SALI LITHIUM CORP.

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

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED MAY 31, 2024 AND MAY 31, 2023

Notice of No Auditor Review of Condensed Interim Consolidated Financial Statements

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

SALI LITHIUM CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT MAY 31, 2024
(Unaudited - Expressed in Canadian dollars)

ASSETS	**Notes**		**May 31, 2024**		**February 29, 2024**
CURRENT					
Cash and cash equivalents		$	917,671	$	682,344
Receivables			18,621		19,604
Prepaid expenses			3,500		-
Due from related party	8		-		15,000
Deposits	4		-		300,000
		$	**939,792**	**$**	**1,016,948**
NON-CURRENT					
Exploration and evaluation assets	5	$	2,320,938	$	2,320,938
Total assets		**$**	**3,260,730**	**$**	**3,337,886**
LIABILITIES					
CURRENT					
Accounts payable and accrued liabilities	6	$	382,497	$	110,535
Due to related party	8		58,002		84,090
Promissory notes	9		17,231		-
		$	**457,730**	**$**	**194,625**
Total liabilities		**$**	**457,730**	**$**	**194,625**
SHAREHOLDERS' EQUITY					
Share capital	7	$	9,602,546	$	4,135,428
Subscriptions received	7		874		240,874
Reserves	7		1,615,383		1,712,400
Deficit			(8,690,345)		(3,221,363)
		$	**2,528,458**	**$**	**2,867,339**
Non-controlling interest	10		274,542		275,922
Total equity		**$**	**2,803,000**	**$**	**3,143,261**
Total liabilities and shareholders' equity		**$**	**3,260,730**	**$**	**3,337,886**

Nature and continuance of operations (Note 1)

These consolidated financial statements were approved for issue by the Board of Directors on September 3, 2024 and are signed on its behalf by:

Approved by the Board ***"Dustin Nanos"*** **, Director** ***"Kenneth Booth"*** **, Director**

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

SALI LITHIUM CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
THREE MONTHS ENDED MAY 31, 2024
(Unaudited - Expressed in Canadian dollars)

	Notes		Three months ended May 31, 2024		Three months ended May 31, 2023
Expenses					
Management and consulting fees	8	$	103,924	$	97,961
Exploration expenses		$	14,556		73,993
Office and administration		$	11,073		17,930
Investor relations		$	-		1,029
Insurance		$	1,276		-
Filing fees and transfer agent		$	17,528		-
Rentals		$	9,450		33,090
Travel		$	12,711		41,687
Stock-based compensation	7, 8	$	-		882,000
Foreign exchange		$	(1,098)		(9,678)
Listing expense	3	$	5,300,942		-
Net loss and comprehensive loss for the period		**$**	**(5,470,362)**	**$**	**(1,138,012)**
Loss attributable to					
Shareholders of the Company		$	(5,468,982)	$	(1,134,498)
Non-controlling interest	10	$	(1,380)	$	(3,514)
Basic loss per common share		$	(0.15)	$	(0.05)
Diluted loss per common share		$	(0.15)	$	(0.05)
Weighted average number of common shares outstanding					
Basic			35,709,332		24,116,304
Diluted			35,709,332		24,116,304

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

SALI LITHIUM CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
THREE MONTHS ENDED MAY 31, 2024
(Unaudited - Expressed in Canadian dollars)

