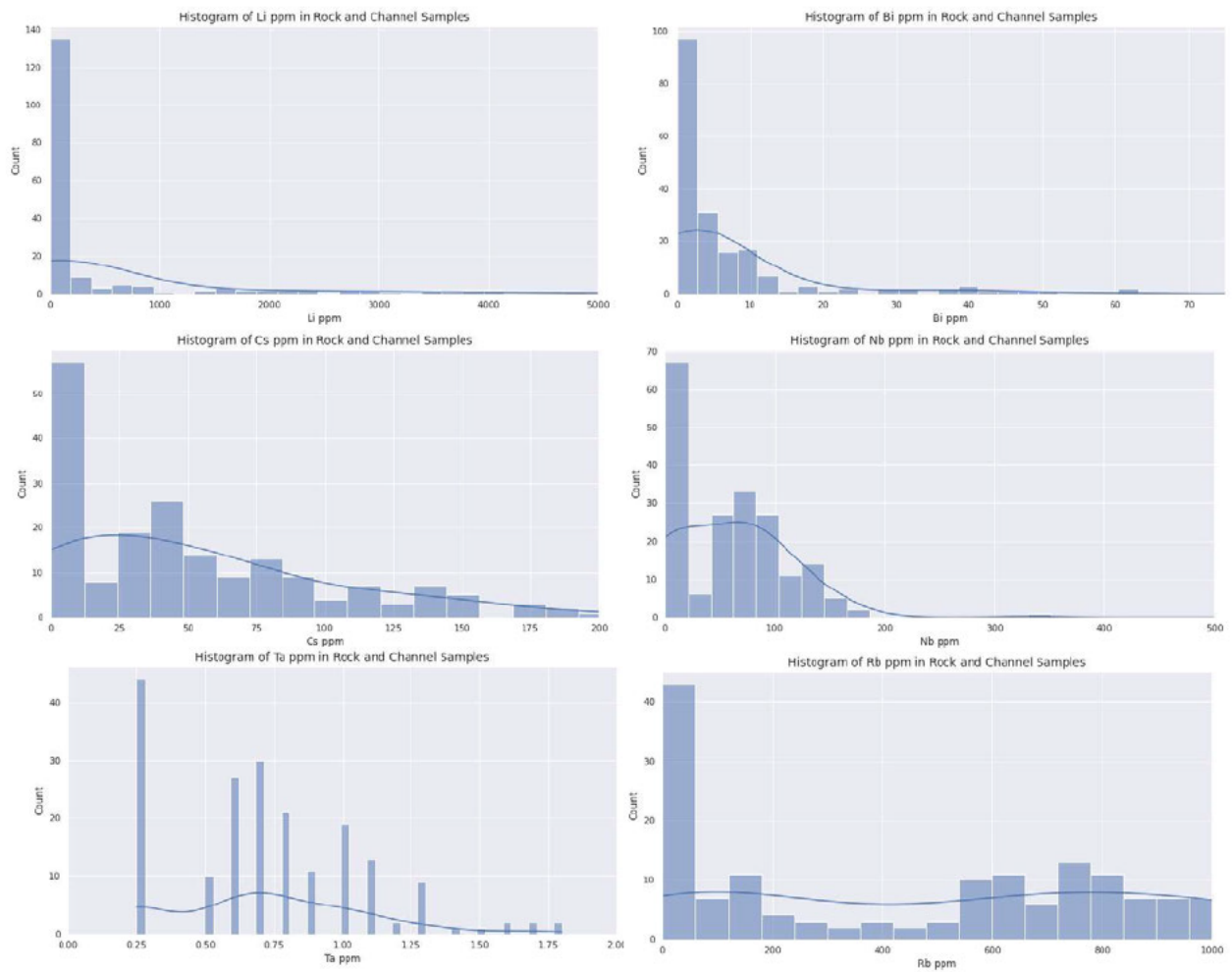


Figure 18: Histograms of the different elements of interest at El Quemado, showing only Rock Chip and Channel Samples

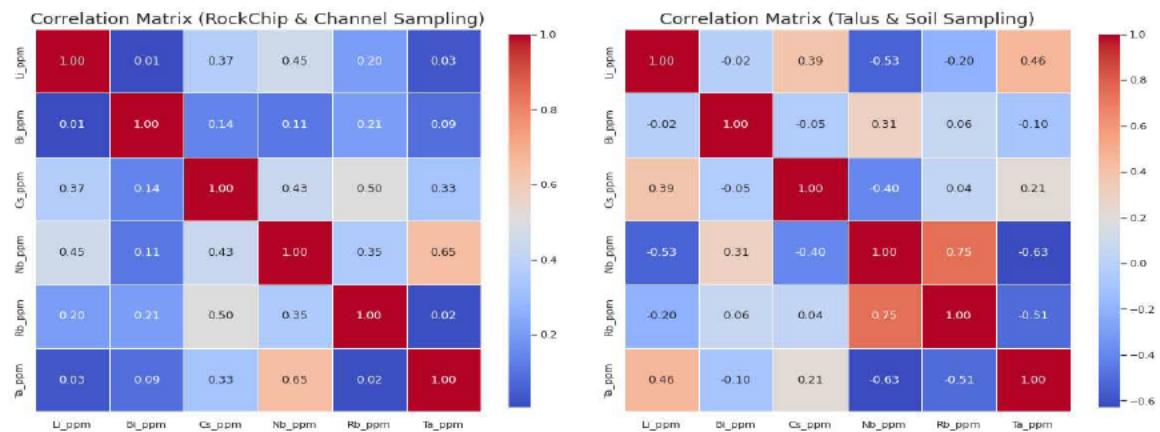


Figure 19: Correlation matrix for of the different elements of interest at El Quemado





Figure 20: Basic Statistics for all Elements in database

Marchionni and Gasparini (2022) conducted work that focused on the use of satellite images for the detection of outcropping and sub-outcropping pegmatitic bodies in El Quemado district. Digital Elevation

Models (DEM), topographic sheets and different GIS layers of the IGN (National Geographic Institute) were used to elaborate a base topography. SEGEMAR publicly available geological information and historical geological maps were used as the basis for the geological reconnaissance of the area.

ETM+ (Enhanced Thematic Mapper) LANDSAT-7 dated August and November 2022, and OLI (Operational Land Manager) LANDSAT-8 images from October 2021 were downloaded from the United States Geological Survey (USGS). Main resolution characteristics of these are detailed in the *Table 4* and

*Table 5* below.

*Table 4: Spectral and spatial resolution of the ETM+ LANDSAT-7 images*

Satellite	Sensor	Bands	Spectral Range	Resolution
LANDSAT-7	ETM+	1 (blue)	0.45 – 0.52 $\mu\text{m}$	30 m
		2 (green)	0.53 – 0.61 $\mu\text{m}$	
		3 (red)	0.63 – 0.69 $\mu\text{m}$	
		4 (NIR)	0.78 – 0.90 $\mu\text{m}$	
		5 (SWIR 1)	1.55 – 1.75 $\mu\text{m}$	
		7 (SWIR 2)	2.09 – 2.35 $\mu\text{m}$	
		8 (panchromatic)	0.52 – 0.90 $\mu\text{m}$	15 m
		6 (TIR)	10.4 – 12.5 $\mu\text{m}$	120 m

*Table 5: Spectral and spatial resolution of the OLI and TIRS LANDSAT-8 images*

Satellite	Sensor	Bands	Spectral Range	Resolution
LANDSAT-8	OLI	1 (coastal/aerosol)	0.43 – 0.45 $\mu\text{m}$	30 m
		2 (blue)	0.45 – 0.51 $\mu\text{m}$	
		3 (green)	0.53 – 0.59 $\mu\text{m}$	
		4 (red)	0.64 – 0.67 $\mu\text{m}$	
		5 (NIR)	0.85 – 0.88 $\mu\text{m}$	
		6 (SWIR 1)	1.57 – 1.65 $\mu\text{m}$	
		7 (SWIR 2)	2.11 – 2.29 $\mu\text{m}$	
		8 (panchromatic)	0.50 – 0.68 $\mu\text{m}$	15 m
		9 (cirrus)	1.36 – 1.38 $\mu\text{m}$	30 m
		10 (Long wavelength infrared)	10.60 – 11.19 $\mu\text{m}$	100 m
		11 (Long wavelength infrared)	11-50 – 12.51 $\mu\text{m}$	

ASTER (Advanced Spaceborne Thermal Emission and Reflection Radiometric) Images of the Terra satellite were also obtained and processed. The ASTER sensor has three sub-systems that operates in different region of the spectre: Visible and Near Infrared (VNIR), Shortwave Infrared (SWIR) and Thermal Infrared (TIR). Its main characteristics are shown below in *Table 6*.

Table 6: Spectral and spatial resolution of the ASTER images

VNIR		SWIR		TIR	
Bands	Range ( $\mu\text{m}$ )	Bands	Range ( $\mu\text{m}$ )	Bands	Range ( $\mu\text{m}$ )
1	0.52 – 0.60	4	1.600 – 1.700	10	8.125 – 8.475
2	0.63 – 0.69	5	2.145 – 2.185	11	8.475 – 8.825
3	0.76 – 0.86	6	2.185 – 2.225	12	8.925 – 9.275
		7	2.235 – 2.285	13	10.25 – 10.95
		8	2.295 – 2.365	14	10.95 – 11.65
		9	2.360 – 2.430		
Spatial Resolution	15 m	Spatial Resolution	30 m	Spatial Resolution	90 m

Subsequent image processing and digital analysis was focused on the reconnaissance of geological units, structural interpretation and exploration target generation (Figure 21). As the result of this work, Marchionni and Gasparini (Op. cit.) reports a total of 874 pegmatitic bodies, of which 654 were not mapped and only a few were identified previously, with a total length of outcropping pegmatites of 47.6 km. They also mention evidence for additional 260 sub-cropping pegmatites.

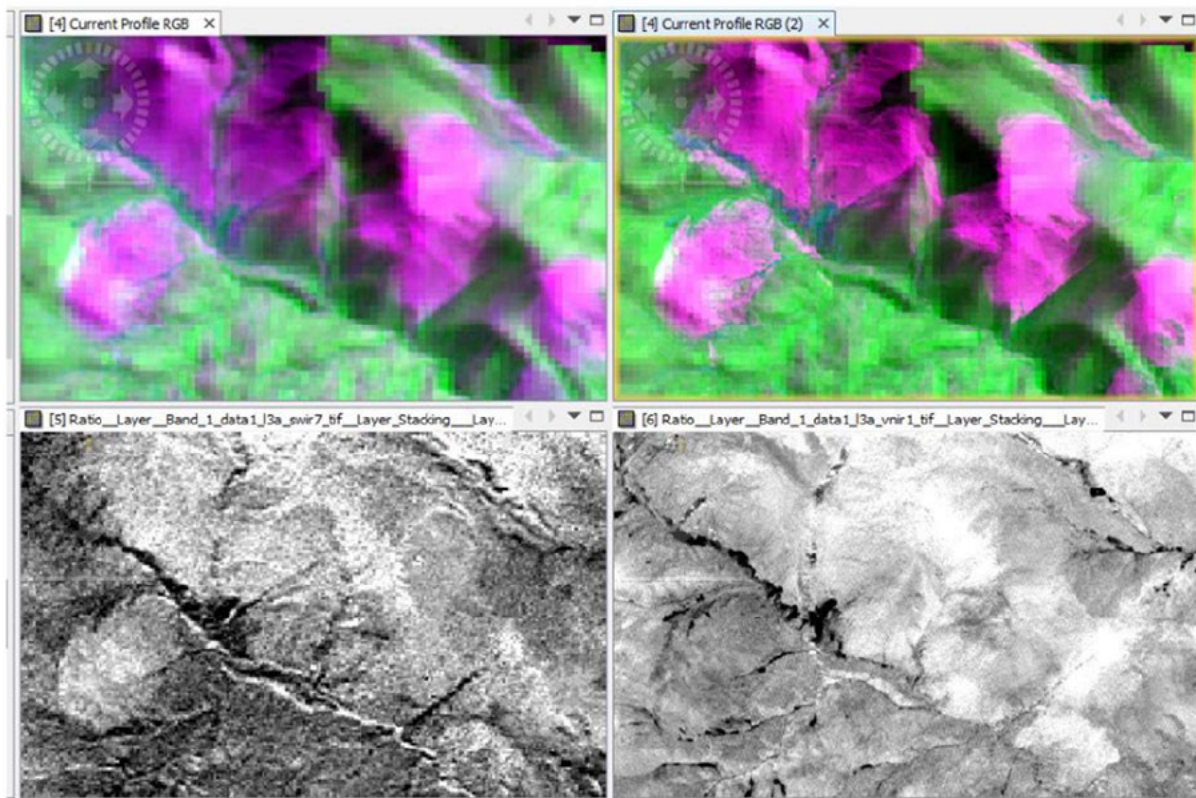


Figure 21: Example of differentiation of metamorphic units and intrusive bodies with ASTER image processing. RGB composites on top and bands B7/B6 and B1/B3 ratios below

During November 2022 SALI conducted a field campaign, carried out by DG Exploraciones S.A., a local geological consulting firm, aiming to verify the existence of lithium-bearing pegmatites in El Quemado. This campaign consisted of field recognition and sampling of the pegmatites at the Santa Elena target, where a total of 24 channels and chip samples were collected from the Toro Muerto, Bonifacio, Wilson, Miguel Angel and Amador pegmatites. Additional 8 samples were obtained from the rock waste dumps in the vicinity of the former small-scale mining works in Santa Elena and Toro Muerto pegmatites.



In addition to this, an aerophotogrametric survey was carried out in order to obtain high-resolution Digital Elevation Model (DEM) and aerial images for the area.

For presentation purposes and more clarity in the reporting, the Li ppm is converted to Li<sub>2</sub>O in the maps using the following conversion formula:

$$\text{Li}_2\text{O (wt\%)} = \text{Li ppm} * 0.000215$$

Where *wt%* stands for weight percent and *Li ppm* is the concentration of lithium in the sample expressed as parts per million by weight. The factor 2.15 is the atomic weight ratio of lithium to oxygen in Li<sub>2</sub>O.

shows the Li<sub>2</sub>O content in Rock Chip and Channel Samples from the Santa Elena Target. A total of 13 samples returns mineralization in excess of 1%, and 27 with over more than 0.5% Li<sub>2</sub>O. Other elements of interest as well as the Nb/Ta ratio are shown below in Error! Reference source not found. to Figure 28. Figures 29 to 34 show results obtained in Soil Samples and Talus Fines.

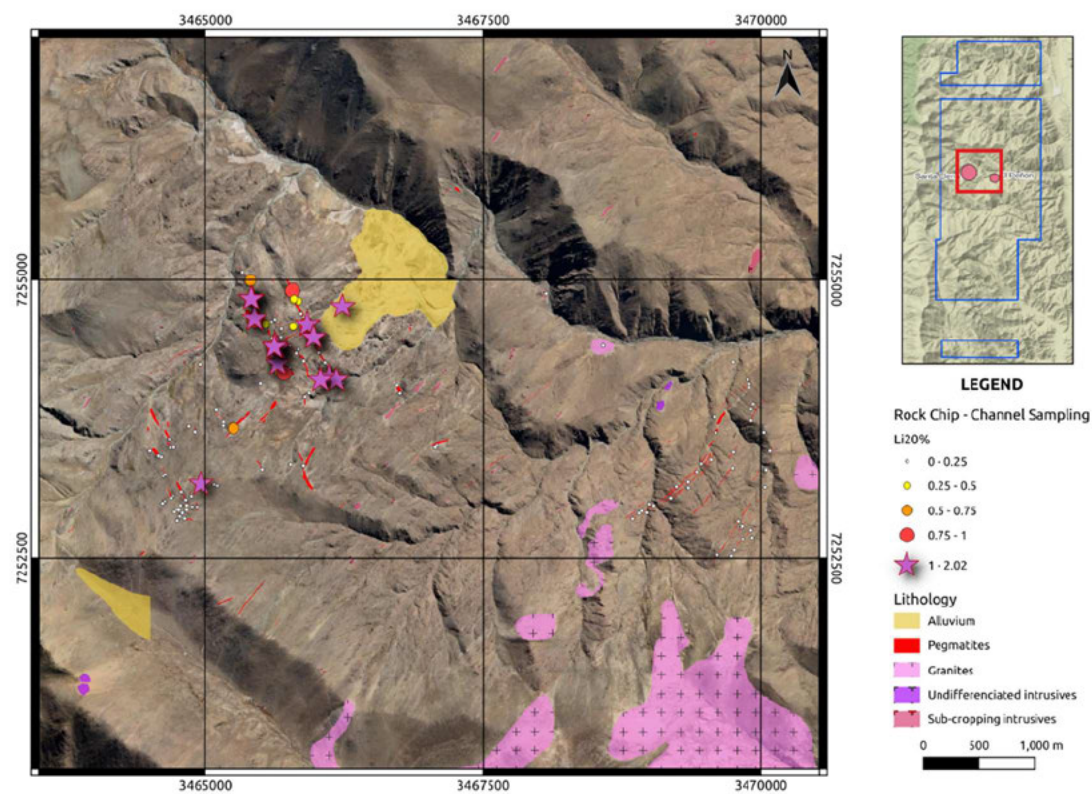


Figure 22: Li<sub>2</sub>O % in Rock Chips and Channel Samples from the Santa Elena Area



