SALi

SALi Lithium Corp.

Condensed Consolidated Interim Financial Statements

For the three and six months ended 31 August 2024

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

Stated in Canadian Dollars

Management's Responsibility

To the Shareholders of SALi Lithium Corp.:

Management is responsible for the preparation and presentation of the accompanying audited consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with International Financial Reporting Standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded, and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information presented. The board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and the external auditors. The Audit Committee has the responsibility of meeting with management, and the external auditors to discuss the internal controls over the financial reporting process, auditing matters and financial reporting issues. The Board is also responsible for recommending the appointment of the Company's external auditors.

We draw attention to *note (*1) in the consolidated financial statements which indicates the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

"Dustin Nanos"
Dustin Nanos, CEO

"Grant T. Smith"
Grant T. Smith, CFO

STATEMENT 1: CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31 Aug 2024	As at 29 Feb 2024
Assets		
Current Assets		
Cash and cash equivalents	**$ 536,846**	$ 682,344
Amounts receivable	**20,575**	19,604
Due from related party	**-**	15,000
Prepaid amounts and deposits	**23,500**	300,000
	580,921	1,016,948
Non-current Assets		
Exploration and evaluation assets ("E&E") *(note 7)*	**2,320,938**	2,320,938
	$ 2,901,859	$ 3,337,886
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities *(note 8)*	**$ 253,696**	$ 110,535
Due to related party *(note 9)*	**59,958**	84,090
Promissory notes *(note 9)*	**17,746**	-
	331,400	194,625
Equity		
Share capital *(note10) Statement 3*	**9,602,544**	4,135,428
Subscriptions received	**-**	240,874
Contributed surplus *(note 10) Statement 3*	**1,615,383**	1,712,400
Deficit *Statement 3*	**(8,921,790)**	(3,221,363)
	2,296,137	2,867,339
Non-controlling interest ("NCI")	**274,322**	275,922
	$ 2,901,859	$ 3,337,886

Nature of operations and going concern *(note 1)*

Basis of preparation - Statement of Compliance *(note 2)*

These financial statements were approved and authorized for issuance on behalf of the Board of Directors on 30 October 2024.

Dustin Nanos, Director

Ken Booth, Director

STATEMENT 2: CONSOLIDATED STATEMENT OF LOSS AND COMPREHENSIVE LOSS

	Three months ended 31 Aug 2024	Three months ended 31 Aug 2023	Six months ended 31 Aug 2024	Six months ended 31 Aug 2023
Expenses				
Exploration and Evaluation				
Exploration expenses	$ 2,391	$ -	$ 16,947	$ 73,953
General and Administrative				
Management and consulting fees	46,142	31,875	82,717	51,441
Professional fees	134,923	127,501	202,272	205,896
Office and administration	5,517	26,377	16,590	44,307
Investor relations	3,662	7,062	3,662	8,091
Transfer agent and filing fees	16,227	-	33,755	-
Share-based compensation	-	530,400	-	1,412,400
Bank charges and interest	2,150	(15,000)	2,150	(15,000)
Insurance	6,383	-	7,659	-
Travel	6,728	9,632	19,439	51,319
Bad Debt	-	(18,222)		(27,900)
Foreign exchange	(1,278)	-	(2,376)	-
Rentals	8,820	12,914	18,270	46,004
Listing expenses	-	-	5,300,942	-
	229,274	712,539	5,685,050	1,776,558
Net and comprehensive loss for the period	231,665	712,539	5,701,997	1,850,551
Net Loss Attributed to:				
Shareholders	231,665	708,769	5,700,647	1,843,267
Non-controlling interest	220	3,770	1,600	7,284
	231,665	712,539	5,702,247	1,850,551
Basic and diluted loss per common share	$ (0.05)	$ (0.03)	$ (0.13)	$ (0.07)
Weighted average shares outstanding	50,724,064	24,675,272	43,147,662	24,675,272

