A copy of this preliminary prospectus has been filed with the securities regulatory authority in the Provinces of British Columbia, Alberta and Ontario but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the prospectus is obtained from the securities regulatory authorities in British Columbia, Alberta and Ontario.

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

PRELIMINARY PROSPECTUS

Non-Offering February 28, 2022

CLEAR SKY LITHIUM

CLEAR SKY LITHIUM CORP.

(formerly, PW1 Ventures Corp.)

No securities are being offered pursuant to this preliminary long form prospectus (the "**Prospectus**"). This Prospectus is being filed with the securities regulatory authorities in the Provinces of British Columbia, Alberta and Ontario to enable Clear Sky Lithium Corp. (the "**Company**") to become a reporting issuer under the applicable securities legislation in the Provinces of British Columbia, Alberta and Ontario.

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any securities, and no securities are available for purchase pursuant to this Prospectus. As no securities are being offered pursuant to this Prospectus, no proceeds will be raised in connection with this Prospectus and all expenses incurred in connection with the preparation and filing of this Prospectus will be paid by the Company.

There is no market through which the securities of the Company may be sold and holders of the securities of the Company may not be able to resell securities purchased pursuant to the Offering. This may affect the pricing of the Company's securities in the secondary market, the transparency and availability of trading prices, the liquidity of the Company's securities, and the extent of issuer regulation. See "*Risk Factors*".

The Company is in the process of applying for a listing (the "**Listing**") of its Common Shares on the Canadian Securities Exchange (the "**Exchange**"). As of the date hereof, the Exchange has not conditionally approved the Listing, and there is no assurance that it will do so. The Listing will be subject to the Company fulfilling all of the listing requirements of the Exchange, including meeting all minimum listing requirements, which cannot be guaranteed.

As at the date of this Prospectus, the Company does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, the TSX Venture Exchange, Aequitas NEO Exchange Inc., a U.S. marketplace, or a marketplace outside Canada and the United States of America (other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc).

Mr. Marco Montecinos, director of the Company, resides outside of Canada and will be providing a certificate under Part 5 of National Instrument 41-101 – *General Prospectus Requirements*. Mr. Montecinos has appointed Cassels Brock & Blackwell LLP, located at Suite 2200, HSBC Building, 885 West Georgia St., Vancouver, BC V6C 3E8, as his agent for service of process in Canada. The Company advises that it may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process.

An investment in the securities of the Company is speculative and involves a high degree of risk. In reviewing this Prospectus, you should carefully consider the matters described under the heading "*Risk Factors*". Investments in natural resource issuers involve a significant degree of risk. The degree of risk increases substantially where the Company's properties are in the exploration as opposed to the development stage. All of the properties that the Company has options to acquire are in the exploration or early-exploration stage and are without a known body of commercial ore. An investment in these securities should only be made by persons who can afford the total loss of their investment. See "*Risk Factors*".

Readers are advised to consult their own tax advisors regarding the application of Canadian federal income tax laws to their particular circumstances, as well as any other provincial, foreign and other tax consequences of acquiring, holding, or disposing of the Common Shares, including the Canadian federal income tax consequences applicable to a foreign controlled Canadian corporation that acquires Common Shares.

CLEAR SKY LITHIUM CORP.

Head Office
1177 West Hastings Street, Suite 2088
Vancouver, British Columbia
V6E 2K3 Canada

Records Office
Suite 2200
885 West Georgia Street
Vancouver, British Columbia
V6C 3E8

TABLE OF CONTENTS

IMPORTANT INFORMATION ABOUT THIS PROSPECTUS

No person has been authorized to provide any information or to make any representation not contained in this Prospectus, and, if provided or made, such information or representation should not be relied upon. You should assume that the information contained in this Prospectus is accurate only as of the date of this Prospectus. No securities are being offered under this Prospectus.

Capitalized terms, except as otherwise defined herein, are defined in the section entitled "*Glossary of Terms*".

Except as otherwise indicated or the context otherwise requires in this Prospectus, references to "the Company", "we", "us", and "our" refer to the Company.

Unless otherwise indicated, all currency amounts in this Prospectus are stated in Canadian dollars and references to "$" are to Canadian dollars.

All references to the number of Common Shares and per Common Share amounts have been retroactively restated to reflect the Consolidation (as defined herein).

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Prospectus contains certain statements that may constitute forward-looking information under applicable securities laws. All statements, other than those of historical fact, which address activities, events, outcomes, results, developments, performance or achievements that the Company anticipates or expects, may, or will occur in the future (in whole or in part) should be considered forward-looking information. Such information may involve, but is not limited to, comments with respect to strategies, expectations, planned operations and future actions of the Company. Often, but not always, forward-looking information 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 statements formed in the future tense or indicating that certain actions, events or results "may", "could", "would", "might" or "will" (or other variations of the forgoing) be taken, occur, be achieved, or come to pass. Forward-looking information is based on currently available competitive, financial and economic data and operating plans, strategies or beliefs as of the date of this Prospectus, but involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of the Company, as applicable, to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Such factors may be based on information currently available to the Company, including information obtained from third-party industry analysts and other third-party sources, and are based on management's current expectations or beliefs regarding future growth, results of operations, future capital (including the amount, nature and sources of funding thereof) and expenditures. Any and all forward-looking information contained in this Prospectus is expressly qualified by this cautionary statement.

Forward-looking information in this Prospectus may include, but is not limited to:

- the Company's intention to complete the Listing and all transactions related thereto;
- the Company's expectation regarding its revenue, expenses and operations;
- the Company's intention to grow its business and its operations;
- the Company's competitive position;
- the Company's business objectives for the next twelve months;
- the Company's anticipated cash needs and its needs for additional financing;
- the Company's ability to obtain necessary financing;
- the Company's future liquidity and financial capacity;
- the impact of the COVID-19 pandemic ("**COVID-19**") on the Company and the economy generally;
- the performance of the business of the Company;
- the expectations regarding the Company's ability to raise capital;

- the Company's treatment under governmental regulatory regimes;
- the development of the ELi Property (as defined herein); and
- the Company's ability to identify future acquisitions and partnership opportunities.

Many factors could cause the Company's actual results, performance, or achievements to be materially different from any future results, performance, or achievements that may be expressed or implied by such forward-looking statements, including, without limitation, those listed in the "*Risk Factors*" section of this Prospectus. Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results, performance, or achievements could vary materially from those expressed or implied by the forward-looking statements contained in this Prospectus. Such risks include, but are not limited to those set forth under the "*Risk Factors*" section and other factors beyond our control, which include:

- the Company may fail to obtain all regulatory requirements for completion of the Listing;
- the Company has a limited operating history;
- the Company has a negative operating cash flow and dependence on third party financing;
- the Company may fail to obtain additional financing;
- the Company faces competitive conditions, environmental and other regulatory requirements, and political regulatory risks;
- the Company is dependent upon its Board (as defined herein) and management for its success;
- the Company will be subject to volatility of share price and liquidity once listed on the Exchange;
- there are no assurances that the Company will ever issue dividends;
- there are no known mineral reserves or mineral resources with respect to the ELi Property, and the Company faces certain exploration risks;
- conflicts of interest may arise between the Company and its directors and management;
- the Company may fail to obtain all necessary licenses and permits required to carry out its activities;
- the price of the Common Shares may be adversely affected by market volatility;
- there may not be an active or liquid market for the Common Shares; and
- risks related to the business, operations, and financial condition of the Company arising from COVID-19.