Cash provided by (used for)	Notes	For the three months ended May 31, 2024	For the three months ended May 31, 2023
OPERATING ACTIVITIES			
Net loss for the period		$ (5,470,362)	$ (1,138,012)
Items not involving cash:			
Stock-based compensation	7, 8	-	882,000
Accrued promissory note interest	9	79	-
Listing expense	3	5,000,942	-
Changes in non-cash working capital			
Receivables		6,696	(612)
Due to related party	8	(26,088)	50,000
Due from related party	8	-	27,007
Accounts payable and accrued liabilities		130,404	2,002
		$ (358,329)	**$ (177,615)**
INVESTING ACTIVITIES			
Exploration and evaluation expenditures		$ -	$ (841,864)
Cash assumed on RTO	3	1,238	-
		$ 1,238	**$ (841,864)**
FINANCING ACTIVITIES			
Proceeds from issuance of share capital	7	$ 20,000	$ -
Share issuance costs		(27,582)	-
Subscriptions received	7	-	785,000
Deferred share issuance costs		-	(60,915)
Proceeds from settlement of Alchemia advancement	4, 8	300,000	-
		$ 292,418	**$ 724,085**
Net (decrease) increase in cash and cash equivalents		**$ (64,673)**	**$ (295,394)**
Cash and cash equivalents - beginning of period		682,344	478,774
Cash and cash equivalents - end of period		**$ 617,671**	**$ 183,380**
Cash		$ 609,713	$ 180,033
Cash equivalents		7,958	3,347
Supplementary information with respect to cash flows			
Income taxes paid		$ -	$ -
Interest paid		-	-
Non-cash investing and financing activities			
Share issuance costs included in accounts payable		$ -	$ 5,949
Units issued for exploration and evaluation assets	5, 7	300,000	500,000

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

SALI LITHIUM CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Unaudited - Expressed in Canadian dollars)

	Notes	Number of Shares	Share capital	Subscriptions received	Reserves	Deficit	Non-controlling interest	Total
Balance at March 1, 2023		**23,225,000**	**$ 1,325,559**	**$ 632,500**	**$ -**	**$ (535,737)**	**$ -**	**$ 1,422,322**
Share issuance costs		-	(5,949)	-	-	-	-	(5,949)
Units issued for exploration and evaluation assets	7	1,000,000	-	500,000	-	-	-	500,000
Stock-based compensation	7, 8	-	-	-	882,000	-	-	882,000
Subscriptions received	7	-	-	785,000	-	-	-	785,000
Allocation to non-controlling interest	10	-	-	-	-	-	289,570	289,570
Net loss for the period		-	-	-	-	(1,134,498)	(3,514)	(1,138,012)
Balance at May 31, 2023		**24,225,000**	**$ 1,319,610**	**$ 1,917,500**	**$ 882,000**	**$ (1,670,235)**	**$ 286,056**	**$ 2,734,931**
Balance at March 1, 2024		**32,436,658**	**$ 4,135,428**	**$ 240,874**	**$ 1,712,400**	**$ (3,221,363)**	**$ 275,922**	**$ 3,143,261**
Private placement		66,667	20,000	-	-	-	-	20,000
Share issuance costs		-	(27,582)	-	-	-	-	(27,582)
Subscriptions received	7	800,000	240,000	(240,000)	-	-	-	-
Shares issued in connection with RTO	3, 7	16,449,000	4,934,700	-	-	-	-	4,934,700
Shares issued for exploration and evaluation assets	5, 7	1,000,000	300,000	-	(300,000)	-	-	-
Stock-based compensation	7, 8	-	-	-	202,983	-	-	202,983
Allocation to non-controlling interest	10	-	-	-	-	-	-	-
Net loss for the period		-	-	-	-	(5,468,982)	(1,380)	(5,470,362)
Balance at May 31, 2024		**50,752,325**	**$ 9,602,546**	**$ 874**	**$ 1,615,383**	**$ (8,690,345)**	**$ 274,542**	**$ 2,803,000**