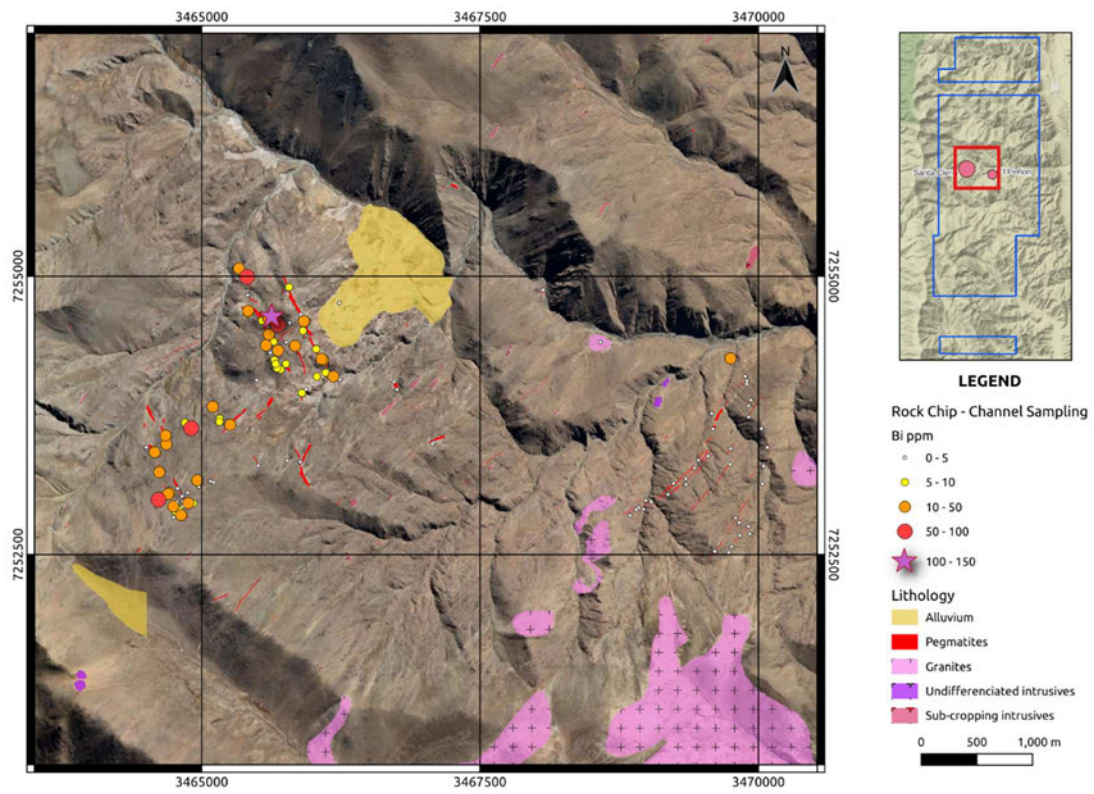


Figure 23: Bi ppm in Rock Chips and Channel Samples from the Santa Elena Area

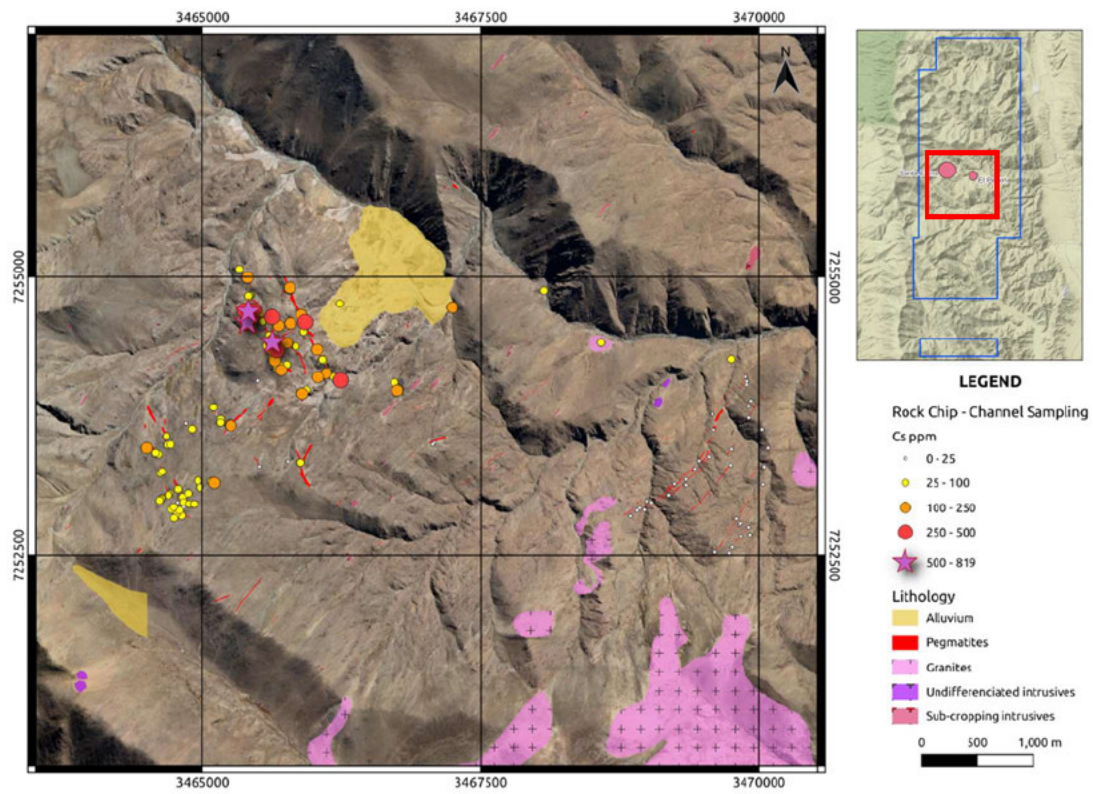


Figure 24: Cs ppm in Rock Chips and Channel Samples from the Santa Elena Area

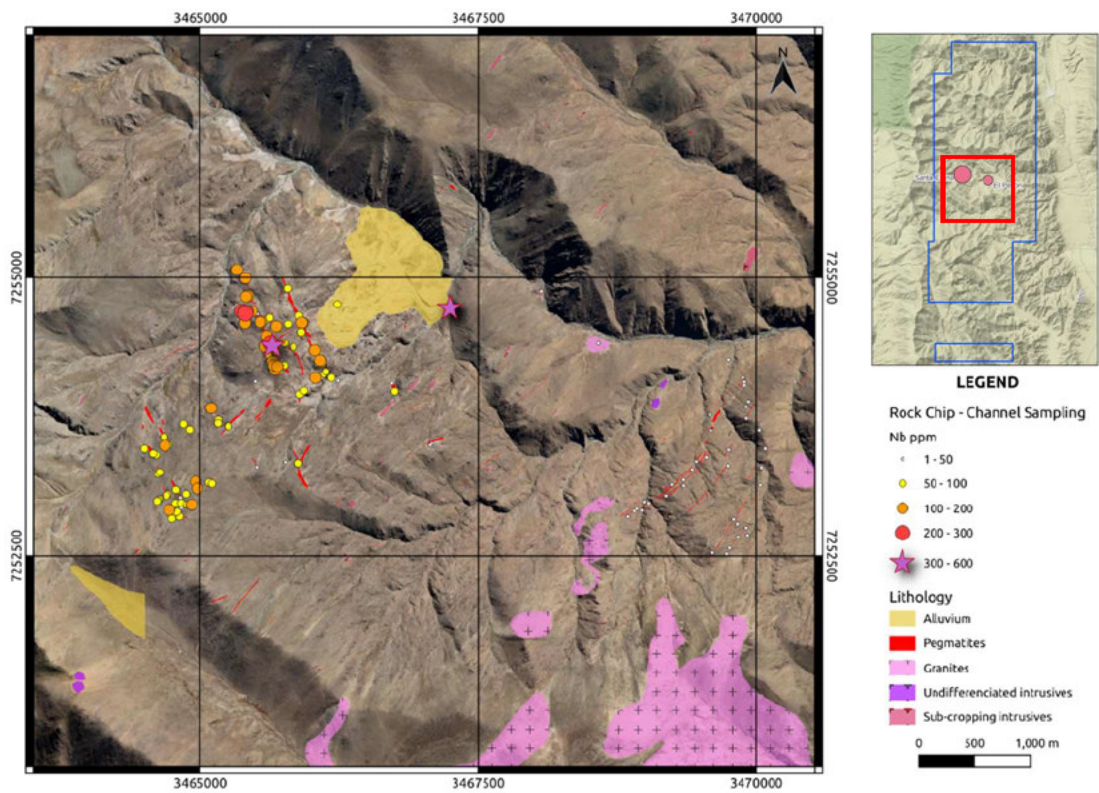


Figure 25: Nb ppm in Rock Chips and Channel Samples from the Santa Elena Area



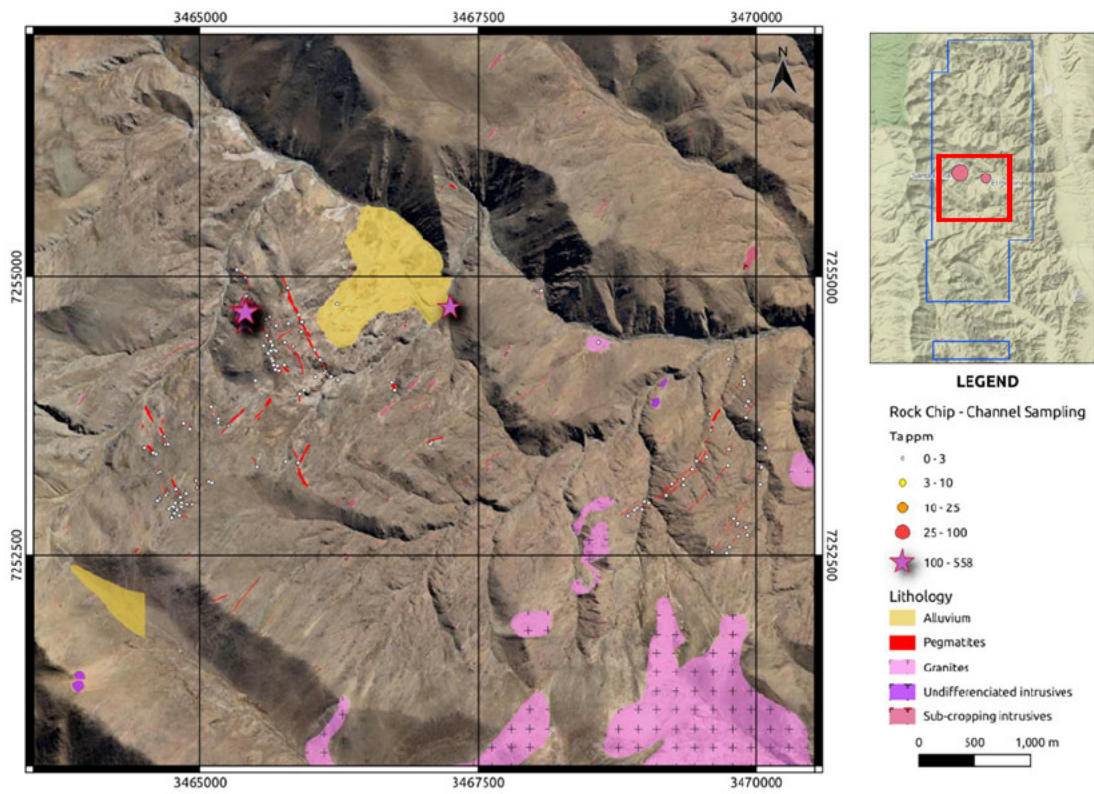


Figure 26: Ta ppm in Rock Chips and Channel Samples from the Santa Elena Area

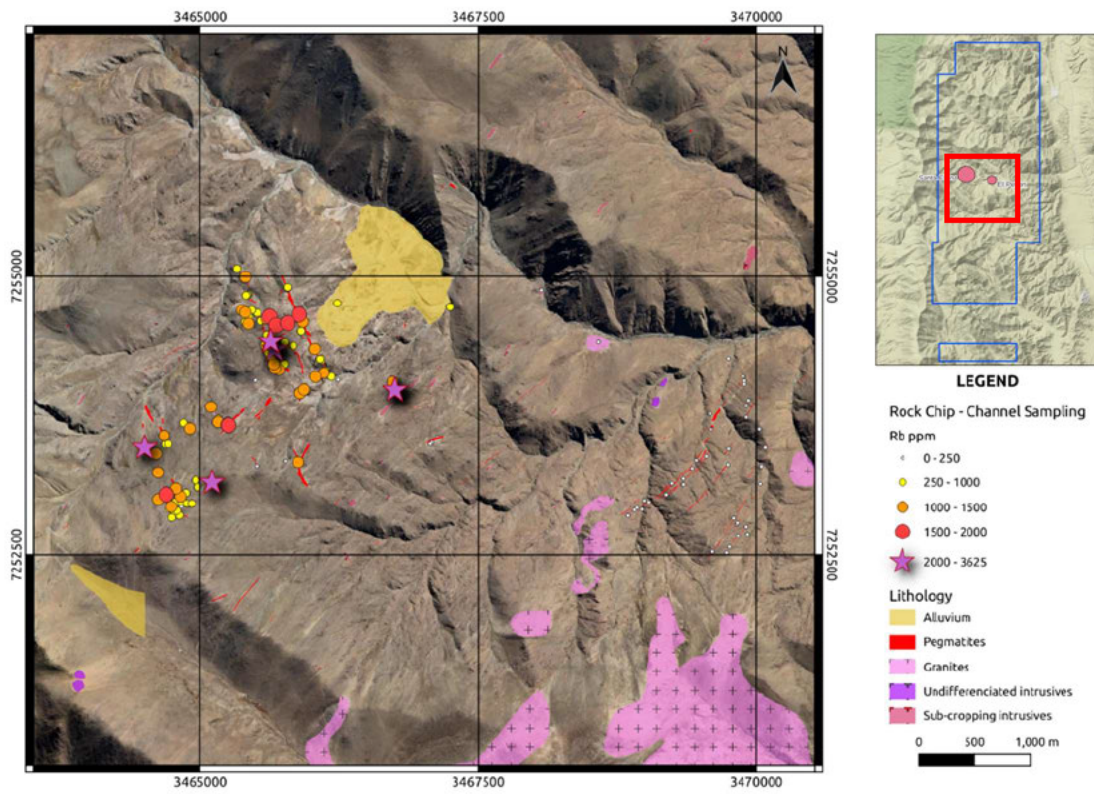


Figure 22: Rb ppm in Rock Chips and Channel Samples from the Santa Elena Area

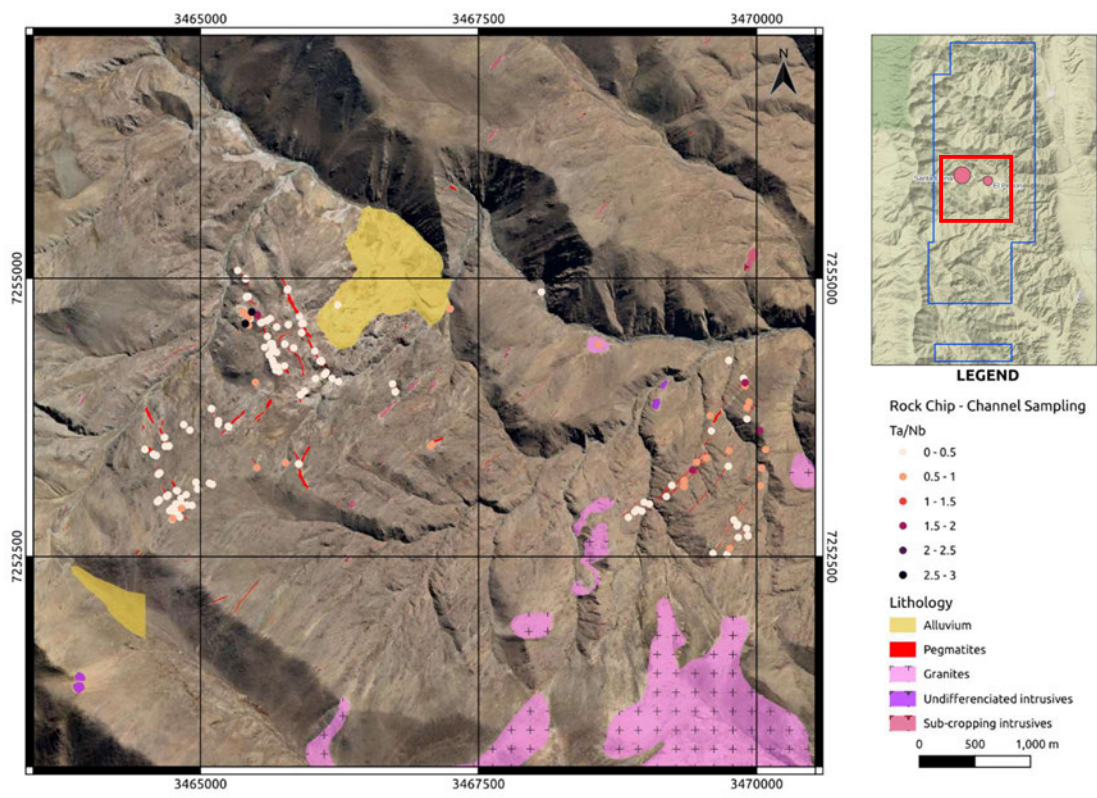


Figure 23: Ta/Nb Ratio in Rock Chips and Channel Samples from the Santa Elena Area