See "*Risk Factors*" for a complete list of risks relating to an investment in the Company. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Those factors should not be construed as exhaustive and should be read with the other cautionary statements in this Prospectus.

These factors should be considered carefully, and prospective investors should not place undue reliance on the forward-looking statements. Although we base our forward-looking statements on assumptions that we believe were reasonable when made, which include, but are not limited to, assumptions with respect to the Company's future growth potential, results of operations, future prospects and opportunities, execution of the Company's business strategy, there being no material variations in the current tax and regulatory environments, future levels of indebtedness and current economic conditions remaining unchanged, we caution you that forward-looking statements are not guarantees of future performance and that our actual results of operations, financial condition and liquidity, and the development of the industry in which we operate may differ materially from the forward-looking statements contained in this Prospectus. In addition, even if our results of operations, financial condition and liquidity, and the development of the industry in which we operate are consistent with the forward-looking statements contained in this Prospectus, those results or developments may not be indicative of results or developments in subsequent periods.

Any forward-looking statements in this Prospectus speak only as of the date of such statement, and we do not undertake, except as required by applicable law, any obligation to update such statements or to publicly announce the results of any revisions to any such statements to reflect future events or developments. Comparisons of results for current and any prior periods are not intended to express any future trends or indications of future performance, unless expressed as such, and should only be viewed as historical data. All the forward-looking statements made in this Prospectus are qualified by these cautionary statements.

GLOSSARY OF TERMS

In this Prospectus, the following terms have the meanings set forth below, unless otherwise indicated. Terms and abbreviations appearing in the documents attached as appendices to this Prospectus may be defined separately and the terms and abbreviations defined below may not be used therein, except where otherwise indicated. Words importing the singular include the plural and vice versa and words importing any gender include all genders.

"$**0.02 Units**" means units of the Company exercisable for, at no additional consideration, (i) one Common Share, and (ii) one Warrant, with each Warrant entitling the holder thereof to purchase one additional Common Share at a price of $0.10 per Warrant share for a period of 36 months from their date of issue.

"$**0.25 Units**" means units of the Company exercisable for, at no additional consideration, (i) one Common Share, and (ii) one Warrant, with each Warrant entitling the holder thereof to purchase one additional Common Share at a price of $0.40 per Warrant share for a period of 36 months from their date of issue.

"**Acquisition Transaction**" means the acquisition of NumCo by the Company pursuant to the Share Purchase Agreement.

"**Audit Committee**" means the Audit Committee of the Company.

"**Author**" means Robert J. Johansing. BSc Geology, MSc Economic Geology, QP MMSA with respect to the ELi Property Technical Report.

"**BCBCA**" means the *Business Corporations Act* (British Columbia).

"**Board**" or "**Board of Directors**" mean the board of directors of the Company.

"**CEO**" means Chief Executive Officer.

"**CFO**" means Chief Financial Officer.

"**Common Shares**" means the common shares in the capital of the Company.

"**Company**" means Clear Sky Lithium Corp.

"**Company Financial Statements**" means the financial statements of the Company for the three months ended November 30, 2021 and 2020, and the financial years ended August 31, 2021, and 2020.

"**Company MD&A**" means the management discussion and analysis of the Company.

"**Compensation Units**" means units of the Company exercisable for, at no additional consideration, (i) one Common Share, and (ii) one Warrant, with each Warrant entitling the holder thereof to purchase one additional Common Share at a price of $0.10 per Warrant share for a period of 36 months from their date of issue.

"**Consolidation**" has the meaning ascribed in "*Description of the Business – History*".

"**COVID-19**" means the Coronavirus disease 2019, a contagious disease caused by severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2), which has since spread worldwide, leading to an ongoing pandemic.

"**ELi Property**" means the ELi sediment-hosted lithium deposit project located near 574,000 meters east, 4,334,500 meters north, WGS84, zone 11 south datum, in northern Nye and southern Eureka Counties, Nevada, and comprised of 26 unpatented lode mining claims covering 535.6 acres (216.75 Has).

"**ELi Property Technical Report**" means the NI 43-101 technical report entitled "*The ELi Sediment-Hosted Lithium Deposit, Eureka & Nye Counties, Nevada: Technical Report*", prepared for the Company by Robert J. Johansing, BSc Geology, MSc Economic Geology, QP MMSA, and dated January 4, 2022.

"**Escrow Agent**" means Endeavor Trust Company.

"**Escrow Agreement**" means the escrow agreement to be entered into between the Company, holders of the Escrowed Securities and the Escrow Agent for the Escrowed Securities.

"**Escrowed Securities**" means securities of the Company held by Principals and deposited in escrow with the Escrow Agent.

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

"**Expenditures**" means all costs, expenses and charges, direct or indirect, of or incidental to the mining operations on the ELi Property, which costs, expenses and charges shall be determined in accordance with generally accepted accounting principles.

"**IFRS**" means International Financial Reporting Standards.

"**Invictus**" means Invictus Accounting Group LLP.

"**Listing**" means the proposed listing of the Common Shares on the Exchange for trading.

"**Listing Date**" has the meaning ascribed to it in the first page of the cover sheet to this Prospectus.

"**NEO**" or "**Named Executive Officer**" means each of the following individuals of an entity:

(a) the CEO;

(b) the CFO;

(c) each of the three most highly compensated executive officers of an entity, 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 whose total compensation was, individually, more than $150,000, as determined in accordance with subsection 1.3(6) of Form 51-102F6 *Statement of Executive Compensation*, for that financial year; 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 an entity or its subsidiaries, nor acting in a similar capacity, at that financial year.

"**NumCo**" means 1291455 B.C. Ltd., a company existing under the BCBCA.

"**NumCo Financial Statements**" means the financial statements of the Company for the three months ended November 30, 2021, and for the period of incorporation to August 31, 2021.

"**NumCo Shareholders**" means all of the former shareholders of NumCo.

"**Offering**" has the meaning ascribed on the first page of the cover sheet to this Prospectus.

"**Options**" has the meaning ascribed in "*Options to Purchase Securities – Stock Options*".

"**Order**" has the meaning ascribed in "*Directors and Executive Officers – Mr. Mackay is President at* The Strand Corporation, a Vancouver-based finance, development and investment company. In his role Chris manages multiple real estate developments in both Canada and the US. Chris plays an integral role in the sourcing and analysis of new acquisitions and development projects, as well as, in securing financing for multi-million dollar projects. Mr. Mackay's experience in the financial markets, as well as his educational background, from the esteemed Sauder School of Business, will be value added to the Company, as the Company seeks to build out its growth strategy.