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

1. NATURE AND CONTINUANCE OF OPERATIONS

On May 17, 2024, the Company (then "Pursuit Gold Corp.", previously listed on the Canadian Securities Exchange ("CSE") under the symbol PUGS) ("Pursuit") acquired all of the outstanding shares of 1477445 B.C. Ltd. (formerly South American Lithium Corp, an Alberta corporation) ("1477445 B.C. Ltd.") by way of a three-cornered amalgamation, pursuant to which a wholly-owned subsidiary of Pursuit ("1477430 B.C. Ltd." or "Subco") amalgamated with 1477445 B.C. Ltd. to create the amalgamated company and surviving wholly-owned subsidiary of the Company: 14841799 B.C. Ltd. ("14841799 B.C. Ltd."). On May 17, 2024, Pursuit changed its name to "SALi Lithium Corp." ("SALi" or the "Company") and on June 4, 2024, the Company resumed trading on the CSE under the symbol "SALI". This transaction constituted a reverse acquisition ("RTO") for the purposes of Canadian securities laws (Note 3). 1477445 B.C. Ltd. has been identified as the accounting acquirer, and accordingly, the Company is considered to be a continuation of 1477445 B.C. Ltd., and the net assets of Pursuit at the date of the RTO are deemed to have been acquired by 1477445 B.C. Ltd. These financial statements include the results of operations of Pursuit from May 17, 2024. The comparative figures are those of 1477445 B.C. Ltd. prior to the RTO.

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

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.

<u>Going Concern of Operations</u>

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 May 31, 2024, the Company had cash and cash equivalents of $917,671. 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 condensed interim consolidated 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 condensed interim consolidated financial statements do not include all the information required for the annual consolidated financial statements and should be read in conjunction with South American Lithium Corp.’s most recent audited annual consolidated financial statements for the year ended February 29, 2024.

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

These condensed interim consolidated financial statements were prepared using accounting policies consistent with those in the audited annual financial statements for South American Lithium Corp. as at and for the year ended February 29, 2024.

The preparation of these condensed interim 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 interim consolidated financial statements for the three months ended May 31, 2024, the Company applied the accounting policies, critical judgments and estimates disclosed in Notes 2 and 3 of South American Lithium Corp.’s audited annual consolidated financial statements for the year ended February 29, 2024 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 interim 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).

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. *Share-based payments*: The valuation of share-based payments is determined using the Black-Scholes Option Pricing Model. Option pricing models require the input of subjective assumptions including expected share price volatility, interest rate and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's net loss and equity reserves.

4. *RTO*: Judgement is required when assessing the value of the consideration transferred and the net identifiable assets acquired and liabilities assumed in connection with the reverse takeover. (Note 3)

Basis of consolidation

These condensed interim 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 SALI Lithium Corp. and its subsidiaries listed in the following table:

Name of Subsidiary	Country of Incorporation	Functional Currency	Ownership Interest	Principal Activity
1477445 B.C. Ltd.	Canada	CAD dollar	100%	Mineral exploration
South American Lithium S.A.	Argentina	Argentinian Peso	100%	Mineral exploration
Minera Ansotana S.A.	Argentina	Argentinian Peso	70%	Mining concessions

Functional and Presentation Currency

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.

(Unaudited - Expressed in Canadian Dollars)

3. REVERSE ACQUISITION TRANSACTION

On May 17, 2024, the Company completed the RTO of 1477445 B.C. Ltd., by way of a three-cornered amalgamation carried out under the *Business Corporations Act* (British Columbia).

The RTO was carried out pursuant to the amalgamation agreement dated July 14, 2023 (the "Amalgamation Agreement") between the Company and 1477445 B.C. Ltd. as reinstated and amended on January 29, 2024 and amended on April 30, 2024. Under the RTO, the Company acquired all of the outstanding shares of 1477445 B.C. Ltd. by way of a three-cornered amalgamation, pursuant to which, Subco amalgamated with 1477445 B.C. Ltd. to create the amalgamated company and surviving wholly-owned subsidiary of the Company: 14841799 B.C. Ltd.

Pursuant to the RTO, former shareholders of 1477445 B.C. Ltd. received an aggregate of 34,503,325 common shares of the Company in exchange for their common shares on a one-for-one basis and all outstanding 1477445 B.C. Ltd. warrants and incentive options became exercisable into SALI shares in accordance with their terms. The Company now has an aggregate of 50,752,325 shares issued and outstanding.