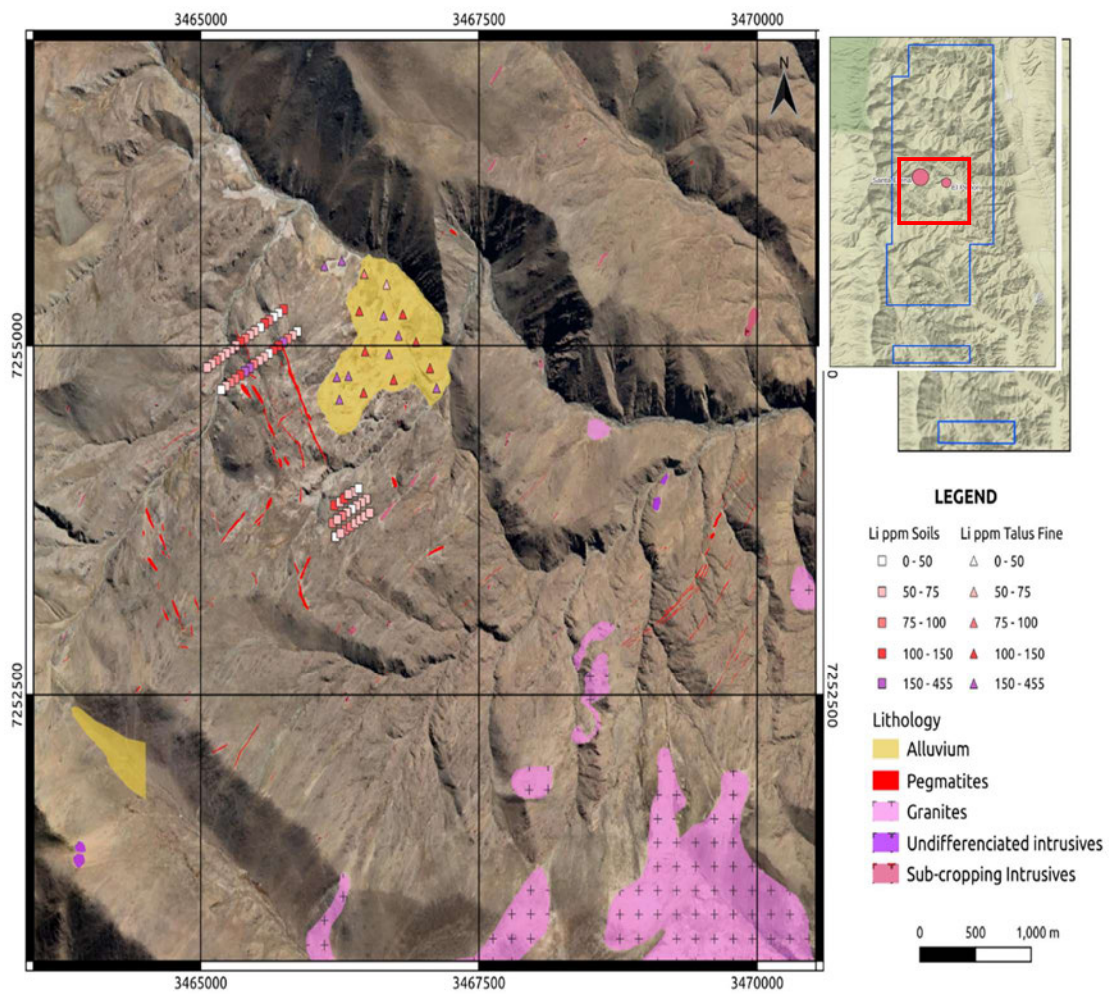


Figure 24: Li ppm in Soils and Talus Fine Samples from the Santa Elena Area

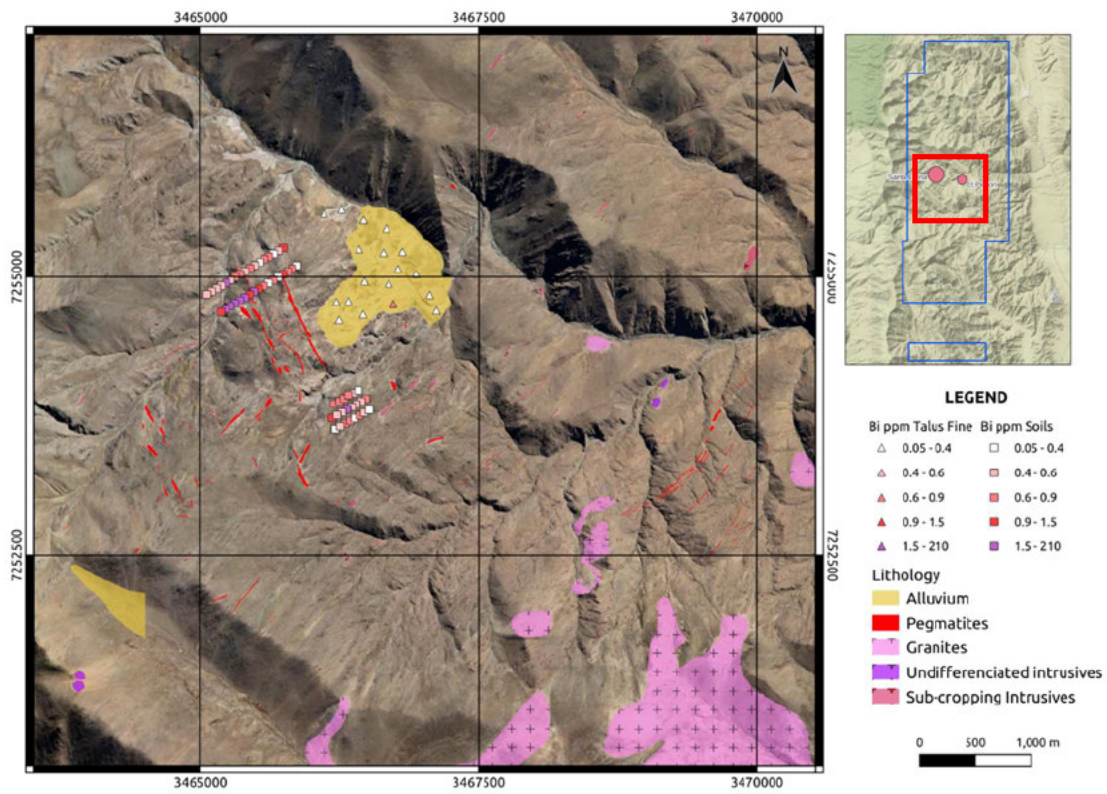


Figure 25: Bi ppm in Soils and Talus Fine Samples from the Santa Elena Area

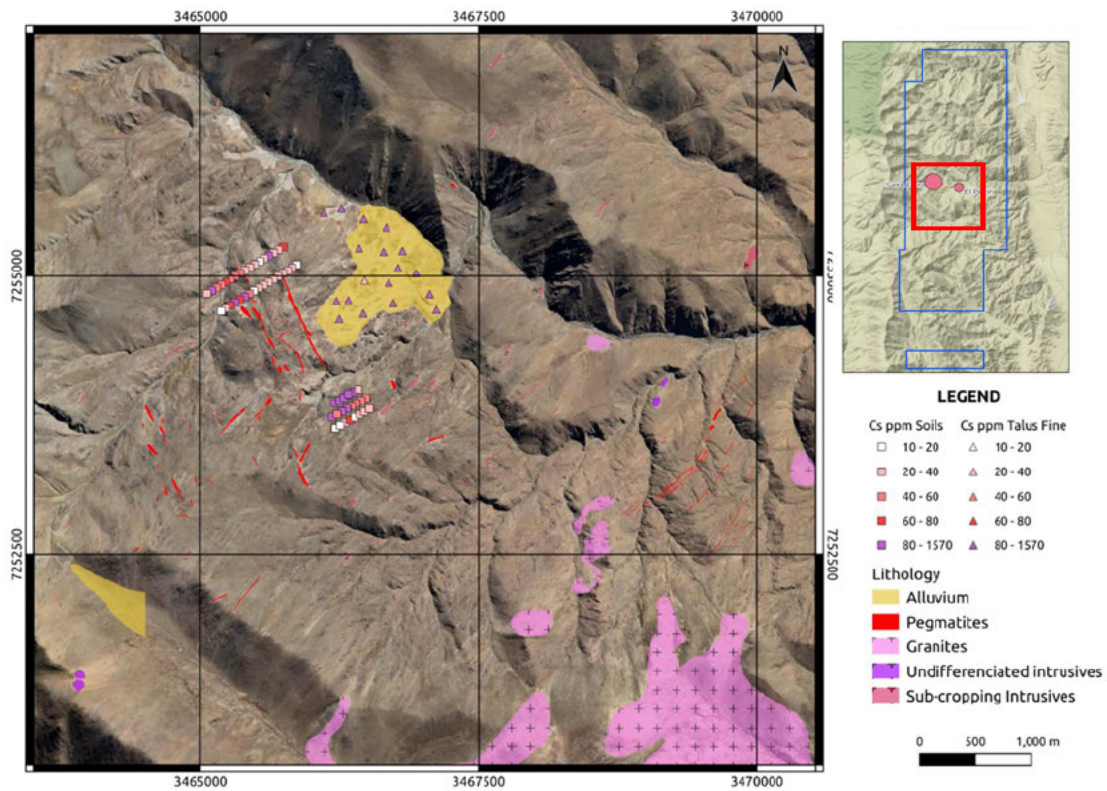


Figure 26: Cs ppm in Soils and Talus Fine Samples from the Santa Elena Area



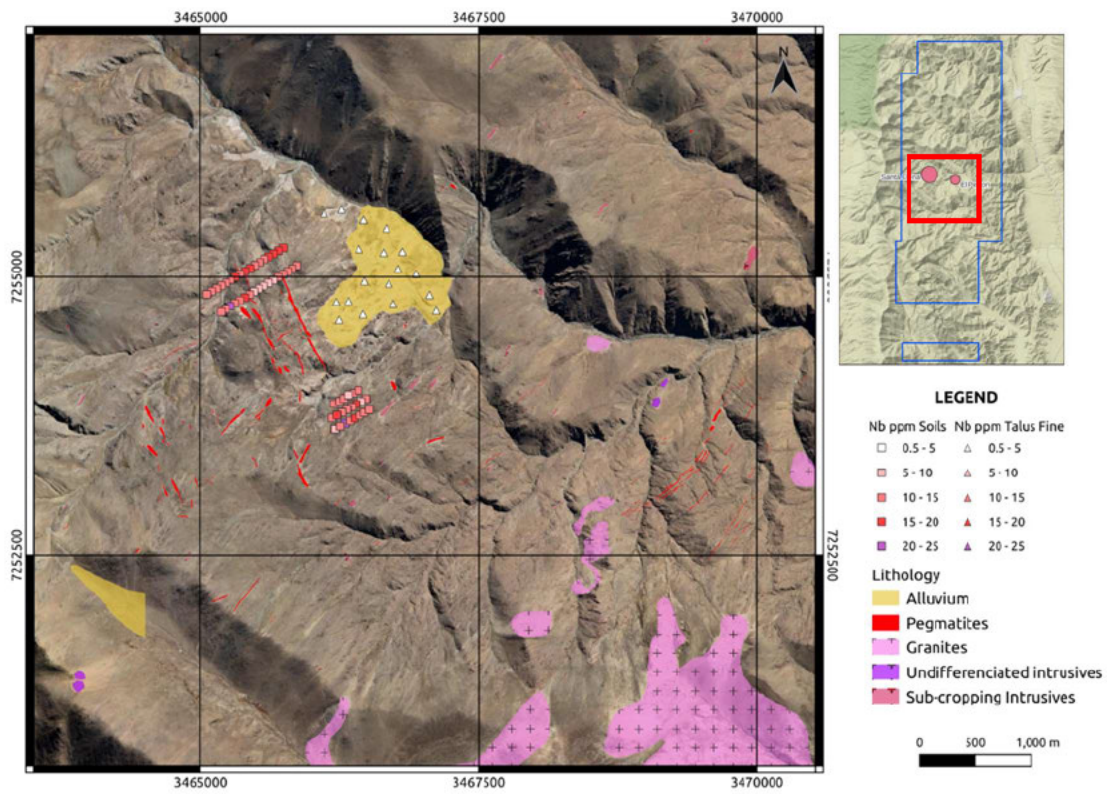


Figure 27: Nb ppm in Soils and Talus Fine Samples from the Santa Elena Area

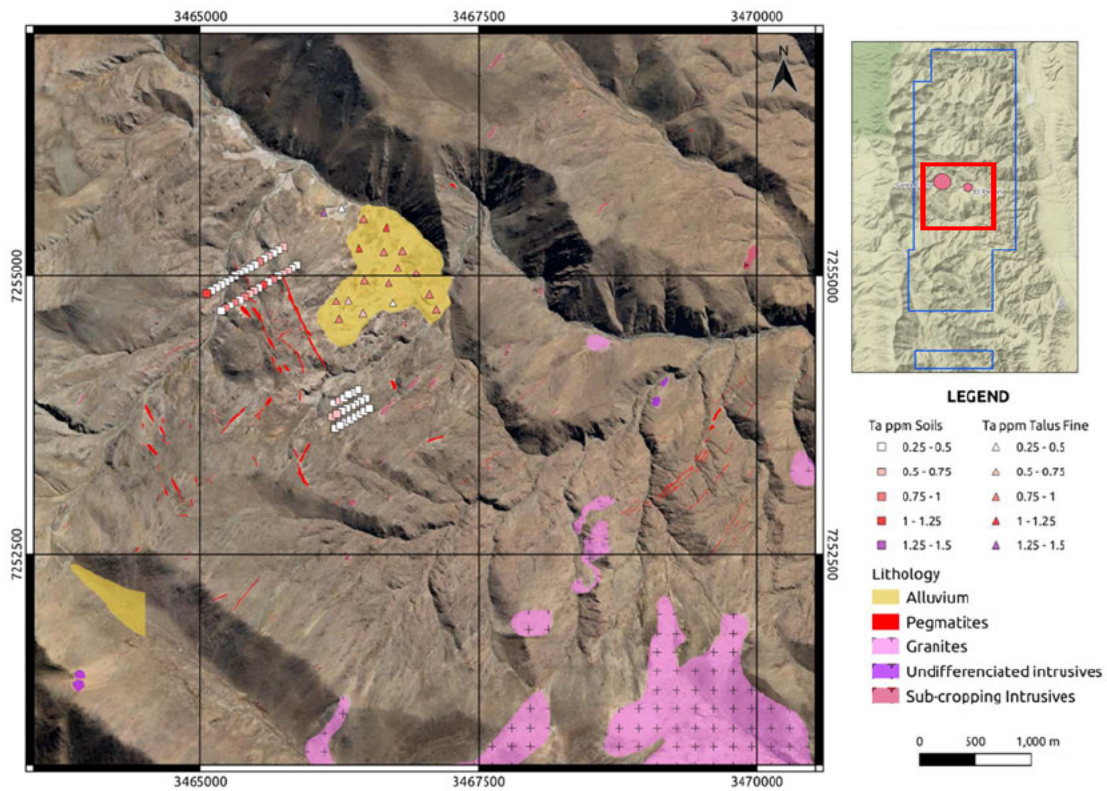


Figure 28: Ta ppm in Soils and Talus Fine Samples from the Santa Elena Area

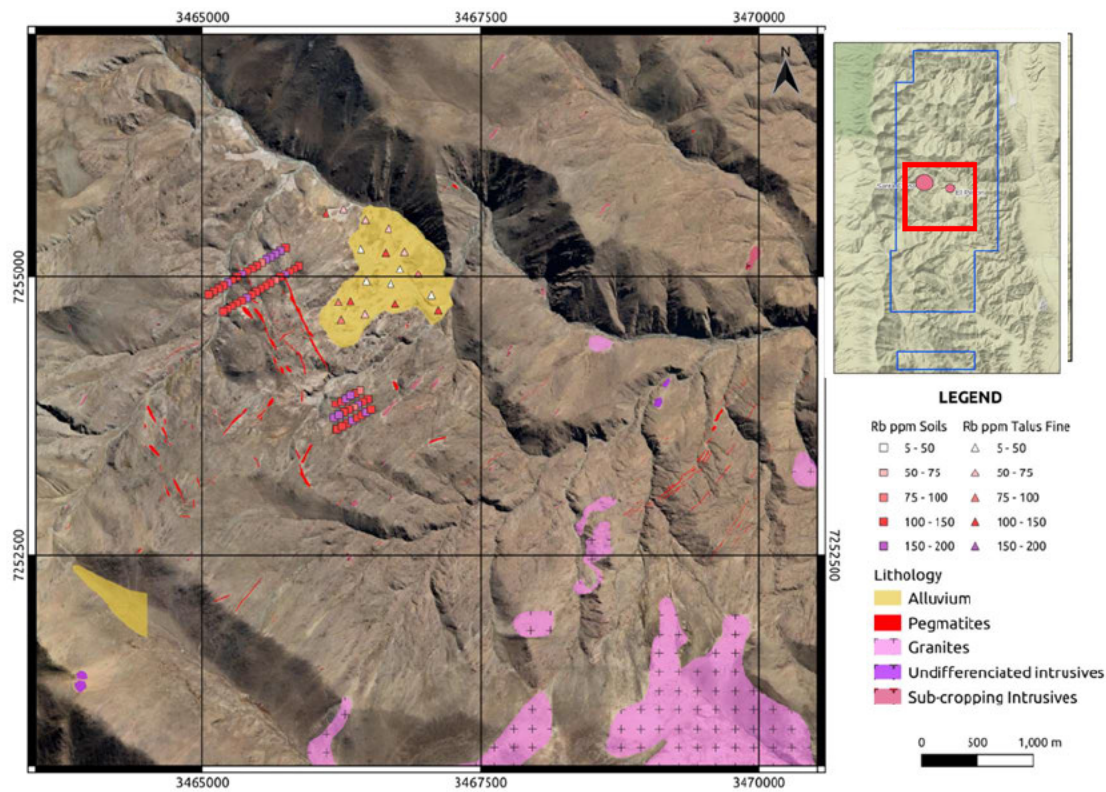


Figure 29: Rb ppm in Soils and Talus Fine Samples from the Santa Elena Area

Work done by Trueman and Cerny (1982) describes a number of correlations used to differentiate rare metal bearing pegmatites from barren pegmatites, including the use of K/Rb ratios, where Rb substitutes for K in micas and feldspar during late-stage crystallization. Lower ratios indicates rare metal mineralization, particularly Ta, Nb, Be, Cs, and Li.

Figure 30 shows this ratio compared to the  $Li_2O\%$  values in Rock Chip and Channel Samples at the El Quemado project. The predominantly low K/Rb values shows that the magma that originated the intrusive complex, at least in the Santa Elena area where this level of detail is available, is a fertile source for LCT mineralization.

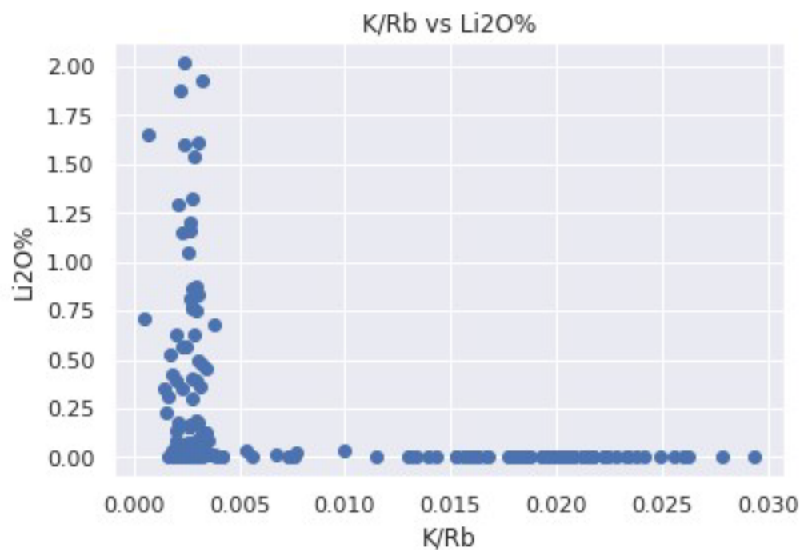


Figure 30: K/Rb vs  $Li_2O\%$  ratio in Rock Chip and Channel Samples



## DRILLING

No drilling has been done on the Project.

## 11 SAMPLE PREPARATION, ANALYSES AND SECURITY

### 11.1 ANALYTICAL LABORATORIES

SALI's samples have been submitted to and prepared by the ALS Global sample preparation laboratory in Mendoza, Argentina. Pulps were sent to Vancouver, Canada, and analyzed by ALS Vancouver.

ALS Global reports that most laboratories are registered or are pending registration to ISO 9001:2000, and a number of analytical facilities have received ISO 17025 accreditations for specific laboratory procedures. The ALS Global website ([www.alsglobal.com](http://www.alsglobal.com)) has downloadable copies of NTP-ISO/IEC 17025:2001 and ISO 9001:2000 certificates for its Lima laboratory. ALS Global, La Serena is ISO 9001:2000 certified and is registered with the Chilean National Institute of Normalization to ISO 17025:2005 standards. ALS Global North Vancouver is registered to ISO/IEC 17025:2005 (CAN-P-4E) and ISO 9001:2000 standards.

ALS Global reports that it *has developed and implemented at each of its locations a Quality Management System (QMS) designed to ensure the production of consistently reliable data. The system covers all laboratory activities and takes into consideration the requirements of ISO standards.*

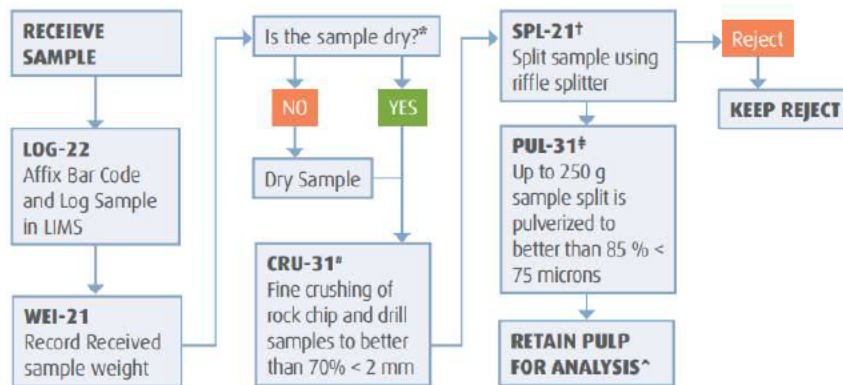
### 11.2 SAMPLE PREPARATION AND ANALYSES

All samples received by ALS Global are processed through a sample tracking system that is an integral part of that company's Laboratory Information Management System (LIMS). The system utilizes bar coding and scanning technology that provides complete chain of custody records for every stage in the sample preparation and analytical process and limits the potential for sample switches and data-handling errors.

Once received by the lab, samples were prepared using the PREP-31 procedure (**Error! Reference source not found.**), which includes Log-22 (Affix Bar Code and Log Sample). WEI-21 (Record Received sample weight), CRU-31 (Fine crushing of rock chip and drill samples to better than 70% of the sample passing 2 mm), SPL-21 (Split sample using riffle splitter) and PUL-31 (A sample split of up to 250 g is pulverized to better than 85% of the sample passing 75 microns).

Once the pulp is obtained the analytical package ME-ICP89 was conducted. This consists of Na<sub>2</sub>O<sub>2</sub> peroxide fusion and the analysis of various elements by ICP-AES after Sodium Peroxide Fusion. This procedure is ideal for the determination intermediate and ore grade lithium and associated whole rock elements in hard rock lithium settings.

METHOD CODE	DESCRIPTION
LOG-22	Sample is logged in tracking system and a bar code label is attached.
DRY-21	Drying of excessively wet samples in drying ovens. This is the default drying procedure for most rock chip and drill samples.
CRU-31	Fine crushing of rock chip and drill samples to better than 70% of the sample passing 2 mm.
SPL-21	Split sample using riffle splitter.
PUL-31	A sample split of up to 250 g is pulverized to better than 85% of the sample passing 75 microns.



\*If samples air-dry overnight, no charge to client. If samples are excessively wet, the sample should be dried to a maximum of 120°C. (DRY-21)

‡QC testing of crushing efficiency is conducted on random samples (CRU-QC).

†The sample reject is saved or dumped pending client instructions. Prolonged storage (> 45 days) of rejects will be charged to the client.

‡QC testing of pulverizing efficiency is conducted on random samples (PUL-QC).

^Lab splits are required when analyses must be performed at a location different than where samples received.

### 11.3. QUALITY ASSURANCE – QUALITY CONTROL

#### 11.3.1. ALS INTERNAL QA-QC

ALS Global runs its own internal quality assurance, quality control (QAQC) program involving the use of blank and standard reference materials, as well as duplicate and replicate samples. Blank samples are intended to identify contamination in sample preparation and handling as well as sample switches. Standard reference materials are intended to measure laboratory accuracy and duplicate and replicate samples are used to monitor precision.

Sample preparation pulverizing equipment is tested daily using screen analysis to ensure that the crushers and pulverisers are meeting sample size reduction criteria.

Analytical results are released by ALS to the client when each batch passes the internal QAQC tests.

#### 11.3.2. PRE – 2022 QA-QC

During the exploration efforts done by Rojas Mining Advisors (RMA) for Centenera Mining during 2017, a total of 295 samples were sent to the SGS, an international and certified laboratory that had been active in Canada for the last 75 years. SGS headquarters for metallurgical and geochemical business are located in Lakefield and Toronto, Ontario, Vancouver B.C., and Quebec City, Quebec.

The samples sent during these campaigns were prepared and analyzed by SGS Argentina S.A., a laboratory that belongs to the above mentioned SGS group in San Juan, Argentina.

As part of the quality control – quality assurance procedures, RMA inserted a total of 35 control samples, accounting for 11.9% of the total. These samples included Coarse Blanks, Certified Reference Materials (CRM, or Standards) and Field Duplicates, according to the detail shown below in Table 7.

Table 7: Control Samples inserted by RMA during 2017 field campaigns.

	Count	As % of the total	As % of Control Samples
<b>Total Samples</b>	295		
<b>Total Control Samples</b>	35	11.9%	
Blanks	13	4.4%	37.1%
Standards	12	4.1%	34.3%
Duplicates	10	3.4%	28.6%

Blanks shows acceptable values for these batches (see *Figure 31* for relevant elements). Only the sample with Blank ID #1 presents relatively high values on Cs ppm and Bi ppm. Standards inserted were sent to the laboratory, but the author could not verify the Certified Material of Reference (CMR) used, nor see any internal report from RMA or Centenera that allows any interpretation of these results, and hence are considered not valid for the purposes of this report.

Duplicates in general have a good reproducibility for relevant metals, with the exception of bismuth which is the element that shows more variability (*Figure 32*).