Corporate Cease Trade Orders or Bankruptcies".

"**Principals**" has the meaning ascribed in "*Escrowed Securities and Securities Subject to Contractual Restriction on Transfer*".

"**Prospectus**" means this preliminary new issue prospectus dated as of the date on the cover page.

"**Qualification Date**" has the meaning ascribed on the second page of the cover sheet to this Prospectus.

"**Share Purchase Agreement**" means the share purchase agreement between the Company, NumCo and the NumCo Shareholders dated December 23, 2021.

"**Special Warrants**" means the special warrants in the capital of the Company entitling the holder to receive one Common Share.

"**Stock Option Plan**" means the Company's stock option plan adopted on May 6, 2021 by the Board and providing for the granting of incentive options to the Company's directors, officers, employees and consultants.

"**Warrants**" means a common share purchase warrant of the Company.

GLOSSARY OF TECHNICAL TERMS

°	Degrees (angle).
°C	Degrees Celsius (temperature).
AAL	American Assay Labs.
Ag	Chemical symbol for silver.
anomalous	A description of anything statistically out of the ordinary.
ASL	Above Sea Level.
Au	Chemical symbol for gold.
B	Chemical symbol for boron.
Bi	Chemical symbol for bismuth.
BLM	U.S. Bureau of Land Management.
Ca	Chemical symbol for calcium.
chalcopyrite	A sulphide of copper common to most copper mineral deposits.
chlorite	A member of a group of minerals resembling micas (the tabular crystals of chlorite cleave into small, thin flakes or scales that are flexible, but not elastic like those of micas); they may also be considered as clay minerals when very

	fine grained. Chlorites are widely distributed, especially in low-grade metamorphic rocks, or as alteration products of ferromagnesian minerals.
Cd	Chemical symbol for cadmium.
CDC	Claim Designé sur Carte (Québec mining claim type).
Ce	Chemical symbol for cerium (a light rare earth element).
CIM	Canadian institute of Mining, Minerals and Petroleum.
cm	Centimeter.
Cu	Chemical symbol for copper.
ddh	Diamond drill holes.
DGPS	Differential global positioning system.
Dy	Chemical symbol for dysprosium (a heavy rare earth element).
EM	Electromagnetic.
Er	Chemical symbol for erbium (a heavy rare earth element).
Eu	Chemical symbol for europium (a heavy rare earth element).
Fe	Chemical symbol for iron.
feldspar	A common silicate mineral that occurs in all rock types and decomposes to form much of the clay in soil, including kaolinite.
ft	Foot or feet.
Ga	Billion years (Giga-annum, age).
Gd	Chemical symbol for gadolinium (a heavy rare earth element).
g/t	Grams per tonne.
geochemical	Pertaining to various chemical aspects (e.g. concentration, associations of elements) of natural media such as rock, soil and water.
Ha	Hectare (area).
HLEM	Horizontal loop EM.
Ho	Chemical symbol for holmium (a heavy rare earth element).
HREE	Heavy Rare Earth Element (generally, Samarium and heavier).
ICP-MS	Induced Coupled Plasma – Mass Spectrometry.
Igneous Rock	A rock formed by the crystallization of magma or lava.

JV	Joint Venture.
kg	Kilogram (weight).
km	Kilometre.
km^2	Square kilometre (area).
La	Chemical symbol for lanthanum (a light rare earth element).
LREE	Light Rare Earth Element (generally, Promethium and lighter).
Lu	Chemical symbol for lutetium (a heavy rare earth element).
m	Metre.
MERN	Ministère d'Environnement et Ressources Naturelles (Québec ministry).
Metamorphic	Pertaining to the process of metamorphism or to its results.
MFFP	Ministère des Forêts, de la Faune et des Parcs (Ministry of forestry, wildlife and parks).
mineralization	The presence of minerals of possible economic value – and also the process by which concentration of economic minerals occurs.
mm	Millimetre (distance).
Mn	Chemical symbol for manganese.
Mo	Chemical symbol for molybdenum.
Na	Chemical symbol for sodium.
Nd	Chemical symbol for neodymium (a light rare earth element).
Ni	Chemical symbol for nickel.
NI 43-101	National Instrument 43-101 (Canadian mineral resource reporting code).
Notice of Intent	BLM document that initiates the public scoping process.
NTS	National Topographic System.
P. Geo	Professional Geoscientist (as accredited in Canada).
Pb	Chemical symbol for lead.
porphyry	An Igneous Rock of any composition that contains conspicuous phenocrysts in a fine-grained groundmass.
ppb	Parts per billion.
ppm	Parts per million.

Pr	Chemical symbol for praseodymium (a light rare earth element).
Proterozoic	Of or relating to the later of the two divisions of Precambrian time, from approximately 2.5 billion to 570 million years ago, marked by the buildup of oxygen and the appearance of the first multicellular eukaryotic life forms.
pyrite	An iron sulphide.
pyrrhotite	A monoclinic and hexagonal mineral (FeS); invariably deficient in iron; variably ferrimagnetic; metallic; bronze yellow with iridescent tarnish; in mafic Igneous Rocks, contact Metamorphic deposits, high-temperature veins, and granite pegmatites.
QAQC	Quality assurance and quality control.
REE	Rare-Earth Element (group of heavy metals with highly derived magmatic affinity and applications in high technologies).
Sb	Chemical symbol for antimony.
Sc	Chemical symbol for scandium (sometimes considered a rare earth element).
schist	A strongly foliated crystalline rock, formed by dynamic metamorphism, that can be readily split into thin flakes or slabs due to the well developed parallelism of more than 50% of the minerals present, particularly those of lamellar or elongate prismatic habit, e.g., mica and hornblende.
SIGEOM	Système d'information géominière (Québec online geoscience and exploration data repository).
Sm	Chemical symbol for samarium (a heavy rare earth element).
SMDC	Saskatchewan Mining Development Corporation.
SMDI	Saskatchewan Mineral Deposit Index.
SOQUEM	Société Québécoise d'Exploration Minière.
t	Tonne or tonnes (weight).
TauSF	Time constant (Tau) calculated from dB/dt data (milliseconds).
Tb	Chemical symbol for terbium (a heavy rare earth element).
Th	Chemical symbol for thorium.
TiO_2	Titanium dioxide.
Tm	Chemical symbol for thulium (a heavy rare earth element).
UTM	Universal Transverse Mercator (coordinate reference system).
VHMS	Volcanic hosted massive sulphide.
VLF-EM	Very low frequency electromagnetic.

VMS	volcanogenic massive sulphide.
VTEM	Versatile Time Domain EM.
W	Chemical symbol for tungsten.
XRF	X-Ray Fluorescence (geochemical analytical method).
Y	Chemical symbol for yttrium (sometimes considered a rare earth element).
Yb	Chemical symbol for ytterbium (a heavy rare earth element).
Zn	Chemical symbol for zinc.
Zr	Chemical symbol for zirconium.