The transaction resulted in 1477445 B.C. Ltd. obtaining control over 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 constituted a reverse acquisition of Pursuit by 1477445 B.C. Ltd. and has been accounted for as a reverse takeover 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, 1477445 B.C. Ltd. is treated as the accounting parent (legal subsidiary) and Pursuit as the accounting subsidiary (legal parent). The fair value of the consideration paid by 1477445 B.C. Ltd., less the fair value of net assets acquired of Pursuit, constitutes a listing expense and has been recorded in the statement of loss and comprehensive loss.

The RTO was measured at the fair value of the shares that 1477445 B.C. Ltd. 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 1477445 B.C. Ltd. acquiring Pursuit.

The fair value of the consideration issued to acquire the net assets of the Company is as follows:

Consideration paid for reverse acquisition		
16,449,000 common shares (Note 7)	$	4,934,700
Fair value of replacement options (Note 7)		202,983
Total consideration		5,137,683
Fair value of net assets acquired		
Cash		1,238
Receivables		5,713
Prepaids		3,500
Accounts payable and accrued liabilities		(141,558)
Promissory notes		(32,152)
Net identifiable assets acquired		(163,259)
Excess consideration over net assets acquired		5,300,942
Listing expense	$	5,300,942

(Unaudited - Expressed in Canadian Dollars)

3. REVERSE ACQUISITION TRANSACTION (continued)

Upon the closing of the RTO, assets and liabilities of 1477445 B.C. Ltd. were recognized by the Resulting Issuer at carrying values whereas Pursuit's assets and liabilities were accounted for at their fair value. Pursuit's share capital, contributed surplus and deficit at the time of the RTO transaction were eliminated.

4. DEPOSITS

During the year ended February 28, 2023, the Company advanced $600,000 in 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. On February 8, 2024, the Company entered into a termination agreement for the settlement of the advancement and accrued interest for the amount of $300,000 (received during the three months ended May 31, 2024, Note 8). During the year ended February 29, 2024, the remaining balance of the deposit and accrued interest of $328,315 was deemed uncollectible and recorded to bad debt expense.

5. EXPLORATION AND EVALUATION ASSETS

Acquisition of Latin Metals

	Latin Metals
Acquisition Costs:	
Deferred acquisition costs	$69,800
Shares issued on acquisition	500,000
Cash paid on acquisition	400,080
Total acquisition costs	**$ 969,880**
Exploration Costs:	
43-101 – Technical Report	$36,048
Total exploration costs	36,048
Total costs, May 31, 2024	**$1,005,928**

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.

(Unaudited - Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS (continued)

Acquisition of Latin Metals (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 ($4,072,500), 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

	El Quemado Project
Purchase price:	
Fair value of acquisition costs	$675,665
Non-controlling interest (Note 10)	289,570
Total consideration	**$ 965,235**
Purchase price allocation:	
Exploration and evaluation assets, May 31, 2024	**$965,235**

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).

5. EXPLORATION AND EVALUATION ASSETS (continued)

Acquisition of El Quemado Project (continued)

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 ($164,207) and US$30,000 ($41,052) within 15 days of signing ($205,259 paid to date);
- US$240,000 ($324,589) and US$60,000 ($81,177) 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 to date);
- 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 National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI-43-101") or Australasian Joint Ore Reserves Committee ("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.

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.