- The accompanying notes form an integral part of these financial statements -

STATEMENT 3:CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Quantity	Share Amount	Subscription received	Contributed surplus	Deficit	con
	#	$	$	$	$	
Balance 01 Mar 2023	23,225,000	1,325,559	632,500	-	(535,737)	
Private placement	3,095,000	1,547,500	(632,500)	-	-	
Share issuance costs	-	(84,364)	-	-	-	
Units issued for exploration and evaluation assets	1,000,000	500,000	-	-	-	
Stock-based compensation	-	-	-	1,412,400	-	
Subscriptions received	-	-	260,000	-	-	
Allocation to non-controlling interest	-	-	-	-	-	28
Net loss for the period	-	-	-	-	(1,843,267)	(
Balance at 31 Aug 2023	27,320,000	3,288,695	260,000	1,412,400	(2,379,004)	28
Balance 01 Mar 2024	32,436,658	4,135,428	240,874	1,712,400	(3,221,363)	27
Private placements *(note 10)*	66,667	20,000	-	-	-	
Shares issuance costs *(note 10)*	-	(27,584)	-	-	-	
Subscriptions received	800,000	240,000	(240,874)	-	-	
Shares issued in connection with reverse take over	16,449,000	4,934,700	-	-	-	
Units issued for exploration and evaluation assets	1,000,000	300,000		(300,000)		
Stock-based compensation	-	-	-	202,293	-	
Net (loss) for the period	-	-	-	-	(5,700,427)	(
Balance at 31 Aug 2024	50,572,325	9,602,544	-	1,615,383	(8,921,790)	27

STATEMENT 4: CONSOLIDATED STATEMENT OF CASH FLOWS

	Six months ended 31 Aug 2024	Six months ended 31 Aug 2023
Operating Activities		
Net Loss for the Period	**$ (5,426,105)**	$ (1,850,551)
Items Not Affecting Cash		
Share-based compensation	**-**	1,412,400
Listing expense	**5,160,885**	
Accrued interest on promissory note	**515**	
	(264,705)	(438,151)
Amounts receivable	**(971)**	(7,518)
Prepaids amounts and other assets	**(23,500)**	
Due to/from related party	**(9,132)**	114,988
Accounts payable & accrued liabilities	**143,161**	44,299
	109,558	151,769
	(155,147)	(286,382)
Investing Activities		
Exploration evaluation costs	**-**	(947,851)
Financing Activities		
Private placement		
Issuance of shares	**20,000**	915,000
Share issuance costs	**(27,582)**	(78,415)
Subscriptions received	**-**	260,000
Deferred issuance costs	**-**	(40,864)
Cash from promissory note	**17,231**	-
	9,649	1,055,512
Net Increase (Decrease) in Cash	**(145,498)**	(178,512)
Cash position – beginning of period	**682,344**	478,774
Cash Position – End of Period	**$ 536,846**	$ 271,735
Schedule of Non-cash Investing and Financing Transactions		
Non-cash Issuance costs	**$ (23,402)**	$ -
Subscription received	**(874)**	-
Exploration and evaluation assets in accounts payable	**$ 300,000**	$ 5,949
Units issued for exploration assets	**-**	500,000

- The accompanying notes form an integral part of these financial statements -

Notes to Consolidated Financial Statements

1) Nature of operations and going concern

On 17 May 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 17 May 2024, Pursuit changed its name to "SALi Lithium Corp." ("SALi" or the "Company") and on 4 June 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 17 May 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.

Table 1: Negative Financial Indicators

(Rounded to nearest '000)	31 Aug 2024	29 Feb 2024
Working capital	**$ 482,062**	$ 822,323
Accumulated deficit	**$ (8,690,245)**	$ (3,221,363)
Net income (Loss) for the six months (2024 – 12 months)	**$ (5,701,482)**	$ (535,737)
Cash from operating activities for the nine months (2023 – 12 months)	**$ (155,147)**	$ (286,382)

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. 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 IAS 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 29 February 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.

The policies set out were consistently applied to all the years or periods presented unless otherwise noted below. The preparation of the Financial Statements requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies.

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

3) REVERSE ACQUISITION TRANSACTION

On 17 May 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 14 July 2023 (the "Amalgamation Agreement") between the Company and 1477445 B.C. Ltd. as reinstated and amended on 29 January 2024 and amended on 30 April 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 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		
6,449,000 common shares	$	**4,934,700**
Fair value of replacement options		**202,983**
Total consideration	$	**5,137,683**
Fair value of net assets acquired		
Cash	$	**1,238**
Receivables		**5,713**
Prepaids		**3,500**
		10,441
Accounts payable and accrued liabilities		**(141,558)**
Promissory notes		**(32,152)**
		(173,710)
Net identifiable assets acquired	$	**(163,259)**
Excess consideration over net assets acquired	$	**5,300,942**
Listing expense	$	**5,300,942**

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) Summary of significant accounting policies

Basis of presentation

These Financial Statements incorporate the financial statements of the SALi Lithium Corp, ("The Company") and the entities controlled by the Company, which consist of:

1477445 BC Ltd. ("1477445"), incorporated in Canada and owned 100% by the Company.

South American Lithium S.A. ("SASA") incorporated in Argentina and owned 100% by the Company.