SUMMARY OF PROSPECTUS

The following is a summary of the principal features of this Prospectus and should be read together with the more detailed information and financial data and statements contained elsewhere in this Prospectus.

The Company

Clear Sky Lithium Corp. is a company governed by the BCBCA and was incorporated on June 25, 2018 as "PW1 Ventures Corp.". On May 18, 2021, the Company changed its name to "Clear Sky Lithium Corp.". The Company's head office is located at Suite 2088, 1177 West Hastings Street, Vancouver, British Columbia V6E 2K3, and its registered and records office is located at Suite 2200, 885 West Georgia Street, Vancouver, British Columbia V6C 3E8.

The Company is in the process of applying to list the Common Shares on the Exchange.

Principal Business

The Company is primarily engaged in the business of mineral exploration and the development of the ELi Property.

To date, equity financings have provided all of the Company's funds. The recovery of the Company's investment in the ELi Property will be dependent upon the discovery of economically recoverable mineral reserves and the ability to raise sufficient capital to finance these operations. The ultimate outcome of these operations cannot presently be determined because they are contingent on future events and matters. See "*Description of the Business*".

Acquisition Transaction

The Company entered into the Share Purchase Agreement dated December 23, 2021 with NumCo and the NumCo Shareholders, pursuant to which the Company acquired all of the issued and outstanding securities of NumCo in exchange for the issuance of 3,468,736 Compensation Units to the NumCo Shareholders, on a pro rata basis, each Compensation Unit comprised of one Common Share and one Warrant, on the terms and conditions set out in the Share Purchase Agreement. Each Warrant shall be exercisable to acquire one Common Share at a price of $0.10 for 36 months from their date of issuance.

No Proceeds Raised

No proceeds will be raised pursuant to this Prospectus. See "*Use of Proceeds*".

Business Objectives

Over the next twelve-month period, the Company will continue to advance the exploration and development of the ELi Property. The Company intends to continue to define and extend known mineralization trends, to locate areas of new mineralization potential and to generate targets for drilling on the ELi Property. The Company's long-term objectives include the advancement of the exploration, development and extraction of sediment-hosted lithium on the ELi Property and develop and test potential extraction methods.

Listing

The Company is in the process of applying for the Listing of its Common Shares on the Exchange. As of the date hereof, the Exchange has not conditionally approved the Listing, and there is no assurance that it will do so. The Listing will be subject to the Company fulfilling all of the listing requirements of the Exchange, including meeting all minimum listing requirements, which cannot be guaranteed.

Recent Financings

On August 12, 2021, the Company completed the first tranche of an offering of a non-brokered private placement financing of 100,000 $0.02 Units (on a post-Consolidation basis) for aggregate gross proceeds of $2,000 on a prospectus exempt basis, with each $0.02 Unit issued for $0.02 and exercisable for, at no additional consideration, (i) one Common Share, and (ii) one Warrant, with each Warrant entitling the holder thereof to purchase one additional Common Share at a price of $0.10 per Warrant share for a period of 36 months from their date of issue.

On September 28, 2021, the Company completed the second tranche of an offering of a non-brokered private placement financing of 11,266,104 $0.02 Units (on a post-Consolidation basis) for aggregate gross proceeds of $225,322 on a prospectus exempt basis, with each $0.02 Unit issued for $0.02 and exercisable for, at no additional consideration, (i) one Common Share, and (ii) one Warrant, with each Warrant entitling the holder thereof to purchase one additional Common Share at a price of $0.10 per Warrant share for a period of 36 months from their date of issue.

On October 15, 2021, the Company completed an offering of a non-brokered private placement financing of 275,000 Special Warrants (on a post-Consolidation basis) on a prospectus exempt basis at a price of $0.10 per Special Warrant for gross proceeds of $27,500. Each Special Warrant, upon exercise thereof, entitled the holder thereof to receive one Common Share. The Special Warrants were deemed to be exercised on February 16, 2022.

On January 17, 2022, the Company completed an offering of a non-brokered private placement financing of 5,933,200 $0.25 Units for aggregate gross proceeds of $1,483,300 on a prospectus exempt basis, with each $0.25 Unit issued for $0.25 and exercisable for, at no additional consideration, (i) one Common Share, and (ii) one Warrant, with each Warrant entitling the holder thereof to purchase one additional Common Share at a price of $0.40 per Warrant share for a period of 36 months from their date of issue.

Use of Proceeds

No securities are being offered under this Prospectus.

See "*Use of Proceeds*".

Risk Factors

An investment in the Common Shares should be considered highly speculative and investors may incur a loss on their entire investment. The Company is subject to several risk factors, including the following:

- the Company may fail to obtain all regulatory requirements for completion of the Listing;
- the Company has a limited operating history;
- the Company has a negative operating cash flow and dependence on third party financing;
- the Company may fail to obtain additional financing;
- the Company faces competitive conditions, environmental and other regulatory requirements, and political regulatory risks;
- the Company is dependent upon its Board and management for its success;
- the Company will be subject to volatility of share price and liquidity once listed on the Exchange
- there are no assurances that the Company will ever issue dividends;
- there are no known mineral reserves or mineral resources with respect to the ELi Property, and the Company faces certain exploration risks;
- conflicts of interest may arise between the Company and its directors and management;
- the Company may fail to obtain all necessary licenses and permits required to carry out its activities;
- the price of the Common Shares may be adversely affected by market volatility;
- there may not be an active or liquid market for the Common Shares; and
- risks related to the business, operations, and financial condition of the Company arising from COVID-19.

For further details on each of the above, and other risk factors, see "*Risk Factors*".

Summary of Selected Financial Information

Company

The table below summarizes selected financial data for the periods indicated and should be read in conjunction with the Company Financial Statements and the related Company MD&A. The selected financial information for the three months ended November 30, 2021 and 2020, and the financial years ended August 31, 2021, and 2020, has been derived from the Financial Statements and accompanying notes. The Company Financial Statements for the year ended August 31, 2021 and 2020, have been audited by DMCL Chartered Professional Accountants. The following financial data is prepared in accordance with IFRS. The selected financial information set out below may not be indicative of the Company's future performance.

Financial Positions	Three Months Ended November 30, 2021	Year Ended August 31, 2021	Year Ended August 31, 2020
Current assets	$388,868	$158,968	$18,350
Total assets	$447,971	$158,968	$18,350
Current liabilities	$439,584	$253,749	$23,500
Share capital	$163,183	$1,437	$1
Deficit	$(250,367)	$(96,782)	$(5,151)

Financial Results	Three Months Ended November 30, 2021	Year Ended August 31, 2021	Year Ended August 31, 2020
Expenses	$153,585	$91,631	$466
Net loss	$153,585	$91,631	$466
Net loss per share – basic and diluted	$0.02	$17.60	$466.00

NumCo

The table below summarizes selected financial data for the periods indicated and should be read in conjunction with the NumCo Financial Statements. The selected financial information for the three months ended November 30, 2021, and for the period of incorporation to August 31, 2021, has been derived from the Financial Statements and accompanying notes. The NumCo Financial Statements for the period of incorporation to August 31, 2021, have been audited by DMCL Chartered Professional Accountants. The following financial data is prepared in accordance with IFRS.