On December 26, 2023, the Company entered into an amending agreement with the Vidals to delay the commencement of the payments of US$160,000 and US$40,000 due every six months to the Vidals until a PFS is completed. The Company agreed to issue the Vidal parties an aggregate of 1,000,000 common shares (issued subsequent to the year). The Company recognized an expense of $300,000 related to the agreement in the year ended February 29, 2024. The agreement includes a right in favour of the Vidal parties until the Province of Salta approves the first of the environmental reports to propose a bona fide third party qualified purchases for Minera Ansotana S.A. in which case the Company and either match the offer to acquire the balance of Minera Ansotana S.A. shares or resume the suspended payments and continue the Minera Ansotana Agreement and pay additional compensation to the Vidal parties of US$4,000,000 in the Company's shares. If the Company does not elect within 10 business days to do either, then the Vidal parties will have the right to complete the sale to the third party purchases within 30 days and the Company will be entitled to receive US$8,000,000 for its 70% interest in Minera Ansotana.

(Unaudited - Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS (continued)

Acquisition of Alsina Property

May 31, 2024	**Alsina Property**
Purchase price:	
Fair value of acquisition costs	$243,527
Total consideration	**$ 243,527**
Purchase price allocation:	
Exploration and evaluation assets, May 31, 2024	**$243,527**

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:

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

7. SHARE CAPITAL (continued)

For the three months ended May 31, 2024:

- The Company issued 16,449,000 common shares to former shareholders of 1477445 B.C. Ltd in exchange for their common shares on a one-for-one basis, pursuant to the RTO. The fair value of the shares was determined to be $4,934,700 (Note 3).

- The Company issued 1,000,000 common shares to the Vidals related to the El Quemado Project. The fair value of the shares was determined to be $300,000, which was expensed during the year ended February 29, 2024.

- The Company received subscriptions of $20,000 relating to the issuance of 66,667 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 from June 4, 2024 (the closing date of a going public transaction).

For the three months ended May 31, 2023:

- The Company received subscriptions of $785,000 relating to the issuance of 1,570,000 units at a price of $0.50 per unit pursuant to a non-brokered private placement, which closed August 1, 2023. 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.

- 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.

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 Directions of the Company at the time of the grant.

During the three months ended May 31, 2024, the Company granted 800,000 stock options pursuant to the RTO transaction. The options have an exercise price of $0.10 for a period of 5 years, expiring May 5, 2028. The fair value of the options granted was determined to be $202,983 using the Black-Sholes option pricing model under the following assumptions: stock price - $0.30; risk-free rate – 3.84%; expected life – 3.97 years; expected volatility – 100%, vesting term – immediately and expected dividends – nil. The fair value of the options was included as consideration paid for the RTO (Note 3).

(Unaudited - Expressed in Canadian Dollars)

7. SHARE CAPITAL (continued)

Stock options (continued)

During the three months ended May 31, 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 – 100% and expected dividends – nil.

A continuity of options for the three months ended May 31, 2024 is as follows:

Expiry date	Exercise Price	February 28, 2024	Granted	May 31, 2024
March 10, 2028	$0.15	2,000,000	-	2,000,000
July 5, 2028	$0.15	1,200,000	-	1,200,000
May 8, 2028	$0.10		800,000	800,000
Warrants outstanding and exercisable		3,200,000	800,000	**4,000,000**
Weighted average exercise price		$0.15	$0.10	**$ 0.14**

A continuity of options for the year ended February 29, 2024 is as follows:

Expiry date	Exercise Price	February 28, 2023	Granted	February 29, 2024
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	**3,200,000**
Weighted average exercise price		-	$0.15	**$ 0.15**

Warrants

The continuity of warrants for the three months ended May 31, 2024 is as follows:

Expiry date	Exercise Price	February 29, 2024	Granted	May 31, 2024
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
June 4, 2026 (1) (2)	$0.65(1)(2)	3,095,000	-	3,095,000
June 4, 2026 (2)	$0.65(2)	3,053,325	-	3,053,325
June 4, 2026 (2)	$0.65(2)	-	866,667	866,667
Warrants outstanding and exercisable		20,373,325	866,667	**21,239,992**
Weighted average exercise price		$0.38	$0.65	**$ 0.39**

(1) Amended from $1.00 in November 2023.