Minera Ansotana S.A. ("MASA") incorporated in Argentina and owned 70% by the Company.

Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity to obtain benefits from its activities. The financial activity of subsidiaries are included in the Financial Statements from the date that control commences until the date that control ceases. All material intercompany transactions and balances have been eliminated.

Non-controlling interest in the net assets of consolidated subsidiaries are identified separately from the Company's equity. Non-controlling interest consists of the non-controlling interest at the date of the original business combination plus the non-controlling interest's share of changes in equity since the date of acquisition.

5) CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company’s accounting policies, management is required to make judgments, estimates and assumptions about the carrying amount and classification of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revisions affect only that period, or in the period of the revision and future periods, if the revisions affect both current and future periods.

The following are the critical judgments and areas involving estimates that management have made in the process of applying the Company’s accounting policies and that have the most significant effect on the amount recognized in the Financial Statements.

Critical accounting estimates:

Significant assumptions about the future that management has made and about other sources of estimation uncertainty at the financial position reporting date that could result in a material adjustment to the carrying amounts of assets and liabilities in the next twelve months, relate to:

- ✓ The recoverability of exploration and evaluation assets presented on the consolidated statement of financial position;
- ✓ Management’s determination that there is no material restoration, rehabilitation, and environmental exposure, based on the facts and circumstances that existed during the period.

Critical accounting judgments:

Significant judgments about the future that management has made and about other sources of judgment uncertainty at the financial position reporting date that could result in a material adjustment to the carrying amounts of assets and liabilities relate to but are not limited to:

- ✓ 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.

- ✓ Going concern: The Company's ability to execute its strategy by funding future working capital requirements requires judgment. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, such as expectations of future events that are believed to be reasonable under the circumstances.
- ✓ Indications of impairment: Management assesses at least once per quarter whether the facts and circumstances surrounding exploration and evaluation asset indicate that the carrying value of the properties exceed the recoverable amount. As the operating environment is still in the exploration stage, the Company is reliant on management's industry expertise to consider various factors including, but not limited to, financial and human resources available, exploration budgets planned, importance and results of exploration work done previously, industry and economic trends, as well as the price of minerals.

6) Financial instruments and risk management

Financial instrument classification and measurement

Financial instruments of the Company carried on the Consolidated Statement of Financial Position are carried at amortized cost apart from cash, which is carried at fair value. There are no significant differences between the carrying value of financial instruments and their estimated fair values as at 31 August 2024, due to the immediate or short-term maturities of the financial instruments.

The fair value of the Company's cash is quoted in active markets. The Company classifies the fair value of these transactions according to the following hierarchy:

Level 1 – quoted prices in active markets for identical financial instruments.
Level 2 – quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs or significant value drivers are observable in active markets.
Level 3 – valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

Fair values of financial assets and liabilities

The Company's financial instruments include cash, amounts receivable, accounts payable and accrued liabilities, and promissory note. As at 31 August 2024, the carrying value of cash is fair value. The remaining financial instruments approximate their fair value due to their short-term nature.

Market Risk

Market risk is the risk that changes in market prices will affect the Company's earnings or the value of its financial instruments. Market risk is comprised of other price risk, currency risk, and interest rate risk. The objective of market risk management is to manage and control exposures within acceptable limits, while maximizing returns. These market risks are evaluated by monitoring changes in key economic indicators and market information on an on-going basis, adjusting operations and budgets accordingly.

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. Credit risk for the Company is associated with cash and amounts receivable. Cash is held with reputable financial institutions.

The amounts receivable which represents financial assets include amounts receivable from third parties. Based on currently available information, the Company anticipates full recoverability of amounts due on account.