Financial Positions	Three Months Ended November 30, 2021	Period of incorporation to August 31, 2021
Current assets	$11,800	$1,001
Total assets	$11,800	$1,001
Current liabilities	$131,103	$104,080
Share capital	$82,385	$1
Deficit	$(137,938)	$(103,080)

Financial Results	Three Months Ended November 30, 2021	Period of incorporation to August 31, 2021
Expenses	$34,858	$103,080
Net loss	$34,858	$103,080
Net loss per share – basic and diluted	$0.01	$103,080

Pro Forma

The following table contains certain unaudited pro forma consolidated financial information for the Company as at and for the periods ended November 30, 2021 and August 31, 2021, and gives effect to completion of the Acquisition Transaction as if they had occurred as of November 30, 2021 and August 31, 2021.

Financial Positions	As at November 30, 2021	As at August 31, 2021
Current assets	$1,556,321	$1,703,632
Total assets	$1,683,821	$1,703,632
Current liabilities	$183,937	$165,370
Share capital	$1,165,532	$1,165,532
Deficit	$(311,545)	$(273167)

Financial Results	For the period ended November 30, 2021	For the period ended August 31, 2021
Expenses	$249,621	$371,096
Net loss	$249,621	$371,096
Net loss per share – basic and diluted	$0.01	$0.02

Funds Available

As at January 31, 2022, the Company had working capital of approximately $1,321,178and the Company's estimated use of funds for the next twelve months is as follows:

Principal Purpose	Funds to be Used
ELi Property Phase I work program	$250,000
Phase I processing methods	$150,000
File the Prospectus(1)	$75,000
Marketing	$250,000
General and administrative costs(2)	$300,000
Unallocated working capital	$296,178
Total:	$1,321,178

Notes:
(1) Consisting of legal fees, filing fees, accounting fees and other professional advisory fees.

(2) Comprised of rent and utilities ($20,000); transfer agent fees ($10,000); legal, stock exchange and corporate filings fees ($20,000); accounting and auditing fees ($50,000) and consulting fees and wages ($200,000).

The Company intends to spend the funds available to it as stated in this Prospectus. However, there may be circumstances where, for sound business reasons, a reallocation of the funds may be necessary. The amounts set forth above may increase if the Company is required to carry out due diligence investigations regarding any prospective investment or business opportunity or if the costs of this Prospectus or the Listing, or negotiating an applicable transaction, are greater than anticipated. See "*Use of Proceeds*".

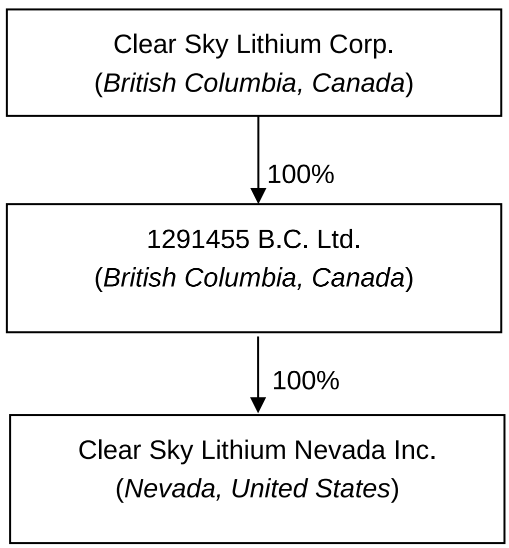
CORPORATE STRUCTURE

Name, Address and Incorporation

The Company's full corporate name is "Clear Sky Lithium Corp.". The Company is a company governed by the BCBCA and was incorporated on June 25, 2018 as "PW1 Ventures Corp.". On May 18, 2021, the Company changed its name to "Clear Sky Lithium Corp." The Company's head office is located at Suite 2088, 1177 West Hastings, Vancouver, British Columbia V6E 2K3, and its registered and records office is located at Suite 2200, 885 West Georgia Street, Vancouver, British Columbia V6C 3E8.

Intercorporate Relationships

The Company has two wholly-owned subsidiary: (a) NumCo, a private corporation incorporated under the law of the Province of British Columbia and (b) Clear Sky Lithium Nevada Inc., a private corporation incorporated under the State of Nevada.



DESCRIPTION OF THE BUSINESS

Business

The Company is primarily engaged in the business of mineral exploration and the development of the ELi Property. To date, equity financings have provided all of the Company's funds. The recovery of the Company's investment in the ELi Property will be dependent upon the discovery of economically recoverable mineral reserves and the ability to raise sufficient capital to finance these operations. The ultimate outcome of these operations cannot presently be determined because they are contingent on future events and matters.

History

The Company's operations since incorporation have consisted of the financings (as described below) and the Acquisition Transaction (as described below). On December 22, 2021, the Company effected a two (2) for one (1) consolidation of its Common Shares (the "**Consolidation**"). The Company is in the process of applying to list the Common Shares on the Exchange.

Prior to the Acquisition Transaction, the principal business of the Company was the identification and evaluation of assets and transactions.

Acquisition Transaction

The Company entered into the Share Purchase Agreement dated December 23, 2021 with NumCo and the NumCo Shareholders, pursuant to which the Company acquired all of the issued and outstanding securities of NumCo in exchange for the issuance of 3,468,736 Compensation Units to the NumCo Shareholders, on a pro rata basis, each Compensation Unit comprised of one Common Share and one Warrant, on the terms and conditions set out in the Share Purchase Agreement. Each Warrant shall be exercisable to acquire one Common Share at a price of $0.10 for 36 months from their date of issuance.

Financings

On August 12, 2021, the Company completed the first tranche of an offering of a non-brokered private placement financing of 100,000 $0.02 Units (on a post-Consolidation basis) for aggregate gross proceeds of $2,000 on a prospectus exempt basis, with each $0.02 Unit issued for $0.02 and exercisable for, at no additional consideration, (i) one Common Share, and (ii) one Warrant, with each Warrant entitling the holder thereof to purchase one additional Common Share at a price of $0.10 per Warrant share for a period of 36 months from their date of issue.

On September 28, 2021, the Company completed the second tranche of an offering of a non-brokered private placement financing of 11,266,104 $0.02 Units (on a post-Consolidation basis) for aggregate gross proceeds of $225,322 on a prospectus exempt basis, with each $0.02 Unit issued for $0.02 and exercisable for, at no additional consideration, (i) one Common Share, and (ii) one Warrant, with each Warrant entitling the holder thereof to purchase one additional Common Share at a price of $0.10 per Warrant share for a period of 36 months from their date of issue.