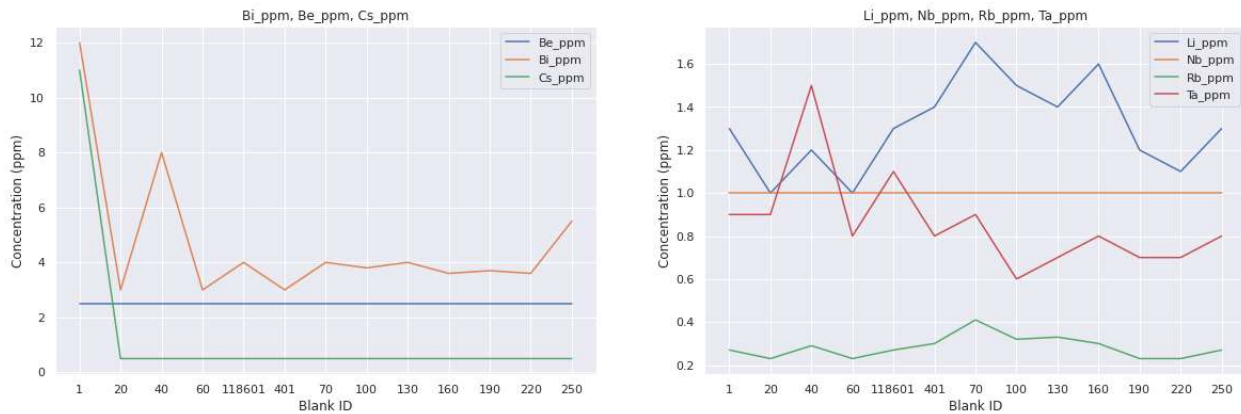


Figure 31: RMA Blanks used during 2017 exploration campaigns

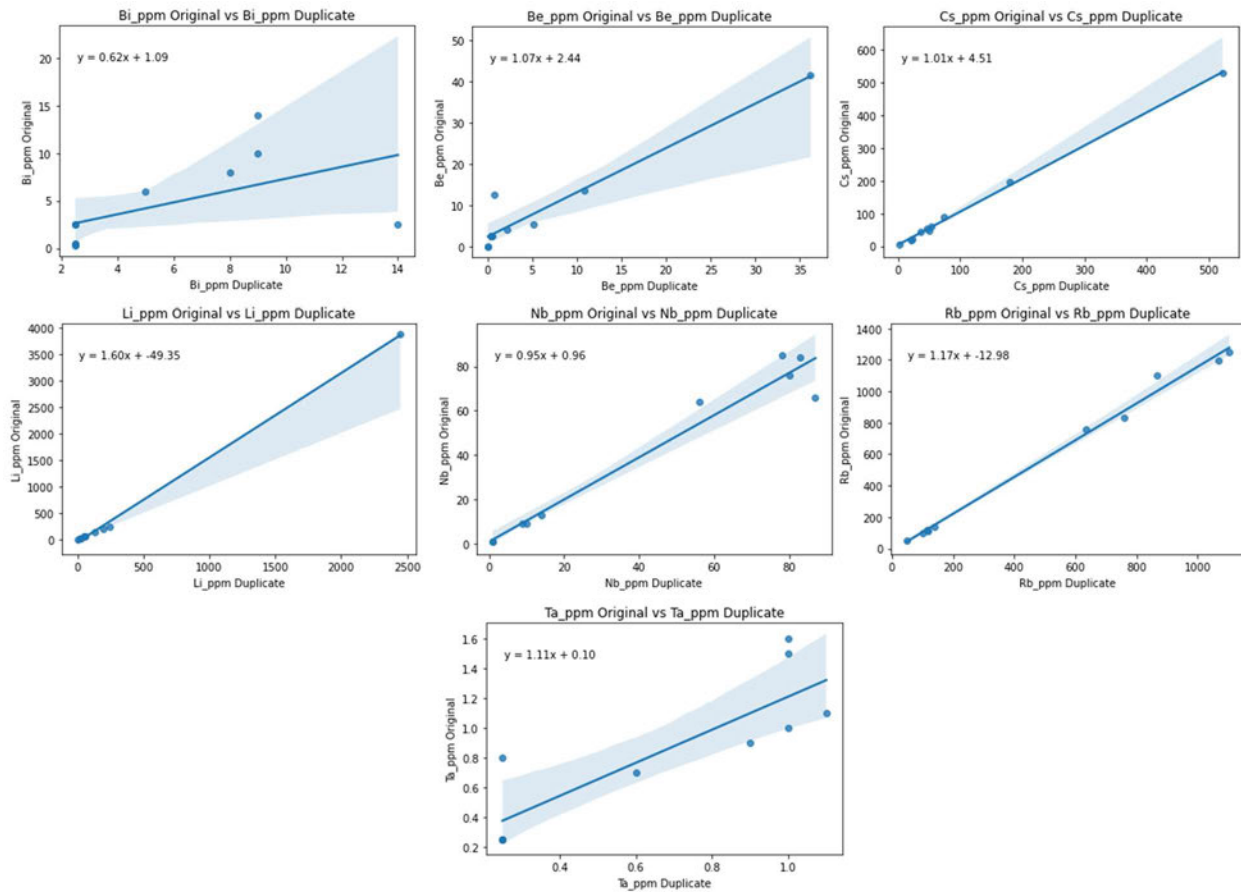


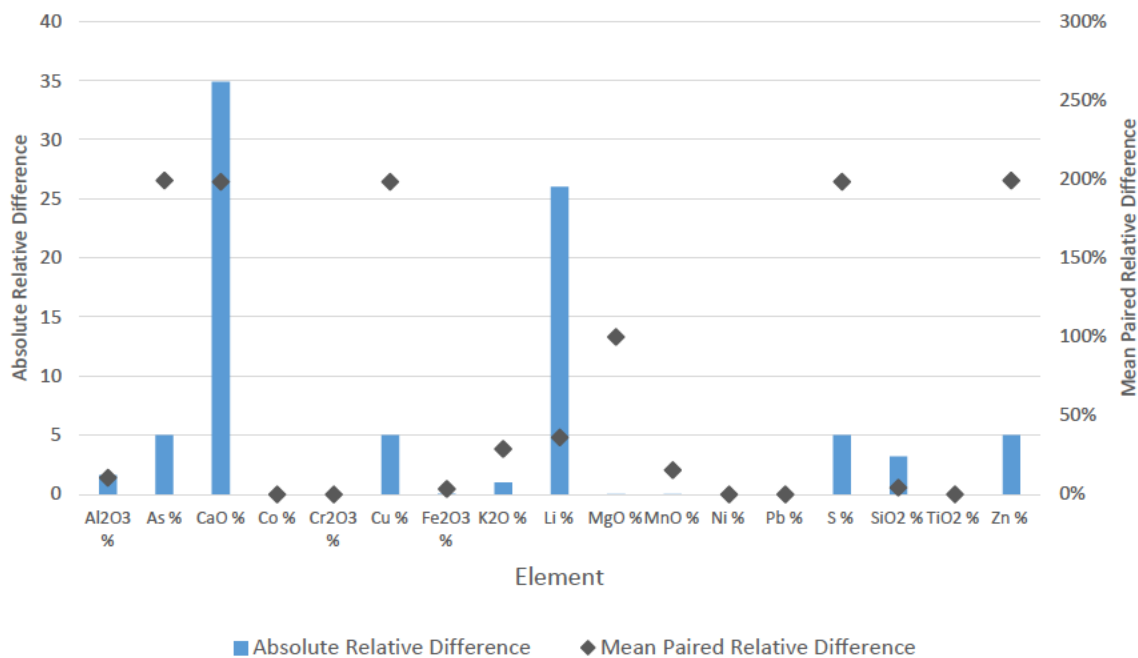
Figure 32: RMA Original vs Duplicates scatterplots. Results for selected elements.

### 11.3.3 SALI QA-QC

As part of the sampling campaign done by DG Exploraciones SA for SALI, one coarse blank sample and one field duplicate were inserted in the batch, representing 9% of the total.

Results obtained shows no contamination in the blank and the duplicate returned acceptable precision when compared to the original sample.

The author believes that the quality control – quality assurance methodology and results obtained are adequate for the purposes of this exploration technical report.



#### 11.3.4 DISCUSSION ON SAMPLE PREPARATION, ANALYSES AND SECURITY

In the author’s opinion, the sampling and analytical work for the surface exploration programs between 2017 and 2022 appear to have been conducted in an appropriate fashion, using methods commonly in use in the industry. Assaying was done using conventional, industry standard methods, and by well-known independent commercial laboratories. The sampling methods employed are such that the samples should be representative of the mineralization at El Quemado. Samples were handled solely by operators’ personnel or their contractors and kept in a secure setting.

The author concludes that the QA/QC protocols applied meets a reasonable minimum standard. There are no reports of any concern with assay accuracy or precision. The insertion rate for control samples appears to have been adequate, however, detailed reports of QA/QC results should be produced in future, as the information is spread in different internal documents, most of them in paper. It is recommended that these reports be located, if possible, and kept as reference for future technical reports and audits. In the author’s opinion, the sampling and analytical work on El Quemado is acceptable for its use in Mineral Exploration.

### 12 DATA VERIFICATION

#### 12.1 SITE VISIT

The author visited the project between March 3 and 7, 2023, and had the opportunity to review the local geology on site.

#### 12.2 DATABASE VERIFICATION

During the 2022 exploration program, all geological and geochemical samples were recorded using a hand-held Garmin Global Positioning System (GPS instrument). Rock and channel samples that were collected were placed in individual plastic bags and sealed with zap straps. Numbered sample tags were placed in the bags before sealing. Samples were driven back to the city of Salta at the end of the campaign and subsequently sent to a courier truck to be delivered to the ALS Lab in Mendoza, Argentina.

The author has reviewed the integrity of the database by inspecting that all samples had their corresponding original certificate from the laboratories, and by random cross-checks of approximately 10% of the data between the values in the database and their values in the report. Except for the absence of identification of 12 standards mentioned above in section 11.3.2, no other inconsistencies were found, and the data is in an adequate format and state of integrity for the early exploration stage of this Project.

The El Quemado Project is an early-stage exploration project, and no further data verification is necessary at this point. Sampling to date has demonstrated that there is lithium, tantalum, niobium and other elements of interest at least in the pegmatites of the Santa Elena target, however no conclusions can be made at this time as to the potential size and grade.

### **13. MINERAL PROCESSING AND METALLURGICAL TESTING**

There are no metallurgical nor mineral processing tests done at this stage in the project.

### **14. MINERAL RESOURCE ESTIMATES**

There is not enough information available at this stage to estimate Mineral Resources at El Quemado.

**Sections 15 through 22** of Form 43-101 F1 are not applicable to the El Quemado Property

### **25. INTERPRETATION AND CONCLUSIONS**

The El Quemado project is an early-stage exploration project formed by 46 mining concessions, where South American Lithium Corp. (SALI) have entered into option agreements to acquire a 70% interest in 26 of these and to acquire 100% of the remaining 20, with an NSR of 2%. The total area covered by these 46 concessions is 58,290 hectares.

Typically, pegmatites mapped, strike between 330° to 345° and with dips between 70° to subvertical, with thicknesses that can vary between 1 metre to 25 metres, and with identified lengths of approximately 1 kilometre. Lithium as well as niobium, tantalum and bismuth mineralization is present at least in the Santa Elena and El Peñon, where channel samples returned values up to 2.02% Li<sub>2</sub>O.

The host rocks of La Paya Formation, which consists of schists and gneisses, controls the geometry of the later intrusions of El Quemado. Some of these pegmatites shows zonation where up to four different zones were identified, including border, external or wall, intermediate and core zones. The intermediate zone is associated with spodumene and lepidolite and shows the highest potential for economic lithium mineralization. Accessory minerals typically are enriched in Ta, Nb and REE and these could represent a potential upside for the project.

In addition to the pegmatites known, there are several other pegmatites identified with remote sensing processing, which represents additional exploration targets in the project.

The information available at this stage allows the classification of these pegmatites into the rare-element LCT subtype. These deposits contain variable amounts of Li, Rb, Cs, Be, Sn, Ga, Ta and Nb, and are often associated with spodumene as the main source for ore-grade lithium.

Mr. Sastre concludes that historical information and results from exploration to date justifies further exploration work in the project. An exploration program suggested is discussed below in the Recommendations chapter of this report.

## 26. RECOMMENDATIONS

A first phase exploration program is recommended for the Project. The four items of the first phase are outlined below.

- A stream sediments sampling campaign will provide useful information in relationship with anomalous catchments and help with the prioritization of exploration targets in the large area of the project. Costs are detailed below in Table 8.

*Table 8: Budget for stream sediment sampling campaign*

Item	Quantity	Days	Unit Cost (US\$)	Total Cost (US\$)
Senior Geologist	1	20	500	10,000
Junior Geologist	2	20	200	8,000
Field Assistant	6	20	100	12,000
Pick-up rental	2	20	150	6,000
Food, fuel and accommodation	9	20	50	9,000
Assay per sample	60	N/A	35	2,100
<b>Total Cost</b>				<b>47,100<sup>(1)</sup></b>

Note:

- (1) CAD63,099.87 converted at the Exchange Rate.

- Upon prioritization of unsampled targets, following up on the result of the geophysics and stream sediments detailed above, a mapping and sampling campaign will be carried out on select top ranked targets (Table 9).

*Table 9: Budget for geological mapping and sampling of prioritized targets*

Item	Quantity	Days	Unit Cost (US\$)	Total Cost (US\$)
Senior Geologist	1	20	500	10,000
Junior Geologist	2	20	200	8,000
Field Assistant	6	20	100	12,000
Pick-up rental	2	20	150	6,000
Food, fuel and accommodation	9	20	50	9,000
Assay per sample	250	N/A	35	8,750
<b>Total Cost</b>				<b>53,750<sup>(1)</sup></b>

Note:

- (1) CAD72,008.88 converted at the Exchange Rate.



***APPENDIX "D" – Amalgamation Agreement and Reinstatement Agreement and Extension***

**[See attached]**

## AMALGAMATION AGREEMENT

**THIS AGREEMENT** is made effective as of the 14<sup>th</sup> day of July 2023.

AMONG:

**PURSUIT GOLD CORP.**, a company incorporated under the laws of British Columbia and having a registered and records office at The King George Building, 6<sup>th</sup> Floor, 905 W. Pender Street, Vancouver BC, V6C 1L6

(the “**Issuer**”)

AND:

**SOUTH AMERICAN LITHIUM CORP.**, a company incorporated under the laws of Alberta and having an office at 60 Signal Hill Way, Calgary Alberta T3H 2M2

(“**Target**”)

### BACKGROUND:

- A. The Issuer is a reporting issuer in the provinces of British Columbia, Alberta, and Ontario engaged in the acquisition, exploration and development of mineral resource properties, whose common shares are listed on the CSE (as defined herein);
- B. Target is a private Alberta corporation engaged in lithium exploration and development in Argentina;
- C. The Issuer wishes to acquire all the issued and outstanding shares in the capital of Target by means of a three-cornered amalgamation among the Issuer, a to be incorporated wholly-owned subsidiary of the Issuer (“**Subco**”), and Target, pursuant to the *Business Corporations Act* (British Columbia) (the “**Amalgamation**”), upon and subject to the terms and conditions set forth in this Agreement;
- D. The Amalgamation is expected to constitute a Fundamental Change (as defined herein) of the Issuer under the policies of the CSE; and
- E. Following completion of the Amalgamation, the Resulting Issuer (as defined herein) will carry on, through the Amalco (as defined herein), the business presently carried on by the Target; and
- F. As part of the Transactions (as defined herein), the Resulting Issuer will: (i) change its name to “South American Lithium Corp.” or such other name as the Issuer and the Target shall agree; and (ii) restructure its board of directors to include three nominees of the Target and two nominees of the Issuer.

**THEREFORE**, in consideration of among other things the mutual promises contained in this Agreement, the Parties agree as follows:

### 1. INTERPRETATION

1.1 **Defined Terms.** The following terms have the following meanings in this Agreement, including the recitals and any schedules hereto, unless otherwise stated or unless there is something in the subject matter or context inconsistent therewith:

- (a) “**ABCA**” means the *Business Corporations Act* (Alberta), as amended;
- (b) “**Acquisition Proposal**” has the meaning ascribed thereto in Section 12;

- (c) **“Agreement”** means this agreement and includes any agreement amending this agreement or any agreement or instrument which is supplemental or ancillary thereof, and the expressions “above”, “below”, “herein”, “hereto”, “hereof” and similar expressions refer to this agreement;
- (d) **“Amalco”** means the company that will result from the Amalgamation, and which will be a wholly-owned subsidiary of the Issuer after giving effect to the Amalgamation;
- (e) **“Amalco Shares”** means the common shares in the capital of Amalco;
- (f) **“Amalgamation”** means the amalgamation of Target and Subco pursuant to the provisions of the BCBCA whereby the Issuer will acquire all of the issued and outstanding Target Shares from the Target Shareholders thereof in exchange for the issuance by the Issuer of the Issuer Consideration Shares, all on the terms and conditions set forth herein;
- (g) **“Amalgamation Application”** means the amalgamation application of Target and Subco (including the form of Articles of Amalco attached thereto) in respect of the Amalgamation, in the form attached hereto as Schedule C, to be filed with the Registrar under the BCBCA;
- (h) **“Antosana Rights”** has the meaning provided in the definition of “El Quemado Title Opinions” herein;
- (i) **“Applicable Law”** means, with respect to any Person, any transnational, domestic or foreign federal, state or local law (statutory, common or otherwise), constitution, treaty, convention, ordinance, code, rule, regulation, order, injunction, judgment, decree, ruling or other similar requirement enacted, adopted, promulgated or applied by a Governmental Authority that is binding upon or applicable to such Person, as amended unless expressly specified otherwise;
- (j) **“Applicable Securities Laws”** means all applicable securities laws in all jurisdictions relevant to the issuance of securities by a Party pursuant to the terms of this Agreement;
- (k) **“BCBCA”** means the *Business Corporations Act* (British Columbia), as amended;
- (l) **“Business”** means the business presently and heretofore carried on by the Issuer or Target, as the case may be, as a going concern and the intangible goodwill associated therewith and any and all interests of whatsoever kind and nature related thereto;
- (m) **“Certificate of Amalgamation”** means the certificate of amalgamation to be issued by the Registrar under section 281(a) of the BCBCA giving effect to the Amalgamation;
- (n) **“Change of Control”** means, for the purpose of a Fundamental Change under Policy 8 of the CSE, a transaction or series of transactions involving the issue or potential issue of that number of securities of a listed issuer that: is equal to or greater than 100% of the number of Equity Securities of the Listed Issuer outstanding prior to the transaction or series of transactions (commonly referred to as a “reverse take-over”), or results in new shareholders holding greater than 50% of the voting securities of the Listed Issuer, or otherwise results in a change in voting control of the listed issuer or a substantial change of management or the board of directors of the listed issuer;
- (o) **“Closing”** means the completion of the Transactions on the Closing Date pursuant to the terms and conditions contained in this Agreement;
- (p) **“Closing Date”** means the Closing Date of the Amalgamation shown on the Certificate of Amalgamation;

- (q) **“Concurrent Financing”** means the private placement of Target of its securities for gross proceeds of not less than \$1,200,000, on terms mutually agreeable to the Issuer and the Target, acting reasonably;
- (r) **“Continuation”** means the continuation of the Target’s corporate existence out of Alberta into British Columbia in accordance with the provisions of the ABCA and the BCBCA;
- (s) **“CSE”** means the Canadian Securities Exchange;
- (t) **“Dissent Rights”** means the dissent rights exercisable by Dissenting Target Shareholders with respect to the Continuation and the Amalgamation;
- (u) **“Dissenting Target Shareholder”** means a registered Target Shareholder who, in connection with the special resolution of the Target Shareholders approving the Continuation and the Amalgamation, has exercised the right to dissent pursuant to Section 191 of the ABCA with respect to the Continuation, and pursuant to Section 272 of the BCBCA with respect to the Amalgamation, in strict compliance with the provisions thereof and thereby becomes entitled to be paid the fair value of his, her or its Target Shares and who has not withdrawn the notice of the exercise of such right as permitted by the ABCA and the BCBCA;
- (v) **“Dissenting Target Shares”** means the Target Shares held by Dissenting Target Shareholders;
- (w) **“Documents”** means all contracts, agreements, documents, permits, licenses, certificates, plans, drawings, specifications, reports, compilations, analysis, studies, financial statements, budgets, market surveys, minute books, corporate records, corporate seals and any other documents or information of whatsoever nature relating to the Issuer or Target, as the case may be, and any all rights in relation thereto;
- (x) **“Effective Time”** means effective time on the Closing Date indicated upon the Certificate of Amalgamation;
- (y) **“El Quemado Project”** means the Antosana Rights and the LATAM Rights, as detailed in Schedule B;
- (z) **“El Quemado Title Opinions”** means (i) the legal opinion prepared by Pérez Alsina addressed to the Issuer as of Closing on the ownership and good standing of the 26 mining rights held by Minera Antosana and formerly by Enrique Vidal comprising part of the El Quemado Project (the **“Antosana Rights”**) and (ii) the legal opinion prepared by Pérez Alsina addressed to the Issuer as of Closing on the ownership and good standing of the 20 mining rights formerly held by Latin Metals Inc. and being transferred to the Target (the **“LATAM Rights”**) comprising part of the El Quemado Project;
- (aa) **“Encumbrance”** means, whether or not registered or registrable or recorded or recordable, and regardless of how created or arising:
  - (i) a mortgage, assignment of rent, lien, encumbrance, adverse claim, charge, restriction, title defect, security interest, hypothec or pledge, whether fixed or floating, against assets or property (whether real, personal, mixed, tangible or intangible), hire purchase agreement, conditional sales contract, title retention agreement, equipment trust or financing lease, and a subordination to any right or claim of others in respect thereof;
  - (ii) a claim, interest, or estate against or in assets or property (whether real, personal, mixed, tangible or intangible), including, without limitation, an easement, right-of-way, servitude or other similar right in property granted to or reserved or taken by any Person;