(2) Expiry date is two years from the closing date of a going public transaction.

(Unaudited - Expressed in Canadian Dollars)

7. SHARE CAPITAL (continued)

Warrants (continued)

The continuity of warrants for the year ended February 29, 2024, is as follows:

Expiry date	Exercise Price	February 28, 2023	Granted	February 29, 2024
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
June 4, 2026 (1) (2)	$0.65(1)(2)	-	3,095,000	3,095,000
June 4, 2026 (2)	$0.65(2)	-	3,053,325	3,053,325
Warrants outstanding and exercisable		13,225,000	7,148,325	**20,373,325**
Weighted average exercise price		$0.20	$0.70	**$ 0.38**

(1) Amended from $1.00 in November 2023.

(2) Expiry date is two years from the closing date of the going public transaction.

8. 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 May 31, 2024 and February 29, 2024, $58,002 and $84,090, respectively, were due to officers and directors of the Company.

As at May 31, 2024 and February 29, 2024, $nil and $15,000, respectively, were due from a director of the Company.

During the three months ended May 31, 2024 and May 31, 2023, the Company incurred consulting fees of $29,000 and $65,563, respectively, from officers and directors of the Company.

During the three months ended May 31, 2024 and May 31, 2023, the Company incurred share-based payments of $nil and $882,000, respectively, to a director of the Company.

During the three months ended May 31, 2024, the Company received $300,000 from an individual related to an officer related to the settlement of the Alchemia advancement (Note 4).

9. PROMISSORY NOTES

In connection with the RTO, the Company assumed $17,152 in promissory notes. The promissory notes bear interest at a rate of 12% per annum, are unsecured and due on demand. At May 31, 2024, the Company recorded $79 in accrued interest.

(Unaudited - Expressed in Canadian Dollars)

10. 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 Ansotana S.A. that is not attributable to the Company. The carrying value of the non-controlling interest for Minera Ansotana S.A as at May 31, 2024 was $274,542.

The following table presents the summarized financial information of Minera Ansotana S.A. for the period ended May 31, 2024:

	Minera Ansotana S.A.
Ownership interest	70%
Loss for the period	$ 4,600
Loss attributable to non-controlling interest	$ 1,380

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

	Minera Ansotana S.A.
Balance, February 29, 2024	$ 275,922
Loss attributable to non-controlling interest	(1,380)
Balance, May 31, 2024	$ 274,542

Summarized financial information about Minera Ansotana S.A. is as follows for the period ended May 31, 2024:

	May 31, 2024
Current liabilities	$4,600
Loss	$4,600

(Unaudited - Expressed in Canadian Dollars)

11. SEGMENTED INFORMATION

The Company operates in one industry segment, being the acquisition, exploration, and development of resource properties. Geographic information is as follows:

		May 31, 2024	February 29, 2024
Current assets:			
Argentina	$	$33,696	54,624
Canada		906,096	962,324
	$	939,792	1,016,948
Long term assets:			
Argentina			
Exploration and evaluation assets	$	2,214,690	2,214,690
Canada			
Exploration and evaluation assets		106,248	106,248
		2,320,938	2,320,938

		Three Months Ended May 31, 2024	Three Months Ended May 31, 2023
Expenses:			
Argentina			
Exploration and evaluation expenditures	$	(10,396)	-
Other expenses		(21,708)	(35,235)
Canada			
Exploration and evaluation expenditures		(4,160)	(73,993)
Other expenses		(5,434,097)	(1,028,784)
Net loss and comprehensive loss for the period	$	(5,470,362)	(1,138,012)

12. 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.

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 May 31, 2024, the Company had cash and cash equivalents of $917,671 to settle current liabilities of $457,730. 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.

12. FINANCIAL AND CAPITAL RISK MANAGEMENT (continued)

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 May 31, 2024, the Company has determined that a 10% increase or decrease in these currencies against the Canadian dollar would result in a $2,256 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.