The Company has procedures in place to minimize its exposure to credit risk. Management evaluates credit risk on an ongoing basis including counterparty credit rating and activities related to accounts receivable and other counterparty concentrations as measured by amount and percentage.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to settle or manage its obligations associated with financial liabilities. In the management of liquidity risk, the Company maintains a balance between continuity of funding and flexibility with borrowings. Management closely monitors the liquidity position and expects to have adequate sources of funding to finance the Company's projects and operations. The Company is dependent on external financing and may be required to raise additional capital in the future to fund its operations *(note 1)*.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company is exposed to cash flow interest rate risk on the variable rate of interest earned on its cash. The cash flow interest rate risk on cash is insignificant since deposits are either short term or pay interest at nominal rates. The Company does not hold any other financial assets or liabilities which incur variable rates of interest. The fair value interest rate risk on the Company's other assets and liabilities are deemed to be insignificant.

The Company has not entered into any derivative instruments to manage interest rate fluctuations; however, management closely monitors interest rate exposure, and the risk exposure is limited.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company's there are operating expenses and acquisition costs are denominated in U.S. dollars, and a portion of the expenses of the Company are in Canadian dollars. The Company's corporate office is based in Canada, and the exposure to exchange rate fluctuations arises mainly on foreign currencies, which is the U.S. dollar.

The Company is exposed to foreign exchange risk. The Company has not entered into any derivative instruments to manage foreign exchange fluctuations; however, management monitors foreign exchange exposure, and if rates continue to fall, management will look at entering into derivative contracts. Should the US dollar and Canadian dollar exchange rate have changed by 5% at the period end the impact to profit or loss would be +/- $1,500. The Company's monetary assets and liabilities denominated in U.S. dollars are shown here in Canadian dollars:

7) Exploration and evaluation assets

The Company has interests in four mineral properties packages as at 31 August 2024.

Table 2: Details of exploration and evaluation assets

	Latin Metals	El Quemado Project	Alsina Property	Quebec	Total
Balance: 29 Feb 2023	$ -	$ 675,665	$ -	$ -	$ 675,665
Deferred acquisition costs	69,800	-	-	-	69,800
Shares issued on acquisition	500,000	-	-	-	500,000
Cash paid on acquisition	400,080	-	243,527	106,248	749,855
Additions	36,048	-	-	-	36,048
Non-controlling interest	$ -	289,570	-	-	289,570
Balance: 29 Feb 2024	1,005,928	$ 965,235	$ 243,527	$ 106,248	$ 2,320,938
Additions	**-**	**-**	**-**	**-**	**-**
Balance: 31 Aug 2024	**1,005,928**	**$ 965,235**	**$ 243,527**	**$ 106,248**	**$ 2,230,938**

Acquisition of Latin Minerals

On 29 September 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.

On 01 March 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:
    - 1,000,000 common shares (issued), and
    - 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

On 30 May 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 23 August 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);
- 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 (paid);
- 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 22 March 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 26 December 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). The Company recognized an expense of $300,000 related to the agreement in the year ended 29 February 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.

Acquisition of Alsina Property

On 05 July 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)
- US$80,000 to be paid within 60 days of the execution date ($137,540 paid)

- 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.

8) Accounts payable

Table 3: Details of accounts payable

	31 Aug 2024	29 Feb 2024
Trade payables	**$ 253,696**	$ 110,535
	$ 253,696	$ 110,535

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.

9) Promissory note

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 31 August 2024, the Company recorded $594 in accrued interest.

10) Share capital

Authorized:

Unlimited common shares without par value.

Share activity

During the six-month period ended 31 August 2024, SALi had the following share transactions:

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 29 February 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 4 June 2024 (the closing date of a going public transaction).

For the six-month period ended 31 August 2023 the Company had the following transactions:

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 (subsequently amended – *note 10)*.

The Company received subscriptions of $260,000 relating to the issuance of 520,000 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 one year (subsequently amended – *note 10)*.

The Company granted 1,000,000 units valued at $500,000 to Latin Metals in conjunction with El Quemado Project acquisition *(note 7)*. 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.