- (iii) an option or other right to acquire any interest in, any assets or property (whether real, personal, mixed, tangible or intangible);
  - (iv) a lien or charge for taxes, assessments, duties, fees, premiums, imposts, levies and other charges imposed by any lawful authority;
  - (v) any other encumbrance of whatsoever nature and kind against assets or property (whether real, personal, mixed, tangible or intangible); or
  - (vi) any agreement to create, or right capable of becoming, any of the foregoing;
- (bb) “**Environmental Laws**” means all applicable federal, provincial, state, local and foreign laws, imposing liability or standards of conduct for, or relating to, the regulation of activities, materials, substances or wastes in connection with, or for, the protection of human health, safety, the environmental or natural resources (including ambient air, surface water, groundwater, wetlands, land surface or subsurface strata, wildlife, aquatic species and vegetation);
- (cc) “**Exchange**” means the CSE or such other stock exchange upon which the Resulting Issuer Shares are listed upon completion of the Transactions;
- (dd) “**Exclusivity Termination Date**” has the meaning ascribed thereto in Section 12;
- (ee) “**fair value**” where used in relation to a Target Share held by a Dissenting Target Shareholder, means fair value as determined under Section 191 of the ABA with respect to the Continuation, or under Section 190 of the BCBCA with respect to the Amalgamation, or as agreed between the Issuer and the Dissenting Target Shareholder;
- (ff) “**Fundamental Change**” means a Major Acquisition accompanied or preceded by a Change of Control, or a transaction or series of transactions determined to be such by the CSE;
- (gg) “**Generally Accepted Accounting Principles**” means the generally accepted accounting principles from time to time approved by the Canadian Institute of Chartered Accountants, or any successor institute, applicable as at the date on which date such calculation is made or required to be made in accordance with generally accepted accounting principles applied on a basis consistent with preceding years;
- (hh) “**Governmental Authority**” means any foreign, national, provincial, local or state government, any political subdivision or any governmental, judicial, public or statutory instrumentality, court, tribunal, commission, agency (including those pertaining to health, safety or the environment), authority, body or entity, or other regulatory bureau, authority, body or entity having legal jurisdiction over the activity or Person in question and, for certainty, includes the CSE;
- (ii) “**IFRS**” means Generally Accepted Accounting Principles set out in the CPA Canada Handbook for an entity that prepares its financial statements in accordance with International Financial Reporting Standards;
- (jj) “**Interim Period**” means the period from and including the date hereof through to and including the time of Closing;
- (kk) “**Issuer**” means Pursuit Gold Corp.;
- (ll) “**Issuer Annual Statements**” means the audited financial statements of the Issuer for the years ended November 30, 2022 and 2021, as filed on SEDAR with the applicable Canadian securities regulators;

- (mm) **“Issuer Consideration Shares”** means the Issuer Shares to be issued by the Issuer to the Target Shareholders pursuant to the terms and conditions of this Agreement;
- (nn) **“Issuer Disclosure Record”** means the Issuer’s financial statements, management information circulars, material change reports, press releases and all documents filed publicly by the Issuer on SEDAR;
- (oo) **“Issuer Interim Statements”** means the unaudited financial statements of the Issuer for the three months ended February 28, 2022, as filed on SEDAR with the applicable Canadian securities regulators;
- (pp) **“Issuer Option Plan”** means the incentive option plan of the Issuer adopted May 31, 2021, and the agreements entered into thereunder;
- (qq) **“Issuer Options”** means the options to purchase Issuer Shares granted pursuant to the Issuer Option Plan, of which 1,300,000 exercisable at \$0.10 each are outstanding as of the date hereof;
- (rr) **“Issuer Shares”** means the common shares of the Issuer;
- (ss) **“LATAM Rights”** has the meaning provided in the definition of “El Quemado Title Opinions” herein;
- (tt) **“Major Acquisition”** means, with respect to Policy 8 of the CSE, an asset purchase (whether for cash or securities), take-over (either a formal or exempt bid), amalgamation, arrangement or other form of merger, the result of which is that for the next 12-month period at least 50% of the Listed Issuer’s (i) assets or resources are expected to be comprised of, (ii) anticipated revenues are expected to be derived from, or (iii) expenditures and management time and effort will be devoted to the assets, properties businesses or other interests that are the subject of the Major Acquisition;
- (uu) **“Material Adverse Change”** means any change (or any condition, event or development involving a prospective change) in the business, operations, results of operations, assets, capitalization, financial condition, licenses, permits, concessions, rights, liabilities, prospects or privileges, whether contractual or otherwise, of the Party referred to which is, or would reasonably be expected to be, materially adverse to the Business of such party other than a change: (i) which has prior to the date hereof been publicly disclosed or otherwise disclosed in writing to the other Party; or (ii) resulting from general economic, financial, currency exchange, securities or commodity market conditions in Canada or Argentina or elsewhere;
- (vv) **“Minera Antosana”** means Minera Antosana S.A., a private Argentinian company that holds the Antosana Rights;
- (ww) **“Outside Date”** means October 31, 2023, or such other date as agreed to by all Parties in writing;
- (xx) **“Party”** or **“Parties”** refer to the Issuer, Subco, the Target, or any of them;
- (yy) **“payout value”** where used in relation to a Target Share held by a Dissenting Target Shareholder, means fair value as determined under Section 245 of the BCBCA with respect to the Amalgamation, or as agreed between the Target and the Dissenting Target Shareholder;
- (zz) **“Pérez Alsina”** means Estudio Pérez Alsina & Frezze Durand, with an address at Balcarce 376 1st. Apartment, Salta, Salta, Argentina;
- (aaa) **“Permits”** means all licenses, permits and similar rights and privileges that are required and necessary under applicable legislation, regulations, rules and orders for the Issuer or Target, as the case may be, to own and operate their assets and Business or for the status and qualification of

the Issuer or Target, as the case may be, to own and operate their assets and to carry on their Business;

- (bbb) **“Person”** means an individual, company, corporation, body corporate, partnership, joint venture, society, association, trust or unincorporated organization, or any trustee, executor, administrator, or other legal representative;
- (ccc) **“Properties”** means those mine rights detailed in Schedule B comprising the El Quemado Project and the Yacones Property;
- (ddd) **“Registrar”** means the person appointed as the Registrar of Companies under section 400 of the BCBCA;
- (eee) **“Regulatory Approval”** means any required Exchange approval of the Transactions and any required approvals (or exemptive relief) under Applicable Securities Laws in order to complete the Transactions as a Fundamental Change of the Issuer under the policies of the CSE;
- (fff) **“Resulting Issuer”** means the Issuer upon completion of the Amalgamation, having Amalco as a wholly-owned subsidiary thereof;
- (ggg) **“Resulting Issuer Shares”** means common shares in the capital of the Resulting Issuer;
- (hhh) **“SALi Argentina”** means South American Lithium Argentina S.A., a corporation incorporated under the laws of Argentina and a wholly-owned subsidiary of Target;
- (iii) **“Securities Act”** means the *Securities Act* (British Columbia), as amended and restated from time to time;
- (jjj) **“SEDAR”** means the System for Electronic Document Analysis and Retrieval developed by the Canadian Securities Administrators;
- (kkk) **“Subco”** means a wholly-owned subsidiary of the Issuer to be incorporated by the Issuer under the BCBCA;
- (lll) **“Subco Shares”** means the common shares in the capital of Subco;
- (mmm) **“Target Financial Statements”** means all financial statements of Target, both audited and unaudited as applicable, for the periods required pursuant to applicable regulatory policies for inclusion in any disclosure document or other filing to any applicable Regulatory Authorities, and includes, but is not limited to, the audited financial statements of the Target for the financial period ended February 28, 2023;
- (nnn) **“Target Options”** means the options to acquire Target Shares, of which 3,200,000 options are outstanding as of the date of this Agreement;
- (ooo) **“Target Resolutions”** means the special resolutions of the shareholders of Target to approve the Amalgamation, the Continuation, and related matters;
- (ppp) **“Target Shareholders”** means the Persons who beneficially and legally own Target Shares;
- (qqq) **“Target Shares”** means the issued and outstanding shares in the capital of Target;



- (rrr) **“Target Warrants”** means the warrants to acquire Target Shares, of which 13,225,000 warrants exercisable at \$0.20 until July 21, 2027 and 1,000,000 warrants exercisable at \$1.00 until March 10, 2028 are outstanding as of the date of this Agreement;
- (sss) **“Target Warrantholders”** means the Persons who beneficially and legally own Target Warrants;
- (ttt) **“Tax Act”** means the *Income Tax Act* (Canada), as amended and restated from time to time; and
- (uuu) **“Transactions”** means the transactions contemplated by this Agreement, including the Continuation and the Amalgamation as a Fundamental Change of the Issuer under the policies of the CSE;
- (vvv) **“Yacones Option”** means the option agreement dated June 28, 2023, among Simon Pérez Alsina, SALI and SALI Argentina pursuant to which SALI Argentina has the right to acquire a 100% interest in the Yacones Property;
- (www) **“Yacones Property”** means those mining rights detailed in Schedule B; and
- (xxx) **“Yacones Title Opinion”** means the legal opinion prepared by Pérez Alsina addressed to the Issuer as of Closing on the ownership and good standing of the mining rights comprising the Yacones Property.

1.2 **Schedules.** The following schedules attached hereto constitute a part of this Agreement:

Schedule A – Issuer and Target Capitalization

Schedule B – the Properties

Schedule C – Amalgamation Application

Schedule D – Articles of Amalco

1.3 **Schedule References.** Wherever any provision of any schedule to this Agreement conflicts with any provision in the body of this Agreement, the provisions of the body of this Agreement shall prevail. References herein to a schedule shall mean a reference to a schedule to this Agreement. References in any schedule to this Agreement shall mean a reference to this Agreement. References to any schedule to another schedule shall mean a reference to a schedule to this Agreement.

1.4 **Headings.** The headings in this Agreement are for reference only and do not constitute terms of this Agreement.

1.5 **Interpretation.** Whenever the singular or masculine is used in this Agreement the same shall be deemed to include the plural or the feminine or other gender or the body corporate as the context may require. As used in this Agreement, “or” is not exclusive and “including” is not limiting, whether or not non-limiting language (such as “without limitation”) is used with reference to it.

1.6 **Currency.** Unless otherwise stated, all references to money in this Agreement shall be deemed to be references to the currency of Canada.

1.7 **Knowledge.** Where a representation or warranty is made in this Agreement on the basis of the knowledge or the awareness of the Party, such knowledge or awareness consists only of the actual collective knowledge or awareness, as of the date of this Agreement, of the senior officers and directors of the relevant Party, in their capacity as senior officers and directors of that Party and not in their personal capacity and without personal liability, but does not include the knowledge or awareness of any other individual or any constructive, implied or imputed third party knowledge, provided that the Party making the representation and warranty shall have conducted a

reasonable investigation as to the subject matter relating thereto and the level of such an investigation shall be that of a reasonably prudent person investigating a material consideration in the context of a material transaction and the use of a knowledge qualifier shall constitute a representation and warranty by the Party making the representation and warranty in each case that such an investigation has actually been made.

## 2. AMALGAMATION

### 2.1 Implementation Steps.

Each of the Issuer, Subco and Target covenants to each other to use their commercially reasonable efforts to perform their respective obligations under this Agreement in order to complete the Transactions, including without limitation, taking the following actions, as applicable:

- (a) **Target Meeting.** Target shall hold the Target Meeting at which the Target Shareholders will be asked, among other things, to approve the Target Resolutions, and Target shall use its commercially reasonable efforts to obtain the approval of the Target Shareholders for the Target Resolutions, together with all such matters as are required to effect the Continuation and the Amalgamation;
- (b) **Issuer Shareholder Approval.** the Issuer shall take steps to obtain the written consent of the majority of the Issuer Shareholders to approve the Amalgamation as a Fundamental Change of the Issuer;
- (c) **CSE Approval.** the Issuer shall apply to the CSE and diligently pursue obtaining conditional approval of the Transactions (including the listing of the Issuer Consideration Shares on the CSE, prior to the Effective Time; and
- (d) **Continuation.** Prior to the Effective Time, Target shall effect the Continuation.

2.2 **Securities Compliance.** the Issuer and Target shall use commercially reasonable efforts to obtain all orders required from the applicable Governmental Authority and the Exchange to permit (subject to escrow or resale conditions imposed by the Exchange) the issuance of the Issuer Consideration Shares issuable pursuant to the Amalgamation without qualification with, or approval of, or the filing of any prospectus or similar document, or the taking of any proceeding with, or the obtaining of any further order, ruling or consent from, any Governmental Authority under any Canadian, U.S. federal, provincial or territorial securities or other Applicable Laws, or the fulfillment of any other legal requirement in any such jurisdiction other than for any required filings under National Instruments 51-102 or 45-106, Rule 802 under the U.S. Securities Act of 1933, as amended, and any filings required by the Exchange.

### 2.3 Preparation of Filings.

- (a) the Issuer and Target shall co-operate in:
  - (i) the preparation of any application for any orders or documents reasonably deemed by the Issuer and Target to be necessary to discharge their respective obligations under Applicable Laws in connection with this Agreement and the Transactions;
  - (ii) the taking of all such action as may be required under any Applicable Laws in connection with the issuance of the Issuer Consideration Shares; and
  - (iii) the taking of all actions required under the ABCA and the BCBCA in connection with the Continuation.
- (b) Each of the Issuer and Target shall promptly furnish to the other all information concerning it and its security holders as may be required for the effectuation of the actions described in Sections 2.1

and 2.2 and the foregoing provisions of this Section 2.3, and each covenants that no information furnished by it (to its knowledge in the case of information concerning its shareholders) in connection with such actions or otherwise in connection with the consummation of the Transactions will contain any misrepresentation or any untrue statement of a material fact or omit to state a material fact required to be stated in any such document or necessary in order to make any information so furnished for use in any such document not misleading in the light of the circumstances in which it is furnished.

**2.4 Concurrent Financing.** The Target will use its commercially reasonable efforts to complete the Concurrent Financing prior to the Closing Date. In connection with the Concurrent Financing, the Target may pay compensation in cash and securities to brokers or qualified finders, in accordance with Applicable Securities Laws.

**2.5 Filing of Amalgamation Application.** Subject to the rights of termination contained in Section 11 hereof, upon satisfaction or waiver of all conditions precedent, Subco and Target shall jointly file with the Registrar the Amalgamation Application and such other documents as are required to be filed under the BCBCA to give effect to the Amalgamation, pursuant to provisions of the BCBCA.

**2.6 Effect of the Amalgamation.** The following shall occur and shall be deemed to occur in the following order without any further act or formality:

- (a) at the Effective Time, Subco and Target shall amalgamate to form Amalco and shall continue as one company under the BCBCA in the manner set out in Section 2.8 hereof and with the effect set out in Section 270 of the BCBCA;
- (b) immediately upon the amalgamation of Subco and Target to form Amalco as set forth in Section 2.6(a):
  - (i) each Target Share outstanding immediately prior to the Effective Time held by a Dissenting Target Shareholder will become an entitlement to be paid the fair value of such share;
  - (ii) each one (1) Target Share (other than those held by Dissenting Target Shareholders) issued and outstanding immediately before the Effective Time shall be exchanged for one (1) Issuer Consideration Share;
  - (iii) each one (1) Subco Share outstanding immediately before the Effective Time shall be exchanged for one (1) Amalco Share and the Subco Shares shall be deemed to have been cancelled as of the Effective Time;
  - (iv) in consideration of the issuance of the Issuer Consideration Shares pursuant to Section 2.6(b)(ii), Amalco shall issue to the Issuer one (1) Amalco Share for each Issuer Consideration Share so issued;
  - (v) the Target Shareholders shall cease to be the holders of the Target Shares and the name of such Target Shareholders shall be removed from the share register of holders of Target Shares;
  - (vi) the Target Shares shall be deemed to have been cancelled as of the Closing Date, any and all rights the Target Shareholders may have in or to any securities of Target shall automatically (without any further action) be absolutely terminated and cancelled; and
  - (vii) the Target Shareholders shall be deemed to have executed and delivered all consents, releases, assignments and waivers, statutory or otherwise, required to exchange or transfer such securities in accordance with this Section 2.6(b);

provided that none of the foregoing shall occur or shall be deemed to occur unless all of the foregoing occurs.

**2.7 Fractional Shares.** No fractional Issuer Consideration Shares or Resulting Issuer Shares will be issued. In the event that a securityholder would otherwise be entitled to a fractional Issuer Consideration Share or Resulting Issuer Share hereunder, the number of Issuer Consideration Shares or Resulting Issuer Shares, as applicable, issued to such securityholder shall be rounded down to the nearest whole number without any additional compensation. In calculating such fractional interests, all Target securities registered in the name of or beneficially held by a Target security holder or their nominee will be aggregated.

**2.8 Amalgamated Company.** Unless and until otherwise determined in the manner required by law, by Amalco or by its directors or the holder or holders of the Amalco Shares, the following provisions shall apply:

- (a) *Name.* The name of Amalco shall be the number appearing on the Certificate of Amalgamation followed by "B.C. Ltd." or such other name as may be determined by the Issuer and Target;
- (b) *Registered Office.* The municipality where the registered office of Amalco shall be located is Vancouver. The address of the registered office of Amalco shall be 6<sup>th</sup> Floor, 905 West Pender Street, Vancouver, BC, V6C 1L6;
- (c) *Business and Powers.* There shall be no restrictions on the business that Amalco may carry on or on the powers it may exercise;
- (d) *Authorized Share Capital.* Amalco shall be authorized to issue an unlimited number of Amalco Shares;
- (e) *Share Restrictions.* Securities of Amalco may not be transferred without the prior written consent of the directors of Amalco;
- (f) *Initial Directors.* The initial directors of Amalco shall be as follows, subject to compliance with all Applicable Laws:

Dustin Nanos                                  Director

Ken Booth                                        Director

or such other persons as the Issuer and Target may determine;

- (g) *Articles.* The articles of Amalco shall be as set forth in Schedule D, with such amendments thereto as Target may determine;
- (h) *Fiscal Year.* The fiscal year end of Amalco shall be November 30 in each year, until changed by resolution of the board of directors of Amalco; and
- (i) *Auditors.* The auditors of Amalco, until the first annual general meeting of shareholders of Amalco, shall be Dale Matheson Carr-Hilton LaBonte LLP, unless and until such auditors resign or are removed in accordance with the provisions of the BCBCA.

**2.9 Capital.** The amount added to the capital of the Issuer in respect of the Issuer Consideration Shares issuable pursuant to Section 2.6 shall be equal to the paid-up capital (within the meaning of the Tax Act), determined immediately before the Effective Time, of the Target Shares converted into Issuer Consideration Shares pursuant to Section 2.6. The amount added to the capital of the Amalco in respect of the Amalco Shares shall be equal to the aggregate paid-up capital (within the meaning of the Tax Act), determined immediately before the Effective Time, of the Subco Shares and Target Shares.

**2.10 Issuer Consideration Shares.** At the Effective Time and in accordance with the terms of the Amalgamation, the Issuer Consideration Shares will be issued *pro rata* to the Target Shareholders, and certificates or DRS advice for the Issuer Consideration Shares will be delivered as directed by Target in writing.

**2.11 Restriction on Resale.** Each of the Target Shareholders and Target Warranholders shall, if required by the Exchange, enter into an escrow agreement in respect of their Issuer Consideration Shares and/or Target Warrants in the prescribed form or accept their Issuer Consideration Shares with such resale restrictions as may be required by the Exchange. If any Target Shareholder or Target Warranholder is required by the Exchange to enter into an escrow agreement in respect of any Issuer Consideration Shares, the certificates for such Issuer Consideration Shares will not be delivered in accordance with Section 2.10 and will be held for delivery subject to the execution of and in accordance with the terms of any such escrow agreement.

**2.12 U.S. Legend.** In addition to any other resale restrictions that may be imposed, any Target Shareholder who is a U.S. Person will receive Issuer Consideration Shares in exchange for such Target Shareholder's Target Shares which will bear a legend substantially in the following form:

"THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR ANY STATE SECURITIES LAWS, AND MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE CORPORATION, (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 OF REGULATIONS UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH LOCAL LAWS AND REGULATIONS, (C) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BEEN DECLARED EFFECTIVE UNDER THE U.S. SECURITIES ACT AND IS AVAILABLE FOR RESALE OF THE SECURITIES, OR (D) IN COMPLIANCE WITH AN EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT, INCLUDING RULE 144 OR RULE 144A THEREUNDER, IF AVAILABLE, AND, IN EACH CASE, IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS. THE HOLDER FURTHER UNDERSTANDS AND AGREES THAT IN THE EVENT OF A TRANSFER PURSUANT TO THE FOREGOING CLAUSE (D), THE CORPORATION WILL REQUIRE A LEGAL OPINION OF COUNSEL OF RECOGNIZED STANDING OR OTHER EVIDENCE SATISFACTORY TO THE CORPORATION THAT SUCH TRANSFER IS EXEMPT FROM REGISTRATION UNDER THE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS."

**2.13 Target Warrants and Options.**

- (a) After the Effective Time and subject to approval of the CSE, each whole Target Warrant outstanding immediately prior to Closing shall entitle the holder thereof to receive, upon exercise on or after the Effective Date, one Resulting Issuer Share at an exercise price equal to the exercise price provided for in the certificate representing the Target Warrant, subject to the terms and conditions contained in such certificate. Certificates representing Target Warrants which are outstanding on the Effective Date shall represent rights to purchase Resulting Issuer Shares. The Resulting Issuer shall have no obligation to issue new warrant certificates representing such rights; and
- (b) After the Effective Time and subject to approval of the CSE, each Target Option outstanding immediately prior to Closing shall entitle the holder thereof to receive, upon exercise on or after the Effective Date, one Resulting Issuer Share at an exercise price equal to the exercise price provided for in the Target Option documentation, subject to the terms and conditions contained in such documentation. Option agreements or other documentation governing Target Options which are outstanding on the Effective Date shall represent rights to purchase Resulting Issuer Shares. The Resulting Issuer shall have no obligation to issue new documentation representing such rights.

**2.14 Further Assurances.** The Parties shall take any other actions and do any other things, including the execution of any other agreements, documents, or instruments, that are necessary or useful to give effect to the Transactions,

provided that nothing in this Agreement shall prevent or limit the ability of the directors of each of the Issuer and the Target to fulfill their fiduciary or statutory duties.