On October 15, 2021, the Company completed an offering of a non-brokered private placement financing of 275,000 Special Warrants (on a post-Consolidation basis) on a prospectus exempt basis at a price of $0.10 per Special Warrant for gross proceeds of $27,500, with each Special Warrant being exercisable into, at no additional consideration, one Common Share.

On January 17, 2022, the Company completed an offering of a non-brokered private placement financing of 5,933,200 $0.25 Units for aggregate gross proceeds of $1,483,333 on a prospectus exempt basis, with each $0.25 Unit issued for $0.25 and exercisable for, at no additional consideration, (i) one Common Share, and (ii) one Warrant, with each Warrant entitling the holder thereof to purchase one additional Common Share at a price of $0.40 per Warrant share for a period of 36 months from their date of issue.

On February 16, 2022, the Special Warrants were automatically converted into 275,000 Common Shares, and the Special Warrant subscribers now hold the same number of Common Shares that they held in Special Warrants, and the Special Warrants cease to exist.

See "*Description of Securities – No Offering; Qualifying Distribution*".

Production and Services

The Company is in the exploration stage and does not mine, produce or sell any mineral products at this time, nor does the ELi Property have any known or identified mineral resources or mineral reserves.

As the Company is an exploration stage company with no producing properties, it has no current operating income, cash flow or revenues. The Company has not undertaken any current resource estimate on the ELi Property. There is no assurance that a commercially viable mineral deposit exists on the ELi Property. The Company does not expect to receive income from the ELi Property within the foreseeable future. The Company intends to continue to evaluate, explore and develop the ELi Property using the proceeds from the Offering and through additional financings, if warranted. The Company's objective is the exploration and evaluation of the ELi Property. Toward this end, the Company intends to undertake the work program on the ELi Property recommended by the Author of the ELi Property Technical Report.

Specialized Skill and Knowledge

Various aspects of the Company's business require specialized skills and knowledge. Such skills and knowledge include areas of exploration and development, geology, drilling, permitting, metallurgy, logistical planning, accommodation and implementation of exploration programs, as well as legal compliance, finance and accounting. The Company expects to rely upon consultants and others for exploration and development expertise. The Company does not anticipate any difficulties in locating competent employees and consultants in such fields.

Competitive Conditions

The mineral exploration and mining industry is competitive in all phases of exploration, development and production. The Company competes with a number of other entities and individuals in the search for and the acquisition of attractive mineral properties as well as for the recruitment and retention of qualified consultants. As a result of this competition, the majority of which is with companies with greater financial resources and technical facilities than the Company, the Company may not be able to acquire attractive properties in the future on terms it considers acceptable. Finally, the Company competes for investment capital with other resource companies, many of whom have greater financial resources and/or more advanced properties that are better able to attract equity investment and other capital. The ability of the Company to acquire attractive mineral properties in the future depends not only on its success in exploring and developing its present properties, but also on its ability to select, acquire and bring to production suitable properties or prospects for exploration, mining and development. Factors beyond the control of the Company may affect the marketability of minerals mined or discovered by the Company.

Cycles

The Company's mineral exploration activities may be subject to seasonality due to adverse weather conditions including, without limitation, inclement weather, snow covering the ground, frozen ground and restricted access due to snow, ice or other weather-related factors.

Environmental Protection

All aspects of the Company's field operations will be subject to environmental regulations and generally will require approval by appropriate regulatory authorities prior to commencement. Any failure to comply could result in fines and penalties. With the ELi Property at the exploration and early exploration stage, the financial and operational impact of environmental protection requirements are minimal. Should the ELi Property advance to the production stage, more time and money would be involved in satisfying environmental protection requirements.

Employees

The Company currently has one employee, Craig Engelsman, who serves as Chief Executive Officer of the Company pursuant to an executive employment agreement. The Company also intends to utilize consultants to carry on most of its activities and, in particular, to supervise certain work programs on the ELi Property. The Company relies on and engages consultants on a contract basis to assist the Company in carrying on its administrative, exploration and research and development activities. The services of the Chief Financial Officer are provided by a contractor pursuant to a consulting agreement.

Foreign Operations

The Company's material property, the ELi Property, is located in Nevada, USA. See "*The ELi Property*".

Changes to Contracts

No part of the Company's business is reasonably expected to be affected in the current financial year by either the renegotiation or termination of any contract.

Lending

The Company is not engaged in any lending activities.

Bankruptcy and Similar Procedures

There are no bankruptcies, receivership or similar proceedings against the Company, nor is the Company aware of any such pending or threatened proceedings. There has not been any voluntary bankruptcy, receivership or similar proceeding, by the Company during its last three financial years.

Reorganizations

The Company has not completed any material reorganization and no reorganization is proposed for the current financial year.

THE ELI PROPERTY

References to figures and tables in this section, refer to the figures and tables in this section only.

Current Technical Report

The ELi Property Technical Report was prepared for the Company with respect to the ELi Property by Robert J. Johansing, BSc Geology, MSc Economic Geology, QP MMSA, and dated January 4, 2022.

Project Description and Location

Property Location

The project is centered near 574,000 meters east, 4,334,500 meters north, WGS84, zone 11 south datum, in northern Nye and southern Eureka Counties, Nevada. The project is located 43 km S22W of Eureka, Nevada (Figure 1). The project lies within sections 19, 20 and 29 of T15N, R52E, Mount Diablo Meridian. Access from Eureka, Nevada, is by traveling 15 km south on US Highway 50, then 13.2 km south on County Road 379 where an improved dirt road departs the county road to the southwest for 19 km. Turn right (west) for approximately 3 km following a wash where a narrow dirt road follows a drainage to the west for 2.7 km into the Li-bearing sediments comprising the white, low-lying hills. The project area is contained in the USGS 7.5-minute Cockalorum quadrangle with a magnetic declination of 12º 33’.

Figure 1. Location of the ELi Property, Eureka and Nye Counties, Nevada.

Mineral Rights and Tenure

The project comprises 26 unpatented lode mining claims listed in Table 1 and outlined in Figure 2. The claims are 100% owned by Nevada Alaska Mining Company, Inc. whose address is P.O. Box 2611, Fernley, NV 89408. The block covers 535.6 acres (216.75 Has) and provides Nevada Alaska with access to all lode minerals on the claims. The claims lie within portions of sections 19, 20 and 29 of Township 15N south, Range 52 east, Mt. Diablo Meridian in the western portion of Little Smokey Valley, Nevada. All lode claims are unpatented U.S. Federal claims administered by the BLM. The lode claims are a maximum of 600 x 1,500 feet in size or 20.6 acres each. The property is not subject to underlying payments although the claims require annual filing of Intent to Hold and cash payments to the BLM and Nye and/or Eureka counties totaling $167/20 acres or claim. All claims are all in good standing with the BLM and Eureka and/or Nye counties through August 31, 2022.