Warrants

Warrant activities during the six-month period ended 31 August 2024 are as follows:

Table 4: Warrant activity

Warrant activity	31 Aug 2024		W. Avg. Ex. Price	29 Feb 2024		W. Avg. Ex. Price
Balance – beginning of period	**20,373,325**	$	0.16	13,225,000	$	0.11
Granted	**866,667**		0.65	7,148,325		0.20
Balance – end of period	**21,239,993**	$	0.39	20,373,325	$	0.16

Details of warrants outstanding as at 31 August 2024 and 29 February 2024 are as follows:

Table 5: Warrants outstanding

Expiry Date		Exercise Price	31 Aug 2024 Outstanding	31 Aug 2024 Exercisable	29 Feb 2024 Outstanding
21 Jul 2027	$	**0.20**	**11,225,000**	**11,225,000**	11,225,000
09 Sep 2027		**0.20**	**2,000,000**	**2,000,000**	2,000,000
10 Mar 2028		**1.00**	**1,000,000**	**1,000,000**	1,000,000
4 June 2026[(1)(2)]		**0.65**	**3,095,000**	**3,095,000**	3,095,000
4 June 2026[(2)]		**0.65**	**3,053,325**	**3,053,325**	3,053,325
4 June 2026[(2)]		**0.65**	**866,667**	**866,667**	-
	$	**0.14**	**21,239,992**	**21,239,992**	20,373,325

(1) Amended from $1.00 in November 2023

(2) Expiry date is two years following the listing date

The outstanding warrants have a weighted average exercise price of $0.39 (29 February 2024 – $0.38) and a weighted average life of 2.60 years.

Stock options

On June 30, 2023, the Company amended an equity incentive plan (the "Stock Option Plan"), effective as of 05 August 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 six-month period ended 31 August 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 5 May 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)*.Note 3).

Stock option activities during the period ended 31 August 2024 and the year ended 29 February 2024 are as follows:

Table 6: Stock option activity

	31 Aug 2024		W. Avg. Ex Price	29 Feb 2024		W. Avg. Ex Price
Balance – beginning of period	**3,200,000**	**$**	0.15	-	$	0.15
Granted	**800,000**		0.10	3,200,000		0.15
Balance – end of period	**4,000,000**	**$**	0.14	3,200,000	$	0.15

Table 7: Options outstanding

Grant Date	Expiry Date	Exercise Price	31 Aug 2024 Outstanding	31 Aug 2024 Exercisable	29 Feb 2024
10 Mar 2023	10 Mar 2028	**0.15**	**2,000,000**	**2,000,000**	2,000,000
5 July 2023	5 July 2028	**0.15**	**1,200,000**	**1,200,000**	1,200,000
08 May 2024	08 May 2028	**0.10**	**800,000**	**800,000**	-
			4,000,000	**4,000,000**	3,200,000

The outstanding options have a weighted average remaining life of 3.66 years.

11) Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. Transactions and balances, not disclosed elsewhere in these financial statements, with related parties are as follows:

As at 31 August 2024 $nil (29 February 2024 - $15,000) was due from related parties. The amount is unsecured, non-interest bearing and due on demand. As at 31 August 2024 $59,958 (29 February 2024 $84,090) was due to directors of the Company. The amounts are unsecured, non-interest bearing and due on demand.

During the year ended February 29, 2024, the Company incurred and paid consulting fees of $230,944 to directors of the Company. During the year ended February 28, 2023, the Company incurred and paid consulting fees of $225,168, to directors of the Company.

12) Segmented information

Table 8: Details of segmented information

(Rounded to 000's)		Canada		Argentina		Total
31 Aug 2024						
Current Assets	$	523,000	$	58,000	$	581,000
Non-current assets		106,000		2,215,000		2,321,000
Total assets		629,000		2,273,000		2,902,000
Current liabilities	$	276,000	$	55,000	$	331,000
29 Feb 2024						
Current Assets	$	962,000	$	55,000	$	1,017,000
Non-current assets		106,000		2,215,000		2,321,000
Total assets	$	1,068,000	$	2,270,000	$	3,338,000

13) Capital management

The Company's objectives are to safeguard its ability to continue as a going concern in order to support the Company's normal operating requirements, to continue the development and exploration of its resource properties and to maintain a flexible capital structure which optimizes the cost of capital at an acceptable risk.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents.

The Company's capital structure consists of the share capital of the Company. The Company is not subject to any externally imposed capital requirements. In order to maximize ongoing development efforts, the Company does not pay dividends. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the size of the Company, is reasonable.

During the period ended 31 August 2024, there were no significant changes in the processes used by the Company or in the Company's objectives and policies for managing its capital.