**2.15 Amendments to Structure.** Notwithstanding the foregoing, subject to compliance with Regulatory Approvals, the Parties agree that the foregoing structure of the Amalgamation may be amended to accommodate certain tax planning and operational efficiencies of either the Issuer or the Target as recommended by their respective advisors, provided that such amendments shall not have a detrimental effect on either the Issuer or the Target.

### **3. CHANGE IN DIRECTORS AND OFFICERS OF THE RESULTING ISSUER**

**3.1 Resignations.** At the time of Closing and subject to delivery of mutual releases acceptable to the Issuer, Target and the individuals as hereinafter described, the Issuer shall deliver the resignation of Howard Blank and Kostas Sakarellos, who are not continuing as directors of the Resulting Issuer.

**3.2 New directors and officers.** Effective as of the Closing and subject to prior Exchange approval and compliance with all Applicable Laws, the directors of the Resulting Issuer will be Richard Rosner and Ken Booth as nominees of the Issuer and Dustin Nanos, Michelle DeCecco, and Jose de Castro, as nominees of the Target, or such other nominees of the Target reasonably acceptable to the Issuer.

### **4. COVENANTS AND AGREEMENTS**

**4.1 Given by Target.** Target covenants and agrees with the Issuer that it will:

- (a) permit representatives of the Issuer, at their own cost, reasonable access during normal business hours to Target's Documents including, without limitation, all of the assets, contracts, financial records, and minute books of Target, so as to permit the Issuer to make such investigation of Target as the Issuer deems reasonably necessary;
- (b) assist in the completion of any steps required in any other jurisdictions where Target holds assets, which the Issuer may deem reasonably necessary to complete the Transactions;
- (c) provide to the Issuer all such further documents, instruments and materials and do all such acts and things as may be reasonably required by the Issuer to seek the Regulatory Approval, including, without limiting the foregoing, all relevant information concerning it and its business, assets, operations and financial statements for inclusion in any public disclosure document to be prepared by the Issuer in connection with the Transactions;
- (d) during the Interim Period, preserve and protect the goodwill, assets and undertaking of Target, carry on the Business of Target in the ordinary course, in a reasonable and prudent manner consistent with past practice;
- (e) use its commercially reasonable efforts to obtain all required third party consents, Permits, approvals, authorizations, filings, assignments or waivers and amendments or terminations to any instrument or agreement and take such other measures as may be necessary to fulfil its obligations hereunder and to carry out the Transactions, including obtaining any shareholder approvals, consents or agreements as may be required under applicable corporate laws, securities laws, the rules and policies of the Exchange, Applicable Law and the constating documents of Target to be able to fulfill its obligations hereunder and in connection with the delivery of all of the Target Shares on Closing;
- (f) co-operate with the Issuer, in the Issuer's efforts and at the Issuer's expense, to obtain Regulatory Approvals with respect to:
  - (i) the Transactions; and

- (ii) such other documents as the Issuer may reasonably request in order to obtain the Regulatory Approval;
- (g) comply with the terms hereof and faithfully and expeditiously seek to satisfy the conditions precedent set out Sections 7.1 and 7.2 so as to close the Transactions by the Closing Date;
- (h) during the Interim Period, except in respect of securities of Target that are issuable pursuant to already outstanding convertible securities or will be issued pursuant to the Concurrent Financing, not issue any securities of Target or enter into any agreement or understanding with any other party to issue any securities of Target, without the prior written consent of the Issuer, such consent not to be unreasonably withheld;
- (i) during the Interim Period, not directly or indirectly, solicit, initiate, assist, facilitate, promote or knowingly encourage the initiation of proposals or offers from, entertain or enter into negotiations with, any Person (other than the Issuer), with respect to any amalgamation, merger, consolidation, arrangement, restructuring, sale of any material assets or part thereof of Target;
- (j) during the Interim Period, not:
  - (i) enter into any material contract;
  - (ii) incur or commit to incur any indebtedness for borrowed money; or
  - (iii) acquire directly or indirectly, any assets having a value of \$5,000 or more, including but not limited to mineral resource concessions or properties,without the prior written consent of the Issuer, such consent not to be unreasonably withheld;
- (k) make other necessary filings and applications under applicable, foreign, federal and provincial laws and regulations required on the part of it in connection with the transactions contemplated herein;
- (l) use its commercially reasonable efforts to conduct its affairs so that all of the representations and warranties of it contained herein shall be true and correct in all material respects on and as of the Closing Date as if made on the Closing Date, except to the extent that such representations and warranties require modification to give effect to the transactions contemplated herein;
- (m) notify the Issuer immediately upon becoming aware that any of the representations or warranties of it contained herein are no longer true and correct in all material respects; and
- (n) during the Interim Period, ensure that it complies in all material respects with the foregoing covenants of this Agreement.

**4.2 Given by the Issuer.** the Issuer covenants and agrees with Target that the Issuer will:

- (a) permit representatives of Target reasonable access during normal business hours to the Issuer's Documents including, without limitation, all of the assets, contracts, financial records and minute books of the Issuer, so as to permit such investigation of the Issuer as Target deem reasonably necessary;
- (b) take all corporate action necessary to approve and to permit the issuance of the Issuer Consideration Shares as fully paid and non-assessable shares on Closing;
- (c) during the Interim Period, preserve and protect the goodwill, assets and undertaking of the Issuer, carry on the Business of the Issuer in the ordinary course in a reasonable and prudent manner consistent with past practice;



- (d) use its commercially reasonable efforts to obtain, in a timely manner, the Regulatory Approval, including the approval of the CSE for the Transactions;
- (e) during the Interim Period, except as otherwise permitted in this Agreement, not issue (other than on exercise of any currently outstanding options to purchase Issuer Shares or Issuer Share purchase warrants) any securities and not enter into any agreement or understanding with any third party to issue any securities, without the prior written consent of Target, not to be unreasonably withheld;
- (f) during the Interim Period, not provide any guarantee in respect of the obligations of any Person;
- (g) comply with the terms hereof and faithfully and expeditiously seek to satisfy the conditions precedent set out in Sections 7.1 and 7.3 and to close the Transactions by the Closing Date;
- (h) use its commercially reasonable efforts to conduct its affairs so that the representations and warranties of the Issuer contained herein shall be true and correct in all material respects on and as of the Closing Date as if made on the Closing Date, except to the extent that such representations and warranties require modification to give effect to the Transactions;
- (i) during the Interim Period, use its commercially reasonable efforts to ensure that the Issuer Shares remain listed on the CSE and that it remains in good standing under Applicable Law;
- (j) use its commercially reasonable efforts to obtain all consents, approvals, Permits, authorizations, or filings as may be required under applicable corporate laws, securities laws, the rules and policies of the Exchange and the constating documents of the Issuer for the performance by the Issuer of its obligations under this Agreement prior to the Closing;
- (k) notify Target immediately upon becoming aware that any of the representations or warranties of it contained herein are no longer true and correct in all material respects; and
- (l) during the Interim Period, ensure that the Issuer complies in all material respects with the foregoing covenants of this Agreement.

#### 5. **FINDER'S FEE**

Target and the Issuer acknowledge that there are no finders' fees payable by any of Target and the Issuer or the Resulting Issuer with respect to the Transactions, other than the Concurrent Financing.

#### 6. **TRANSACTION EXPENSES**

Each of the Parties will bear all costs and expenses incurred by the Party in negotiating and preparing the Agreement and in Closing and carrying out the Transactions. All costs and expenses related to satisfying any condition or fulfilling any covenant contain in this Agreement will be borne by the Party whose responsibility it is to satisfy the outstanding condition or fulfill the covenant in question.

#### 7. **CONDITIONS PRECEDENT**

**7.1 In Favour of all Parties.** Each Party's obligation to satisfy their respective covenants herein and consummate the Transactions is subject to the satisfaction, on or before the Closing Date (or such other date as otherwise may be specifically indicated), of the following conditions, any of which may be waived by mutual consent of the Parties subject to the satisfaction or in absence of such further conditions with respect to the giving of such waiver, and without prejudice to their rights to rely on one or more other conditions precedent:

- (a) effective upon the Closing, the Issuer shall change its name to "South American Lithium Corp.", or such other name as the Issuer and the Target shall agree;

- (b) effective upon the Closing, the board of directors of the Resulting Issuer shall be reconstituted to consist of no more than five members, comprising the following persons:
  - (i) Ken Booth;
  - (ii) Richard Rosner;
  - (iii) Dustin Nanos;
  - (iv) Michelle DeCecco; and
  - (v) Jose de Castro;
- (c) effective upon the Closing, the management shall be reconstituted to comprise the following persons:
  - (i) Dustin Nanos – Chief Executive Officer and President; and
  - (ii) Christina Blacker – Chief Financial Officer and Corporate Secretary;
- (d) all necessary documents, approvals and consents shall be obtained to effect the appointments to the board of directors and the management of the Resulting Issuer described in Sections 7.1(b) and 7.1(c);
- (e) neither the Issuer nor the Target shall have issued any further securities without the consent of the other Party, other than as contemplated herein, or in the case of the Target in connection with the Concurrent Financing;
- (f) the Concurrent Financing shall have been completed for gross proceeds of not less than \$1,200,000, unless the Target has obtained the prior written consent of the Issuer to amend the terms of the Concurrent Financing, provided that the Parties have sufficient working capital to meet the minimum listing requirements prescribed by the Exchange;
- (g) The Target shall have received the requisite approval of its shareholders for the Continuation and the Continuation shall have been completed prior to the Effective Time;
- (h) each of Subco and the Target shall have received the requisite approval of their respective shareholders for the adoption of this Agreement and the completion of the Amalgamation as required by the BCBCA, and shall have taken all necessary steps so that the Amalgamation may be effected;
- (i) all Regulatory Approvals and third party consents or approvals that are necessary or advisable for the consummation of the Transactions, including, but not limited to, receipt of all necessary approvals from the CSE of the Fundamental Change and for the listing thereon of the Resulting Issuer Shares, including the Issuer Consideration Shares issuable in connection with the Amalgamation (subject to the CSE's ordinary listing requirements), all on terms satisfactory to each of the Parties hereto, acting reasonably;
- (j) there shall be no material action, cause of action, claim, demand, suit, investigation or other proceedings in progress, pending or threatened against or affecting any of the Issuer, Subco, the Target or any such company's respective officers and directors, at law or in equity, or before any Governmental Authority, which involve the reasonable likelihood of any judgment or liability against any of the Parties; and

- (k) there shall not be in force any prohibition at law, order or decree restraining or enjoining the consummation of the Transactions.

**7.2 In Favour of the Issuer and Subco.** The obligation of the Issuer and Subco to satisfy their respective covenants herein and consummate the Transactions is subject to the satisfaction, on or before the Closing Date (or such other date as otherwise may be specifically indicated), of the following conditions, any of which may be waived by mutual consent of Issuer and Subco subject to the satisfaction or in absence of such further conditions with respect to the giving of such waiver, and without prejudice to their rights to rely on one or more other conditions precedent:

- (a) The Target shall have delivered to Issuer all of the documents set out in Section 9.2, other than the Amalgamation Application;
- (b) The Target shall have delivered to the Issuer the El Quemado Title Opinions and the Yacones Title Opinion, in form satisfactory to the Issuer;
- (c) The time period for the exercise of any Dissent Rights shall have expired and no Target Shareholders shall have exercised any Dissent Rights;
- (d) Except as may be issued pursuant to the Concurrent Financing, there shall be no outstanding Target Shares or convertible securities or stock options outstanding to acquire Target Shares other than as set forth in Schedule A;
- (e) there shall have been no Material Adverse Change with respect to the Target between the date of signing this Agreement and the completion of the Transactions;
- (f) the representations and warranties of Target set forth in this Agreement that are qualified by materiality or Material Adverse Change qualifications shall be true and correct in all respects, and all other representations and warranties of Target set forth in this Agreement shall be true and correct in all material respects, in each case as of the Closing Date as if made on and as of such date except to the extent that such representations and warranties speak as of an earlier date, in which event such representations and warranties shall be accordingly true and correct as of such earlier date, and Target shall have delivered a certificate confirming same to the Issuer, executed by a senior officer of Target (without personal liability), addressed to the Issuer and dated the Closing Date;
- (g) The Target shall have fulfilled or complied in all respects with each of the covenants and obligations of the Target contained in this Agreement to be fulfilled or complied with by it on or prior to the Closing Date, and The Target shall have delivered a certificate confirming same to the Issuer, executed by a senior officer of the Target (without personal liability), addressed to the Issuer and dated the Closing Date;
- (h) the board of directors of the Target and the Target Shareholders shall have adopted all necessary resolutions and all other necessary corporate actions shall have been taken by each to permit the consummation of the Transactions; and
- (i) mutual releases, in form satisfactory to Target and the Issuer, each acting reasonably, of each of director and officer of the Target who is not continuing as a director or officer of Amalco, shall have been delivered to the Issuer.

**7.3 In Favour of Target.** The obligations of Target under this Agreement are subject to the fulfilment of the following conditions:

- (a) The Issuer shall have delivered to Target all of the documents set out in Section 9.3, other than the Amalgamation Application;

- (b) The Resulting Issuer Shares shall be conditionally approved for listing on the Exchange and the Issuer shall be a reporting issuer in good standing in the Provinces of British Columbia, Alberta, and Ontario and shall not be in material default of any requirement of any Applicable Securities Laws or the requirements of the Exchange and neither the Issuer nor any of its securities shall be the subject of any cease trade order or regulatory enquiry or investigation in any jurisdiction;
- (c) there shall be no outstanding Issuer Shares or convertible securities or stock options outstanding to acquire Issuer Shares other than as set forth in Schedule A;
- (d) the Issuer Consideration Shares to be issued on the Closing shall be issued as fully paid and non-assessable shares in the capital of the Issuer, free and clear of any and all Encumbrances or "restricted period" (pursuant to Section 2.5 of National Instrument 45-102 - *Resale of Securities*), demands of whatsoever nature under Canadian law, except those imposed pursuant to escrow restrictions of the Exchange;
- (e) the issuance of the Resulting Issuer Shares on Closing shall be exempt from prospectus requirements in Canada;
- (f) there shall have been no Material Adverse Change with respect to the Issuer or Subco between the date of signing this Agreement and the completion of the Transactions.
- (g) the representations and warranties of the Issuer set forth in this Agreement that are qualified by materiality or Material Adverse Change qualifications shall be true and correct in all respects, and all other representations and warranties of Issuer set forth in this Agreement shall be true and correct in all material respects, in each case as of the Closing Date as if made on and as of such date except to the extent that such representations and warranties speak as of an earlier date, in which event such representations and warranties shall be accordingly true and correct as of such earlier date, and the Issuer on its own behalf and on behalf of Subco shall have delivered a certificate confirming same to the Issuer, executed by a senior officer of the Issuer (without personal liability), addressed to the Target and dated the Closing Date;
- (h) The Issuer and Subco shall have fulfilled or complied in all respects with each of the covenants and obligations of the Issuer and Subco contained in this Agreement to be fulfilled or complied with by it on or prior to the Closing Date, and the Issuer on its own behalf and on behalf of Subco shall have delivered a certificate confirming same to the Issuer, executed by a senior officer of the Issuer (without personal liability), addressed to the Target and dated the Closing Date;
- (i) the boards of directors of the Issuer and Subco and the Issuer Shareholders and Subco Shareholder shall have adopted all necessary resolutions and all other necessary corporate actions shall have been taken by each to permit the consummation of the Transactions; and
- (j) mutual releases, in form satisfactory to Target and the Issuer, each acting reasonably, of each of director and officer of each of the Issuer and Subco who is not continuing as a director or officer of the Resulting Issuer or Amalco, shall have been delivered to the Issuer.

## 8. REPRESENTATIONS AND WARRANTIES

### 8.1 Concerning the Issuer and Subco. The Issuer represents and warrants to the Target that:

- (a) it has all requisite corporate power and capacity to carry on its business as now conducted and to own, lease and operate its property and assets, and it is duly and appropriately registered, licensed and otherwise qualified to carry on its business and to own, lease and operate its property and assets and is in good standing in all material respects in each jurisdiction where it carries on business or owns, leases or operates its property or assets;

- (b) the Issuer is a reporting issuer in the Provinces of British Columbia, Alberta, and Ontario and it is not in material default of any material requirement under Applicable Securities Laws;
- (c) the Issuer's authorized and issued share capital is as set out in Schedule A hereto, and other than as set out in Schedule A:
  - (i) there are no rights, privileges or agreements requiring the Issuer to repurchase, redeem, retract or otherwise acquire, whether directly or indirectly, any of its issued shares or other securities; and
  - (ii) there are no options, warrants, rights, privileges or agreements requiring the Issuer to sell, or otherwise issue (by exercise, conversion, exchange or otherwise), whether directly or indirectly, any of its unissued shares;and such information contained in Schedule A hereto shall remain accurate and complete in all material respects at the Closing unless otherwise agreed by the Parties subject only to the issuance of Issuer Consideration Shares pursuant to the Amalgamation;
- (d) the Issuer has no subsidiaries other than Subco, and Subco has no assets or active business operations;
- (e) it has all requisite corporate power and capacity and has taken all necessary corporate action to authorize it to execute and deliver this Agreement and perform its obligations hereunder, and this Agreement has been duly authorized, executed and delivered by it and constitutes a legal, valid and binding obligation enforceable against it in accordance with the terms of this Agreement, except as may be limited by bankruptcy, insolvency, liquidation, reorganization, reconstruction and other similar laws of general application affecting the enforceability of remedies and rights of creditors and except that equitable remedies such as specific performance and injunction are in the discretion of a court;
- (f) its execution and delivery of this Agreement and its performance of its obligations hereunder does not and shall not result in the breach of, constitute a default under or conflict with:
  - (i) any provision of its constating documents;
  - (ii) any resolutions of its shareholders or directors;
  - (iii) any statute, rule or regulation applicable to it or its property;
  - (iv) any order, decree or judgment of a court or regulatory authority or body having jurisdiction over it or its property;
  - (v) any mortgage, indenture, agreement or other commitment to which it is a party, or it or its property is bound; or
  - (vi) any agreement which would permit any party to that agreement to terminate such agreement or accelerate the maturity of any indebtedness of the Issuer or Subco, or that would result in the creation or imposition of any encumbrance of the Issuer Shares or the assets of the Issuer;
- (g) there are no actions, suits or proceedings, judicial or administrative (whether or not purportedly on behalf of the Issuer) pending or, to the knowledge of the Issuer, threatened by or against the Issuer, at law or in equity, or before or by any federal, provincial, state, municipal or other governmental court, department, commission, board, bureau, agency or instrumentality,

domestic or foreign and the Issuer is not aware of any existing ground on which any such action, suit or proceeding might be commenced with any reasonable likelihood of success;

- (h) all consents, approvals, permits, authorizations, or filings as may be required for the execution and delivery of this Agreement, and the completion of the Transactions, have been obtained;
- (i) the Issuer has complied with and is in compliance, in all material respects, with all applicable laws, and has all material licenses, permits, orders or approvals of, and has made all required registrations with, any governmental or regulatory body that are material to the conduct of its Business;
- (j) as of their respective dates, all information and materials filed by the Issuer with the securities commissions (or equivalent other provincial securities regulator) in each of the provinces of British Columbia, Alberta and Ontario, and which are available through the System for Electronic Document Analysis and Retrieval (SEDAR) website as of the date hereof (including all exhibits and schedules thereto and documents incorporated by reference therein) did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and complied in all material respects with all applicable legal and stock exchange requirements;
- (k) there is no “material fact” or “material change” (as those terms are defined under Applicable Securities Laws) in the affairs of the Issuer that has not been generally disclosed to the public;
- (l) the minute books and corporate records of the Issuer are maintained substantially in accordance with all applicable laws and are complete and accurate in all material respects. The financial books and records and accounts of the Issuer in all material respects (i) have been maintained in accordance with good business practices on a basis consistent with prior years, (ii) are stated in reasonable detail and accurately and fairly reflect the transactions and acquisitions and dispositions of assets of the Issuer, and (iii) accurately and fairly reflect the basis for the financial statements of the Issuer;
- (m) the financial statements of the Issuer have been prepared in accordance with the IFRS, present fairly, in all material respects, the financial position and all material liabilities (accrued, absolute, contingent or otherwise) of the Issuer as of the date thereof, and there have been no adverse material changes in the financial position of the Issuer since the date thereof and the Business of the Issuer has been carried on in the usual and ordinary course consistent with past practice since the date thereof;
- (n) The Issuer has filed all tax returns, reports and other tax filings, and has paid, deducted, withheld or collected and remitted on a timely basis all amounts to be paid, deducted, withheld or collected and remitted with respect to any taxes, interest and penalties as required under all applicable tax laws. There are no assessments, reassessments, actions, suits or proceedings in progress, pending, or threatened, against the Issuer, and no waivers have been granted by the Issuer in connection with any taxes, interest or penalties. The provisions for taxes reflected in the Issuer financial statements are sufficient for the payment of all accrued and unpaid taxes, interest and penalties for all periods and all transactions up to the end of the most recent financial period addressed in the Issuer financial statements;
- (o) except as disclosed in the Issuer Interim Statements, since the date of the Issuer Annual Statements there has not been:
  - (i) any change in the financial condition, (i) operations, results of operations, or business of the Issuer, nor has there been any occurrence or circumstances which, to the knowledge of

the Issuer, with the passage of time might reasonably be expected to have a material adverse effect on the Business or operations of the Issuer; or