On November 16, 2021, pursuant to a share purchase agreement among Nevada Alaska Mining Co, Inc. (as seller), Clear Sky Lithium Nevada Inc. (as buyer), and 1291455 BC Ltd. (as parent of buyer), Clear Sky Lithium Nevada Inc. acquired certain mining claims in Nevada from Nevada Alaska Mining Co, Inc. On December 23, 2021, pursuant to the Share Purchase Agreement among the Company. (as buyer), NumCo (as target company) and all of the shareholders of NumCo (as sellers of the target shares), the Company acquired all of the issued and outstanding shares of NumCo from its shareholders.

Permits

Aside from rights assigned to unpatented lode claims, there have not been any permits requested or granted for the ELi Property. The land is within the jurisdiction of the U.S. Bureau of Land Management ("**BLM**") and all exploration activities, aside from geologic mapping and manual geochemical sampling, will require a permit from the BLM. The activities proposed below can likely be completed within the framework of a Notice of Intent. This Notice of Intent mandates a surface disturbance of less than five acres and can be permitted within a period of approximately 30 days following the submission of the application including proposed activity maps and remediation plans.

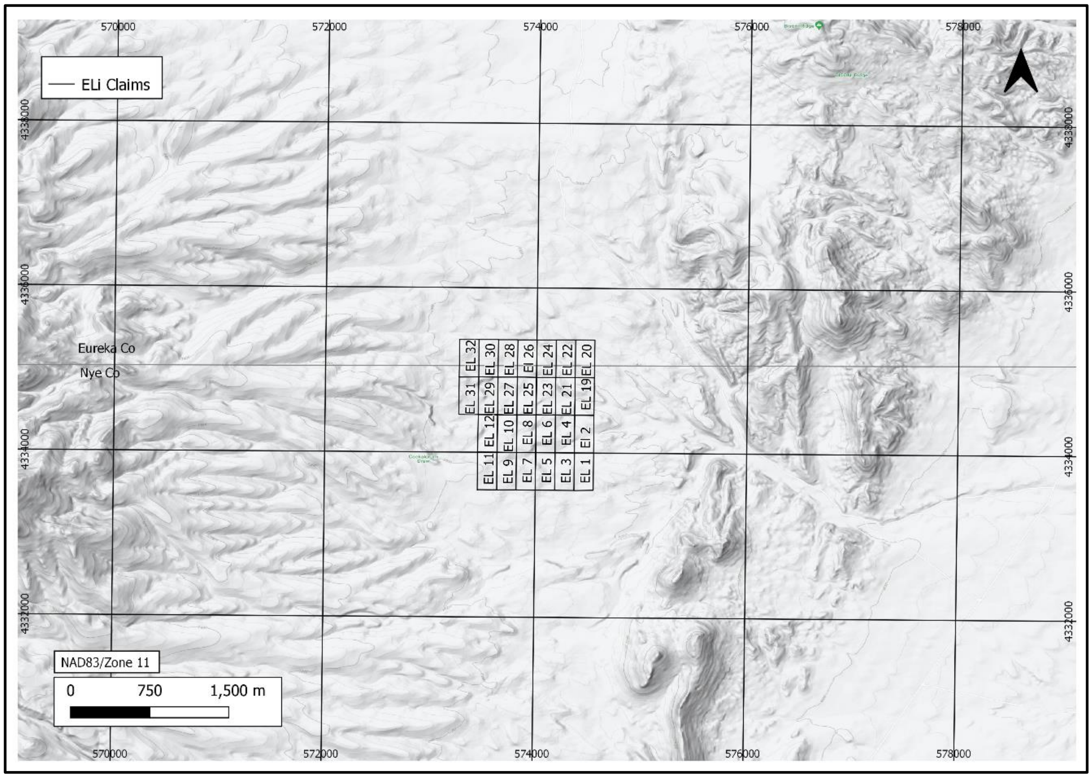


Figure 2. Location and layout of the EL claims (26), Nye and Eureka counties, Nevada.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

Access

Access into the ELi Property is good and can be reached by car from Eurekain in about one hour. Most of the access consists of improved dirt roads and only the last few kilometers would require improvement prior to a drilling phase. Elevations within the project area range from 6800 to 7000 feet (2,073 to 2,134 meters) ASL and the topography is gentle (Figure 2).

Climate

The climate of the Eureka area, including the ELi Property area, is typical of the Great Basin: hot and dry with cool mornings in the summer with occasional monsoonal thunderstorms from late July through August; cold and relatively dry in the winter (Table 1). Temperatures drop to 0 °F or −17.8 °C or lower on an average 4.7 mornings during the winter, though in the severe winter of 1916/1917 this happened twenty-five times. Temperatures drop to 32 °F or 0 °C on an average 181.3 mornings per year, though maximum temperatures top freezing on all but 26.3 days during an average winter. During the summer temperatures rise to 90 °F or 32.2 °C or hotter on 11.8 afternoons, though 100 °F or 37.8 °C has never been reached; the hottest temperature was 99 °F or 37.2 °C on July 14, 1955. Snow accumulations vary from 10 to 30 inches (0.25 to 0.76 meters) in mild winters to more than 80 inches (2.03 meters) in more severe years; in the winter of 1906/1907, more than 150 inches or 3.81 metres of snow fell. Under the Köppen climate classification, the project area has a warm-summer humid continental climate (Dfb). In summary, any industrial operations within the project area would only be impacted by severe snowstorms during the winter months.

Climate data for Eureka, Nevada (Elevation 6,500 feet or 2,000 metres); 1971-2000												
Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Record high °F (°C)	61 (16)	65 (18)	75 (24)	81 (27)	91 (33)	95 (35)	98 (37)	97 (36)	90 (32)	86 (30)	72 (22)	63 (17)
Average high °F (°C)	36.9 (2.7)	40.7 (4.8)	46.9 (8.3)	54.9 (12.7)	64.5 (18.1)	75.8 (24.3)	84.5 (29.2)	82.6 (28.1)	73.5 (23.1)	61.3 (16.3)	46.0 (7.8)	38.1 (3.4)
Average low °F (°C)	16.3 (−8.7)	19.3 (−7.1)	24.0 (−4.4)	28.8 (−1.8)	36.5 (2.5)	44.6 (7.0)	52.4 (11.3)	51.6 (10.9)	43.7 (6.5)	33.6 (0.9)	23.4 (−4.8)	16.7 (−8.5)
Record low °F (°C)	−26 (−32)	−23 (−31)	−9 (−23)	5 (−15)	10 (−12)	11 (−12)	29 (−2)	30 (−1)	5 (−15)	3 (−16)	−11 (−24)	−21 (−29)
Average precipitation inches (mm)	1.00 (25)	0.91 (23)	1.45 (37)	1.16 (29)	1.54 (39)	0.74 (19)	0.55 (14)	0.83 (21)	1.00 (25)	1.05 (27)	0.95 (24)	0.88 (22)
Average snowfall inches (cm)	12.7 (32)	6.9 (18)	11.4 (29)	6.6 (17)	4.0 (10)	0.1 (0.25)	0.0 (0.0)	0.0 (0.0)	0.7 (1.8)	2.0 (5.1)	7.3 (19)	9.4 (24)
Average precipitation days (≥ 0.01 inch)	5.9	5.3	7.6	5.9	6.2	4.2	3.3	3.9	3.8	4.5	4.7	5.6
Average snowy days (≥ 0.1 inch)	5.2	3.8	4.7	2.6	1.2	0.1	0.0	0.0	0.2	1.0	2.7	4.4
Source 1: National Oceanic and Atmospheric Administration[7]												
Source 2: National Weather Service, Elko, Nevada[8]												

Table 1. Summary of climatic conditions for Eureka, NV and the project area between 1971 and 2000.