- (ii) any loss, labour trouble, or other event, development or condition of any character (whether or not covered by insurance) suffered by which, to the knowledge of the Issuer, has had, or may reasonably be expected to have, a material adverse effect on the business or operations of the Issuer;
- (iii) except to the extent reflected or reserved in the Issuer Interim Statements, or incurred subsequent to the date of the Issuer Interim Statements and incurred in the ordinary course of the Issuer's Business, the Issuer does not have any outstanding indebtedness or any liabilities or obligations (whether accrued, absolute, contingent or otherwise, including under any guarantee of any debt);
- (p) The Issuer does not own any property or assets, other than cash or cash equivalents. The Issuer does not lease any property or premises and is not required to make any payments in connection with its use or occupation of any property or premises;
- (q) other than any necessary Regulatory Approvals and the approvals of directors and shareholders of the Issuer, no permit, authorization or consent of any third party is necessary for the consummation by the Issuer of the Transactions;
- (r) to its knowledge, the Issuer meets the public distribution requirements set out in the policies of the Exchange; and
- (s) The Issuer has no reasonable grounds for believing that a creditor of the Issuer or Subco will be prejudiced by the Amalgamation;
- (t) as of the date hereof, the authorized capital of the Issuer consists of an unlimited number of common shares, of which 16,249,000 Issuer Shares are issued and outstanding as fully paid and non-assessable;
- (u) all outstanding securities of the Issuer have been issued in compliance with all Applicable Laws, including Applicable Securities Laws. There are no securities of the Issuer outstanding, other than the Issuer Share and Issuer Options. There are no outstanding contractual or other obligations of the Issuer to repurchase, redeem or otherwise acquire any of the Issuer's securities. There are no outstanding bonds, debentures or other evidences of indebtedness of the Issuer having the right to vote with the holders of the outstanding Issuer Shares on any matters;
- (v) the auditors of the Issuer, Dale Matheson Carr-Hilton LaBonte LLP, Chartered Professional Accountants, who have audited the Issuer Annual Statements and provided their audit report thereon, are independent chartered professional accountants as required under Applicable Law;
- (w) the Issuer is not a party to any actions, suits or proceedings which could materially affect its Business or financial condition, and to the Issuer's knowledge, no such actions, suits or proceedings are contemplated or, have been threatened;
- (x) there are no judgments against the Issuer which are unsatisfied, nor are there any consent decrees or injunctions to which the Issuer is subject;
- (y) other than the cessation of trading in Issuer Shares to occur in connection with the Transactions, no order ceasing, halting or suspending trading in securities of the Issuer nor prohibiting the sale of such securities has been issued to and is outstanding against the Issuer; and no investigations or proceedings for such purposes are pending or threatened;



- (z) the Issuer has filed all federal, provincial, local and foreign tax returns which are required to be filed, or has requested extensions thereof, and has paid all taxes required to be paid by it and any other assessment, fine or penalty levied against it, or any amounts due and payable to any Governmental Authority, to the extent that any of the foregoing is due and payable;
- (aa) there are no liens for taxes on the assets of the Issuer, except for taxes not yet due, and there are no audits of any of the tax returns of the Issuer, and there are no claims which have been or may be asserted relating to any such tax returns;
- (bb) other than as disclosed to Target in writing, the Issuer does not have any loans or other indebtedness outstanding other than trade payables incurred in the ordinary course of business set out in the Issuer Interim Statements;
- (cc) there are no outstanding agreements extending or waiving the statutory period of limitations applicable to any claim, or the period for the collection or assessment or reassessment of taxes due from the Issuer for any taxable period and no request for any such waiver or extension is currently pending;
- (dd) the Issuer does not have any material outstanding indebtedness or liabilities and is not party to or bound by any suretyship, guarantee, indemnification or assumption agreement, or endorsement of, or any other similar commitment with respect to the obligations, liabilities or indebtedness of any Person that are material to the Issuer, other than those specifically identified in the Issuer Interim Statements or incurred in the ordinary course of business since the date of the Issuer Interim Statements;
- (ee) the Issuer has filed all documents that are required to be filed under the continuous disclosure provisions of Applicable Securities Laws, including annual and interim financial information, news releases disclosing material changes and material change reports and none of such filings contain an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made;
- (ff) the Issuer has not filed any confidential material change report that remains confidential as at the date hereof;
- (gg) each of the Issuer and Subco has all requisite corporate power and authority to enter into this Agreement and all documents to be delivered pursuant hereto, and subject to the terms hereof, to perform its obligations hereunder and thereunder, and further the execution and delivery of this Agreement by the Issuer or Subco and the performance of its obligations under this Agreement will not:
  - (i) conflict with, or result in the breach or the acceleration of any indebtedness under, or constitute default under the constating documents of the Issuer, or any indenture, mortgage, agreement, lease, licence, contract, permit or other instrument of any kind whatsoever to which the Issuer is a party or by which it is bound, or any judgment or order of any kind whatsoever of any court or administrative body of any kind whatsoever by which the Issuer or Subco is bound respectively;
  - (ii) result in the violation of any law, ordinance, statute, regulation, by-law, order or decree of any kind whatsoever by the Issuer or Subco, respectively; or
  - (iii) violate the constating documents of the Issuer, or any resolutions of the directors or shareholders of the Issuer or Subco, respectively;

- (hh) the financial books, records and accounts of the Issuer have in all material respects, been maintained in accordance with Applicable Law, in accordance with applicable accounting standards and, in each case, are stated in reasonable detail and accurately and fairly reflect the material transactions and dispositions of the assets of the Issuer and accurately and fairly reflect the basis for all financial statements filed in the Issuer Disclosure Record, including the Issuer Annual Statements and Issuer Interim Statements;
- (ii) except as disclosed in the Issuer Disclosure Record and disclosed to Target in writing, there are no material claims, actions, suits, grievances, complaints or proceedings pending or, to the knowledge of the Issuer, threatened affecting the Issuer or affecting its property or assets at law or in equity before or by any Governmental Authority, including matters arising under Environmental Laws. Neither the Issuer nor its assets or properties is subject to any outstanding material judgment, order, writ, injunction or decree;
- (jj) all the data and information in respect of the Issuer and Subco provided or disclosed to Target or any representative of Target by or on behalf of the Issuer was and is accurate and correct in all material respects;
- (kk) upon their issuance, the Issuer Consideration Shares will be validly issued and outstanding as fully paid and non-assessable securities of the Issuer registered in accordance with the instructions to be provided by Target, free and clear of any and all liens, charges, escrow conditions or Encumbrances of any kind whatsoever other than those imposed by Applicable Securities Laws or the Exchange, or as otherwise contemplated in this Agreement; and
- (ll) except as disclosed in in writing to SALi, since November 30, 2022, there has not been any Material Adverse Change of any kind whatsoever to the financial position or condition of the Issuer or any damage, loss or other change of any kind whatsoever in circumstances materially affecting the Business, assets or listing of the Issuer or the right or capacity of the Issuer to carry on its Business.

**8.2 Concerning Target** – the Target represents and warrants to each of the Issuer and Subco that:

- (a) it exists under the laws of Alberta, is a valid and existing company and with respect to the filing of annual reports is in good standing, and no proceedings have been taken or authorized by Target in respect of the bankruptcy, reorganization, insolvency, liquidation, dissolution or winding up of Target;
- (b) it has all requisite corporate power and capacity to carry on its business as now conducted and to own, lease and operate its property and assets, and it is duly and appropriately registered, licensed and otherwise qualified to carry on its business and to own, lease and operate its property and assets and is in good standing in each jurisdiction where it carries on business or owns, leases or operates its property or assets;
- (c) it is not a reporting issuer or equivalent in any jurisdiction and has not contravened any applicable securities laws of any jurisdiction, including without limitation in relation to the issuing of its seed shares, founders shares or any other shares or other securities;
- (d) to its knowledge, no shares of Target are listed or quoted on a stock exchange or stock trading system;
- (e) it has no subsidiaries other than SALi Argentina, which is wholly owned, and Minera Ansohana S.A., in which it owns a 70% interest, and except pursuant to this Agreement, no Person has any option, warrant or rights to acquire any ownership interest in SALi Argentina;
- (f) except as disclosed in writing to the Issuer, SALi Argentina is the legal and beneficial owner of 3,500 shares with a par value of US\$100 per share in the capital stock of Minera Antosana (the

“Antosana Shares”), representing 70% of the authorized and issued capital of Minera Antosana, free and clear of all Encumbrances and no Person other than the Issuer and Subco has any interest in the Antosana Shares or any right to acquire any such interest;

- (g) SALi Argentina has all requisite corporate power and capacity to carry on its business as now conducted and to own, lease and operate its property and assets, and it is duly and appropriately registered, licensed and otherwise qualified to carry on its Business and to own, lease and operate its property and assets and is in good standing in all material respects in each jurisdiction where it carries on business or owns, leases or operates its property or assets;
- (h) except as disclosed in writing to the Issuer, it is indirectly through SALi Argentina the current and sole owner of 100% of the LATAM Rights and the Yacones Property free and clear of all Encumbrances and no Person other than the Issuer and Subco has any interest in the LATAM Rights and the Yacones Property or any right to acquire any such interest;
- (i) the Properties have been properly staked, located and recorded pursuant to the applicable laws and regulations of Salta Province and the federal laws of Argentina applicable therein and all mining concessions comprising the Properties are in good standing;
- (j) There is no Encumbrance or challenge against or to the ownership of or title to any part of the Properties and, to the knowledge of the Target there is no basis for such adverse claim or challenge which may affect the Properties;
- (k) except as disclosed in the writing to the Issuer, the Target has paid all amounts and done all things necessary to acquire the Antosana Shares, the LATAM Rights, and the Yacones Property;
- (l) The Target’s authorized and issued share capital is as set out set out in Schedule A, and other than as set out in Schedule A:
  - (i) there are no rights, privileges or agreements requiring it to repurchase, redeem, retract or otherwise acquire, whether directly or indirectly, any of its issued shares or other securities; and
  - (ii) there are no options, warrants, rights, privileges or agreements requiring it to sell, or otherwise issue (by exercise, conversion, exchange or otherwise), whether directly or indirectly, any of its unissued shares;

and such information contained in Schedule A hereto shall remain accurate and complete in all material respects at the Closing, subject only to the issuance of Target securities pursuant to the Concurrent Financing;

- (m) it has all requisite corporate power and capacity and has taken all necessary corporate action to authorize it to execute and deliver this Agreement and perform its obligations hereunder, and this Agreement has been duly authorized, executed and delivered by it and constitutes a legal, valid and binding obligation enforceable against it in accordance with this Agreement’s terms except as may be limited by bankruptcy, insolvency, liquidation, reorganization, reconstruction and other similar laws of general application affecting the enforceability of remedies and rights of creditors and except that equitable remedies such as specific performance and injunction are in the discretion of a court;
- (n) its execution and delivery of this Agreement and its performance of its obligations hereunder does not and shall not result in the breach of, constitute a default under or conflict with:
  - (i) any provision of its constating documents;

- (ii) any resolutions of its shareholders or directors;
  - (iii) any statute, rule, or regulation applicable to it or its property;
  - (iv) any order, decree or judgment of a court or regulatory authority or body having jurisdiction over it or its property;
  - (v) any mortgage, indenture, agreement or other commitment to which it is a party or it or its property is bound; or
  - (vi) any agreement which would permit any party to that agreement to terminate such agreement or accelerate the maturity of any indebtedness of Target, or that would result in the creation or imposition of any encumbrance of the Target Shares or the assets of Target;
- (o) all Target Shares are issued as fully paid and non-assessable securities of Target and are free and clear of any and all encumbrances, liens, charges, demands of any kind and nature;
- (p) there are no actions, suits or proceedings, judicial or administrative (whether or not purportedly on behalf of Target) pending or, to the knowledge of Target, threatened by or against Target, at law or in equity, or before or by any federal, provincial, state, municipal or other governmental court, department, commission, board, bureau, agency or instrumentality, domestic or foreign and Target is not aware of any existing ground on which any such action, suit or proceeding might be commenced with any reasonable likelihood of success;
- (q) Target is in good standing with respect to all of its obligations owing pursuant to all its material contracts, and each of such material contracts is a legal, valid and binding obligation of Target;
- (r) to the knowledge of Target, other than as has been disclosed in writing to Issuer, all activities of Target are in material compliance with and are in good standing under all applicable laws, rules, regulations and regulatory orders and prohibitions and there have been no violations thereof nor any basis for a claim or determination thereof, and there are no current, pending or threatened order, prohibition or other directive relating to any such matters nor to Target's knowledge any basis for such order, prohibition or other directive;
- (s) the minute books and corporate records of Target are maintained substantially in accordance with all applicable laws and are complete and accurate in all material respects. The financial books and records and accounts of Target in all material respects (i) have been maintained in accordance with good business practices on a basis consistent with prior years, (ii) are stated in reasonable detail and accurately and fairly reflect the transactions and acquisitions and dispositions of assets of Target, and (iii) accurately and fairly reflect the basis for the Target Financial Statements;
- (t) the Target Financial Statements have been prepared in accordance with the IFRS, present fairly, in all material respects, the financial position and all material liabilities (accrued, absolute, contingent or otherwise) of Target as of the date thereof, and there have been no adverse material changes in the financial position of Target since the date thereof and the business of Target has been carried on in the usual and ordinary course consistent with past practice since the date thereof;
- (u) Target has filed all tax returns, reports and other tax filings, and has paid, deducted, withheld or collected and remitted on a timely basis all amounts to be paid, deducted, withheld or collected and remitted with respect to any taxes, interest and penalties as required under all applicable tax laws. There are no assessments, reassessments, actions, suits or proceedings, in progress, pending, or threatened, against Target, and no waivers have been granted by Target in

connection with any taxes, interest or penalties. The provisions for taxes reflected in the Target Financial Statements are sufficient for the payment of all accrued and unpaid taxes, interest and penalties for all periods and all transactions up to the end of the most recent financial period addressed in the Target Financial Statements;

- (v) except as disclosed in the Target Financial Statements, since the date of the Target Financial Statements, there has not been:
  - (i) any change in the financial condition, operations, results of operations, or business of Target, nor has there been any occurrence or circumstances which, to the knowledge of Target, with the passage of time might reasonably be expected to have a material adverse effect on the business or operations of Target; or
  - (ii) any loss, labour trouble, or other event, development or condition of any character (whether or not covered by insurance) suffered by which, to the knowledge of Target, has had, or may reasonably be expected to have, a material adverse effect on the business or operations of Target;
- (w) except to the extent reflected or reserved in the Target Financial Statements, or incurred subsequent to the date of the Target Financial Statements and incurred in the ordinary course of Target's business, Target does not have any outstanding indebtedness or any liabilities or obligations (whether accrued, absolute, contingent or otherwise, including under any guarantee of any debt);
- (x) other than any necessary Regulatory Approvals and approvals of the shareholders and directors of Target, no permit, authorization or consent of any third party is necessary for the consummation by Target of the Transaction; and
- (y) Target has no reasonable grounds for believing that a creditor of Target will be prejudiced by the Amalgamation.

**8.3 Survival.** The representations and warranties made by the Parties under this Article 8 are true and correct as of the date hereof and shall be true and correct at the time of Closing as though they were made at that time. The representations in Sections 8.1 and 8.2 shall survive the time of Closing for a period of 12 months. After the expiration of such period, as applicable, no Party shall have any further liability with respect to any breach of any representation or warranty contained herein, except for those alleged breaches for which notice has been given prior to the end of such period, as applicable.

**8.4 Limitations on Representations and Warranties.** The Parties shall not be deemed to have made any representation or warranty other than as expressly made in Sections 8.1 and 8.2 hereof. Notwithstanding anything to the contrary contained herein, no Party shall be liable for any losses resulting from or relating to any inaccuracy in or breach of any representation or warranty in this Agreement if the Party seeking indemnification for such losses had actual knowledge of such breach or inaccuracy before Closing.

## 9. CLOSING

**9.1 Closing.** The Closing shall be effected via electronic exchange or at the offices of Segev LLP, 6<sup>th</sup> Floor, 905 West Pender Street, Vancouver, British Columbia, at 10:00 a.m. (Vancouver time) of the Closing Date or at such other time, date or place upon which Target and the Issuer may mutually agree.

**9.2 Deliveries by Target** - At the time of Closing, upon the fulfillment or waiver of all of the conditions set out in Article 7, Target shall deliver to the Issuer the following documents:

- (a) The Certificate of Continuance issued by the Registrar evidencing completion of the Continuance;

- (b) a certified copy of the directors' resolutions or other documentation evidencing the approval of Target of the Amalgamation, the entering into of this Agreement and all matters related to the Amalgamation;
- (c) a certified copy of the shareholders' resolutions or other documentation evidencing the Target Shareholders' adoption of this Agreement and approval of the Amalgamation;
- (d) a list of all Target Shareholders and Target Warrantholders, including the number of Target Shares and Target Warrants respectively held by each of them, as at the Effective Time, certified to be complete and accurate in all respects by a director or senior officer of Target;
- (e) the minute books and corporate records of Target (which shall thereafter form part of the pre-Amalgamation minutes and corporate records of Amalco);
- (f) a certificate signed by a director or senior officer of Target confirming that all Target's conditions precedent to the Amalgamation for the benefit of Target have been satisfied or waived by Target, that all representations and warranties of Target contained herein are true and correct as if they had been made at the Effective Time and that no Target Shareholders have exercised their Dissent Rights;
- (g) the Amalgamation Affidavit of Target; and
- (h) such other documents and instruments in connection with the Closing as may be reasonably requested by the Issuer.

**9.3 Deliveries by the Issuer** - At the time of Closing on the Closing Date, upon the fulfilment or waiver of all of the conditions set out in Article 7, the Issuer shall deliver to Target:

- (a) evidence of Regulatory Approval of the Transaction, if any;
- (b) resignations of the directors and officers of the Issuer identified in Section 3.1 and a release of all claims against the Issuer up to the time of Closing by each such director and officer in form satisfactory to Target, acting reasonably;
- (c) evidence satisfactory to Target of the appointment of the directors and officers identified in Section 3.2; and
- (d) such other documents and instruments in connection with the Closing as may be reasonably requested by Target.

## 10. **ORDINARY COURSE**

Until the time of Closing, neither Target nor the Issuer shall, without the prior written consent of the other, enter into any contract in respect of its business or assets, other than in the ordinary course of business, and each Party shall continue to carry on its Business and maintain its assets in the ordinary course of business, with the exception of reasonable costs incurred in connection with the Closing, and, without limitation, but subject to the above exceptions, shall maintain payables and other liabilities at levels consistent with past practice, shall not engage in any extraordinary material transactions and shall make no distributions, dividends or special bonuses except otherwise permitted under this Agreement, shall not repay any shareholders' loans, or enter into or renegotiate any employment or consulting agreement with any senior officer, in each case without the prior written consent of the other.

## 11. TERMINATION

11.1 **Termination** - This Agreement may be terminated and the Amalgamation abandoned at any time prior to the Effective Time:

- (a) by the mutual written consent of the Issuer and Target;
- (b) by either the Issuer or Target, if there shall be any Applicable Law that makes consummation of the Amalgamation illegal or otherwise prohibited, or if any judgment, injunction, order or decree of a competent Governmental Authority enjoining the Issuer or Target from consummating the Amalgamation shall be entered and such judgment, injunction, order or decree shall have become final and non-appealable;
- (c) by either the Issuer or Target, if the Closing Date does not occur on or prior to the Outside Date provided, however, that the right to terminate this Agreement under this Section 11.1(c) will not be available to any Party whose failure or whose affiliate's failure to perform any material covenant, agreement or obligation hereunder has been the cause of, or resulted in, the failure of the Closing Date to occur on or before such date;
- (d) by the Issuer if any condition set out in Section 7.1 or 7.2 has not been satisfied (or is incapable of being satisfied) or has not been waived on or before the Outside Date provided, however, that the right to terminate this Agreement under this Section 11.1(d) will not be available to any Party whose failure or whose affiliate's failure to perform any material covenant, agreement or obligation hereunder has been the cause of, or resulted in, the failure of the Closing Date to occur on or before such date;
- (e) by Target if any condition set out in Section 7.1 or 7.3 has not been satisfied (or is incapable of being satisfied) or has not been waived on or before the Outside Date provided, however, that the right to terminate this Agreement under this Section 11.1(e) will not be available to any Party whose failure or whose affiliate's failure to perform any material covenant, agreement or obligation hereunder has been the cause of, or resulted in, the failure of the Closing Date to occur on or before such date;
- (f) by the Issuer if there is a material breach by Target of any of its representations, warranties, covenants or agreements contained in this Agreement that could reasonably be expected to cause a condition set forth in Section 7.1 or 7.2 which has not been waived to be incapable of being satisfied on or before the Outside Date;
- (g) by the Issuer or Target if the Target Shareholders fail to approve the Amalgamation in the manner required by law; or
- (h) by Target if there is a material breach by the Issuer or Subco of any of its representations, warranties, covenants or agreements contained in this Agreement that could reasonably be expected to cause a condition set forth in Section 7.1 or 7.3 which has not been waived to be incapable of being satisfied on or before the Outside Date.

11.2 **Effect of Termination** - If this Agreement is terminated in accordance with the provisions of Section 11.1, no Party shall have any further liability to perform its obligations hereunder except for the provisions of this Section 11.2, Sections 6 or 13; provided that neither the termination of this Agreement nor anything contained in this Section 11.2 shall relieve any Party from any liability for any breach by it of this Agreement, including from any inaccuracy in its representations and warranties and any non-performance by it of its covenants and agreements made herein.



## 12. STANDSTILL AGREEMENT

Until the earlier of (i) the Closing and (ii) the termination of this Agreement (the “**Exclusivity Termination Date**”), Target agrees that it will not, directly or indirectly, and will not authorize or permit any representative or agent thereof to, directly or indirectly, (a) solicit, initiate, encourage, engage in or respond to any inquiry or proposal regarding any merger, amalgamation, share exchange, business combination, take-over bid, sale or other disposition of all or substantially all of its assets, any recapitalization, reorganization other than the liquidation, material sale or issue of treasury securities or rights or interest therein or thereto or rights or options to acquire any material number of treasury securities or any type of similar transaction which would or could, in any case, constitute or result in a de facto change of control of Target or the disposition of substantially all of its assets (each an “**Acquisition Proposal**”), other than the Transactions, (b) encourage or participate in any discussions or negotiations regarding any Acquisition Proposal, (c) agree to, approve or recommend an Acquisition Proposal, or (d) enter into any agreement related to an Acquisition Proposal, unless such action, matter or transaction is part of the Transactions or is satisfactory to, and is approved in writing in advance by the Issuer or is necessary to carry on the normal course of business.

## 13. PUBLIC DISCLOSURE

**13.1 Restrictions on Disclosure** - No disclosure or announcement, public or otherwise, in respect of this Agreement or the Transactions will be made by the Issuer or Target without the prior written agreement of the other as to timing, content and method, provided that the obligations herein will not prevent the Issuer or Target from making, after consultation with the other, such disclosure as its counsel advises is required by Applicable Law, including the rules and policies of the CSE, as applicable, or as is required to carry out the Transactions or the obligations of the Issuer or Target.

**13.2 Confidentiality** - Except with the prior written consent of the other, each of the Issuer and Target and their respective employees, officers, directors, shareholders, agents, advisors and other representatives will hold all information received from the Issuer or Target, as applicable, concerning any of the Issuer, Target and the Target Shareholders in strictest confidence and shall not be disclosed or used by the recipients thereof, except such information and documents available to the public or as are required to be disclosed by Applicable Law, including the rules and policies of the CSE, as applicable. All such information in written or electronic form and documents will be promptly returned to the Party originally delivering them in the event that the Transactions are not completed.

## 14. GENERAL

**14.1 Time** - Time and each of the terms and conditions of this Agreement is of the essence of this Agreement and any waiver by the Parties of this paragraph or any failure by them to exercise any of their rights under this Agreement shall be limited to the particular instance and shall not extend to any other instance or matter in this Agreement or otherwise affect any of their rights or remedies under this Agreement.

**14.2 Entire Agreement** - This Agreement constitutes the entire agreement between the Parties in respect of the matters referred to herein and there are no representations, warranties, covenants or agreements, expressed or implied, collateral hereto other than as expressly set forth or referred to herein.

**14.3 Further Assurances** - The Parties shall execute and deliver all such further documents and instruments and do all such acts and things as any Party may, either before or after the Closing, reasonably require of the others in order that the full intent and meaning of this Agreement is carried out. The provisions contained in this Agreement which, by their terms, require performance by a Party subsequent to the Closing, shall survive the Closing.

**14.4 Amendments** - No alteration, amendment, modification or interpretation of this Agreement or any provision of this Agreement shall be valid or binding upon the Parties unless such alteration, amendment, modification or interpretation is in writing, executed by Target and the Issuer.

14.5 **Notices** - Any notice, request, demand, election and other communication of any kind whatsoever to be given under this Agreement shall be in writing and shall be delivered by hand, e-mail or mail to the Issuer or Target (on its own behalf and on behalf of the Target Shareholders) at their following respective addresses:

**To the Issuer and Subco:**

Pursuit Gold Corp.  
1170 - 1040 W. Georgia Street  
Vancouver, BC  
V6E 4H1

[REDACTED] [REDACTED]  
[REDACTED] [REDACTED]

**With a copy (which shall not constitute notice) to:**

Segev LLP  
6th Floor, 905 West Pender Street  
Vancouver, BC, V6C 1L6

[REDACTED] [REDACTED]  
[REDACTED] [REDACTED]

**To Target:**

South American Lithium Corp.  
1612 17<sup>th</sup> Ave SW  
Calgary, Alberta  
T2T 0E3

[REDACTED] [REDACTED]  
[REDACTED] [REDACTED]

or to such other addresses as may be given in writing by the Issuer or Target, in the manner provided for in this paragraph, and the Party sending such notice should request acknowledgment of delivery and the Party receiving such notice should provide such acknowledgment. Notwithstanding whether or not a request for acknowledgment has been made or replied to, whether or not delivery has occurred will be a question of fact. If a Party can prove that delivery was made as provided for above, then it will constitute delivery for the purposes of this Agreement whether or not the receiving Party acknowledged receipt.

14.6 **Acknowledgement of Representation** - The Target hereby acknowledges this Agreement has been drafted by Segev LLP, who are counsel for the Issuer and do not represent the Target. By its execution of this Agreement, Target acknowledges that it has been advised that a conflict of interest may exist between its interests and those of the Issuer, and further acknowledges that it has been urged and has had the opportunity to seek the advice of independent legal counsel in connection with this Agreement.

14.7 **Assignment** - This Agreement may not be assigned by any Party hereto without the prior written consent of all of the Parties.

14.8 **Governing Laws** - This Agreement is subject to, governed by, and to be construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein, and the Parties hereby irrevocably and unconditionally attorn to the jurisdiction of the courts of British Columbia.

14.9 **Counterparts** - This Agreement may be signed by fax, e-mail (scan) or other means of electronic transmission and in counterpart, and each copy so signed will be deemed to be an original, and all such counterparts together will constitute one and the same instrument.

14.10 **Severability** - If any one or more of the provisions contained in this Agreement should be invalid, illegal or unenforceable in any respect in any jurisdiction, the validity, legality and enforceability of such provision or provisions will not in any way be affected or impaired thereby in any other jurisdiction and the validity, legality and enforceability of the remaining provisions contained herein will not in any way be affected or impaired thereby, unless in either case as a result of such a determination this Agreement would fail in its essential purpose.

14.11 **Enurement** – This Agreement shall enure to the benefit of and be binding upon the Parties and their respective successors, permitted assigns, trustees, representatives, heirs and executors.

**[Remainder of page intentionally left blank. Execution page follows.]**

IN WITNESS WHEREOF the Parties hereto have executed this Agreement as of the date hereinbefore written.

**PURSUIT GOLD CORP.**

Per: /s/ Ken Booth

Name: Ken Booth,

Title: director

I have the authority to bind the  
corporation

**SOUTH AMERICAN LITHIUM CORP.**

Per: /s/ Dustin Nanos

Name: Dustin Nanos,

Title: director

I have the authority to bind the  
corporation

**SCHEDULE A**  
**CAPITALIZATION OF PURSUIT GOLD CORP. AND SOUTH AMERICAN LITHIUM CORP.**

**Pursuit Gold Corp.**

**Authorized capital:** unlimited number of common shares.

<b>Security</b>	<b>Issued and Outstanding</b>
Common Shares	16,249,000
Share purchase warrants	0
Incentive Options	1,300,000
<b>Fully Diluted</b>	<b>17,549,000</b>

**South American Lithium Corp.** (exclusive of securities to be issued under Concurrent Financing)

**Authorized Capital:** unlimited number of common shares and unlimited number of preferred shares issuable in series

<b>Security</b>	<b>Amount</b>
Common Shares	23,225,000
Preferred shares	0
Common share purchase warrants	13,225,000
Incentive options (common shares)	3,200,000
<b>Fully Diluted</b>	<b>39,650,000</b>

## SCHEDULE B

## DESCRIPTION OF THE PROPERTIES

## El Quemado – Antosana Rights

Antosana rights	Name	Type of Concession	File Number	Area (ha)	Holder
1	Santa Elena	Mine	18.159	59.99	Enrique José Vidal (being transferred to Minera Antosana)
2	Tres Tetas	Mine	18.263	42.00	Enrique José Vidal
3	El Quemado	Mine	19.516	999.97	Enrique José Vidal
4	Mirkos 4	Mine	20.203	1859.62	Minera Ansotana S.A.
5	Mirkos 5	Mine	20.204	2883.23	Minera Ansotana S.A.
6	Mirkos 6	Mine	20.205	2994.20	Minera Ansotana S.A.
7	Mirkos 7	Mine	20.206	2756.56	Minera Ansotana S.A.
8	Mirkos 10	Mine	20.209	2994.21	Minera Ansotana S.A.
9	La Elvirita	Mine	20.999	1200.00	Minera Ansotana S.A.
10	Crosby 1	Mine	21.648	1281.82	Minera Ansotana S.A.
11	Crosby 2	Mine	21.649	1469.40	Minera Ansotana S.A.
12	Crosby 3	Mine	21.650	1464.31	Minera Ansotana S.A.
13	Crosby 4	Mine	21.651	1564.27	Minera Ansotana S.A.
14	Aguas Calientes 5	Mine	21.992	333.42	Minera Ansotana S.A.
15	El Quemado V	Mine	21.993	634.65	Enrique José Vidal
16	Peñas Blancas V	Mine	22.045	2324.48	Minera Ansotana S.A.
17	Crosby 5	Discovery	22.116	2625.54	Minera Ansotana S.A.
18	Crosby 6	Mine	22.117	1727.64	Minera Ansotana S.A.
19	Mirkos 9	Mine	22.142	2993.86	Minera Ansotana S.A.
20	Mircos 1	Mine	22.143	2994.20	Minera Ansotana S.A.
21	Mircos 3	Mine	22.144	2706.34	Minera Ansotana S.A.

Antosana rights	Name	Type of Concession	File Number	Area (ha)	Holder
22	Crosby 7	Mine	22.317	1936.43	Minera Ansotana S.A.
23	Crosby 8	Mine	22.318	1496.35	Minera Ansotana S.A.
24	Josefina VII	Mine	22.349	2941.25	Minera Ansotana S.A.
25	Mircos 2	Mine	22.767	2998.35	Minera Ansotana S.A.
26	Mircos 8	Mine	22.768	3000.02	Minera Ansotana S.A.
<b>Total</b>				<b>50282.11</b>	

## El Quemado – LATAM Rights

LATAM rights	Name	Type of Concession	File Number	Area (ha)	Holder
1	Hesta	Mine	18.348	51.39	Vittone, Héctor Félix
2	Leilita 1	Mine	21.154	234.00	Bandi Alberto, Vittori Raul Eduardo
3	Leilita 2	Mine	21.155	234.00	Vittone, Héctor Félix
4	Leilita 4	Mine	21.157	234.01	Vittone, Héctor Félix
5	Micas 3	Mine	21.162	221.99	Vittone, Héctor Félix
6	Pomitas 5	Mine	21.169	234.00	Vittone, Héctor Félix
7	Leilita 7	Mine	21.322	270.00	Vittone, Héctor Félix
8	Leilita 8	Mine	21.323	270.00	Vittone, Héctor Félix
9	Leilita 9	Mine	21.324	270.00	Vittone, Héctor Félix
10	Leilita 10	Mine	21.325	119.89	Vittone, Héctor Félix
11	Micas 6	Mine	21.339	270.03	Vittone, Héctor Félix
12	Palermo 1	Mine	21.748	270.00	Vittone, Héctor Félix
13	Palermo 4	Mine	21.751	270.02	Vittone, Héctor Félix
14	Leilita 12	Mine	21.753	270.00	Vittone, Héctor Félix
15	Leilita 13	Mine	21.754	270.00	Vittone, Héctor Félix

LATAM rights	Name	Type of Concession	File Number	Area (ha)	Holder
16	Leila	Mine	21.915	1000.00	Vittone, Héctor Félix
17	Leilita 15	Mine	22.022	254.54	Vittone, Héctor Félix
18	Leilita 16	Mine	22.023	270.04	Vittone, Héctor Félix
19	Leilita 18	Mine	22.111	1497.10	Vittone, Héctor Félix
20	Leilita 19	Mine	22.462	1497.10	Vittone, Héctor Félix
<b>Total</b>				<b>8008.11</b>	

#### YACONES PROPERTY

located in Los Andes Department, Province of Salta, Argentina

	Name	Type of Concession	File number	Area (ha)	Title Holder
1	Yacones I	Mine	24.385	2994.2152	Simón Perez Alsina
2	Yacones II	Mine	24.386	2185.0181	Simón Perez Alsina
3	Yacones V	Mine	24.425	2446.2988	Simón Perez Alsina
<b>Total</b>				<b>7625.5321</b>	



**SCHEDULE C  
AMALGAMATION APPLICATION**

**[to be attached]**

**SCHEDULE D  
ARTICLES OF AMALCO**

**[to be attached]**

## REINSTATEMENT AND AMENDMENT TO AMALGAMATION AGREEMENT

This reinstatement and amendment to the amalgamation agreement dated July 14, 2023 (the “**Reinstatement**”) is made and entered into this 31<sup>st</sup> day of January, 2024 (the “**Reinstatement Effective Date**”)

### BETWEEN:

**PURSUIT GOLD CORP.**, a company incorporated under the laws of British Columbia and having a registered and records office at The King George Building, 6th Floor, 905 W. Pender Street, Vancouver BC, V6C 1L6

(the “**Issuer**”)

### AND:

**SOUTH AMERICAN LITHIUM CORP.**, a company incorporated under the laws of Alberta and having an office at 60 Signal Hill Way, Calgary Alberta T3H 2M2

(“**Target**”)

### BACKGROUND:

- A. The Issuer and the Target (together, the “**Parties**” and each, a “**Party**”) are parties to an amalgamation agreement entered into on July 14, 2023 (the “**Amalgamation Agreement**”), pursuant to which the Parties, along with a to-be-incorporated subsidiary of the Issuer, propose to complete a business combination that will result in a Fundamental Change for the Issuer under the policies of the Canadian Securities Exchange;
- B. The Amalgamation Agreement was inadvertently allowed to lapse on October 31, 2023; and
- C. The Parties desire to reinstate the Amalgamation Agreement on the terms originally set forth therein and as further modified and amended by this Reinstatement.

**IN CONSIDERATION** of the matters described above and of the mutual benefits and obligations set forth in this Reinstatement, the receipt and sufficiency of which consideration is hereby acknowledged, the Parties agree as follows:

1. **Capitalized Terms.** All capitalized terms used in this Reinstatement and not defined herein have the meaning given to those terms in the Amalgamation Agreement.
2. **Reinstatement of Amalgamation Agreement.** The Parties hereby reinstate the Amalgamation Agreement as of the Reinstatement Effective Date and ratify and confirm the continuing force and effect of the Amalgamation Agreement as an enforceable agreement between the Parties, subject to the terms of this Reinstatement.
3. **Amendments to Amalgamation Agreement.** The Parties hereby amend the Amalgamation Agreement as follows:
  - (a) Section 1.1(q) “**Concurrent Financing**” be deleted in its entirety and replaced with the following new Section 1.1(q):

*“**Concurrent Financing**” means the private placement of Target of its securities for 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 Issuer and the Target, acting reasonably;*

- (b) Section 1.1(ll) “**Issuer Annual Statements**” be deleted in its entirety and replaced with the following new Section 1.1(ll):

*“Issuer Annual Statements” means the audited financial statements of the Issuer for the most recent two years ended November 30, as filed on SEDAR with the applicable Canadian securities regulators;*

- (c) Section 1.1(oo) “**Issuer Interim Statements**” be deleted in its entirety and replaced with the following new Section 1.1(oo):

*“Issuer Interim Statements” means the unaudited financial statements of the Issuer for the most recent interim periods, as filed on SEDAR with the applicable Canadian securities regulators;*

- (d) Section 1.1(ww) “**Outside Date**” be deleted in its entirety and replaced with the following new Section 1.1(ww):

*“Outside Date” means April 30, or such other date as agreed to by all Parties in writing;*

- (e) Section 7.1(f) be deleted in its entirety and replaced with the following new Section 7.1(f):

*the Concurrent Financing shall have been completed to raise net proceeds sufficient to provide the Resulting Issuer with the working capital required to meet the minimum listing requirements prescribed by the Exchange;*

4. **Reaffirmation.** Except as expressly amended or modified by this Reinstatement, all other terms and conditions of the Amalgamation Agreement are hereby ratified and reaffirmed, and the parties hereto confirm and agree that there is currently no default under the Amalgamation Agreement by either party. To the extent of any inconsistency between this Reinstatement and the Amalgamation Agreement, the terms and conditions of this Reinstatement will control and govern.
5. **Governing Law.** This Amendment shall be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada therein.
6. **Counterparts.** This Reinstatement may be executed in counterparts, each of which will be deemed an original, and all of which together will be deemed to be one and the same agreement. A signed copy of this Reinstatement delivered by facsimile, e-mail or other means of electronic transmission will be deemed to have the same legal effect as delivery of an original signed copy of this Reinstatement.
7. **Further Assurances.** Each of the Parties shall execute and deliver, at the reasonable request of the other Party, such additional documents, instruments, conveyances, and assurances and take such further actions as the other Party may reasonably request to carry out the provisions hereof and give effect to the transactions contemplated by this Reinstatement.

*[Remainder of page intentionally left blank. Signature page follow.]*

**IN WITNESS WHEREOF** the parties have executed this Amendment as of the date first above written.

**PURSUIT GOLD CORP.**

    /s/ Ken Booth      
Per: Ken Booth

**SOUTH AMERICAN LITHIUM CORP.**

          /s/ Dustin Nanos            
Per: Dustin Nanos

## EXTENSION TO AMALGAMATION AGREEMENT

This extension agreement (the “**Extension**”) is made and entered into this 30<sup>th</sup> day of April, 2024 (the “**Effective Date**”)

### BETWEEN:

**PURSUIT GOLD CORP.**, a company incorporated under the laws of British Columbia and having a registered and records office at The King George Building, 6th Floor, 905 W. Pender Street, Vancouver BC, V6C 1L6

(the “**Issuer**”)

### AND:

**SOUTH AMERICAN LITHIUM CORP.**, a company incorporated under the laws of Alberta and having an office at 60 Signal Hill Way, Calgary Alberta T3H 2M2

(“**Target**”)

### BACKGROUND:

- A. The Issuer and the Target (together, the “**Parties**” and each, a “**Party**”) are parties to an amalgamation agreement entered into on July 14, 2023, as reinstated and amended by an agreement dated January 31, 2024 (collectively the “**Amalgamation Agreement**”) pursuant to which the Parties, along with a wholly-owned subsidiary of the Issuer, propose to complete a business combination that will result in a Fundamental Change for the Issuer under the policies of the Canadian Securities Exchange;
- B. The Amalgamation Agreement expires as of April 30, 2024 (the “**Expiry Date**”); and
- C. The Parties desire to extend the Expiry Date.

**IN CONSIDERATION** of the matters described above and of the mutual benefits and obligations set forth in this Extension, the receipt and sufficiency of which consideration is hereby acknowledged, the Parties agree as follows:

1. **Capitalized Terms.** All capitalized terms used in this Extension and not defined herein have the meaning given to those terms in the Amalgamation Agreement.
2. **Amendments to Amalgamation Agreement.** The Parties hereby amend the Amalgamation Agreement as follows:
  - (a) Section 1.1(ww) “**Outside Date**” be deleted in its entirety and replaced with the following new Section 1.1(ww):

*“**Outside Date**” means May 31, 2024, or such other date as agreed to by all Parties in writing;*
3. **Reaffirmation.** Except as expressly amended or modified by this Extension, all other terms and conditions of the Amalgamation Agreement are hereby ratified and reaffirmed, and the parties hereto confirm and agree that there is currently no default under the Amalgamation Agreement by either party. To the extent of any inconsistency between this Extension and the Amalgamation Agreement, the terms and conditions of this Extension will control and govern.
4. **Governing Law.** This Amendment is governed by and will be construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada therein.

5. **Counterparts.** This Extension may be executed in counterparts, each of which will be deemed an original, and all of which together will be deemed to be one and the same agreement. A signed copy of this Extension delivered by facsimile, e-mail or other means of electronic transmission will be deemed to have the same legal effect as delivery of an original signed copy of this Extension.
6. **Further Assurances.** Each of the Parties shall execute and deliver, at the reasonable request of the other Party, such additional documents, instruments, conveyances, and assurances and take such further actions as the other Party may reasonably request to carry out the provisions hereof and give effect to the transactions contemplated by this Extension.

IN WITNESS WHEREOF the parties have executed this Extension as of the date first above written.

**PURSUIT GOLD CORP.**

 oth  
\_\_\_\_\_

Per: Ken Booth

**SOUTH AMERICAN LITHIUM CORP.**

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\_\_\_\_\_

Per: Dustin Nanos