Physiography

The ELi Property is in the Great Basin physiographic region. The valley floor has a total area of about 450 km² and at an altitude of 1800 to 1900 m above sea level ("**ASL**"). The surrounding mountains rise a few thousand meters above the valley floor, with the highest surrounding mountain, Ninemile Peak at 3,048 m ASL to the west and Moody Peak at 2,676 m ASL, to the east. The valley is bounded to the west by the Antelope Range and to east by the Fish Creek Range. There is no permanent surface water in the Little Smokey Valley watershed, all watercourses are ephemeral and only active during periods of intense precipitation. At the project itself, located in a fault-bounded sub-valley to the west, the terrain is dominated by shallow hills and mound-like outcrops of mudstone and claystone, cut by dry gravel washes across a broad alluvial fan. Access within the project is excellent due to the overall low relief of the terrain (Figure 5).

Local Resources and Infrastructure

The ELi Property is situated on the boundary between Eureka and Nye counties. The closest services can be found in Eureka, Nevada which serves as the Eureka county seat. Eureka county is primarily a ranching, agricultural and mining jurisdiction and welcomes these industries with no existing zoning ordinances, very low property tax rates and no business licensing. Eureka is situated within a network of interstate highways and railroad lines allowing for ready access to larger economic centers.

Eureka has enjoyed a 30% population growth in the past ten years and currently maintains a population of 1,900 people. The community hosts both an elementary school and a high school and sponsors a pre-school program. The student-teacher ratio is low in both schools.

History

There is no recorded mineral exploration or development activity within the project area.

Geological Setting

Regional Setting

The ELi sediment-hosted lithium deposit is located in a sub-horizontal sequence of lacustrine, tuffaceous mudstones, claystones and siltstones deposited in the Little Smokey Valley. This sequence appears to be floored by more conglomeritic, tuffaceous rocks and capped by younger felsic volcanic rocks. This broad, north-trending valley formed in a closed basin near the southwestern margin of the Basin and Range physiographic province of central Nevada. Horst and graben normal faulting is a dominant structural element of the Basin and Range where Paleozoic thru Mesozoic sediments, Cretaceous thru Tertiary intrusives and Tertiary volcanics have been dissected into north-trending ranges separated by valleys floored with mid- to upper Tertiary sediments, volcanics and alluvial debris.

Property Geology

The Li-bearing rocks within the project area are referred to as “Tuffaceous and other young Tertiary sedimentary rocks” in digital geologic models generated by the Nevada Bureau of Mines. This unit is believed to have a strong volcanic component. In northern Nye County, the unit is referred to as the Horse Camp Formation which correlates with the Esmeralda Formation in Mineral and Esmeralda Counties. It has also been correlated with older lake beds in southern Nye, Lincoln, Clark and Humboldt counties. It corresponds to units Ts3 and Tts from the 1978 State map and is present in all counties of Nevada. The geologic age is considered to be Pliocene and Miocene.

Deposit Type

Lithium has been identified in potentially economic concentrations in three types of deposits: pegmatites, continental brines, and clays. Brines are the largest producer of lithium worldwide with lesser amounts produced from pegmatites. There is currently no active mining of lithium clay deposits although the Clayton Valley deposit, located about 200 km southwest of the ELi Property, is in the pre-feasibility stage. Lithium in the clay-hosted deposits is often associated with the smectite (montmorillonite) group minerals (Asher-Bolinder, 1991). In this model (Model 251.3) of smectite-hosted lithium in closed basins, three forms of genesis for clay lithium deposits are proposed: alteration of volcanic glass to lithium-rich smectite (Figure 3); precipitation from lacustrine waters; and incorporation of lithium into existing smectites. In each case, the depositional/diagenetic model is characterized by abundant magnesium, silicic volcanic rocks, and an arid environment.

Regional geologic traits of lithium clay deposits include a basin-and-range or other rift tectonostratigraphic setting characterized by bimodal volcanism, crustal extension, and high rates of sedimentation (Asher-Bolinder, 1991). The depositional environment is limited to arid, closed basins of tectonic or caldera origin, with an age of deposition ranging from Paleocene to Holocene. Host rocks include volcanic ashes, pre-existing smectites, and lacustrine beds rich in calcium and magnesium (Table 2).

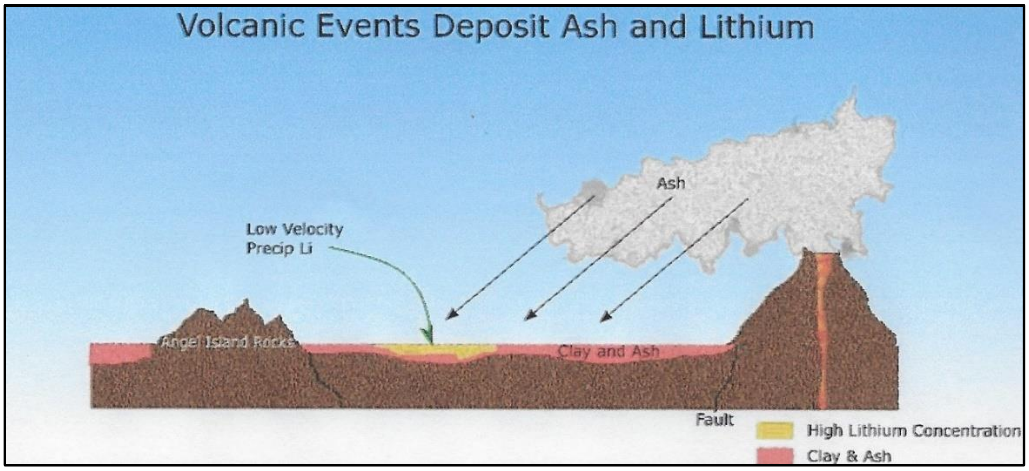


Figure 3. Conceptual section proposing lithium enrichment in enclosed basin, lacustrine environments under arid conditions. Proposed lithium source is felsic ash with enrichment facilitated by evaporation, Clayton Valley Li Deposit, Fayram, et al (2020).

The ELi Property is reasonably well represented by the USGS preliminary deposit model, which describes the most readily ascertainable attributes of such deposits as light-colored, ash-rich, lacustrine rocks containing swelling clays, occurring within hydrologically closed basins with some abundance of proximal silicic volcanic rocks in the hanging wall at the ELi Property. The geometry of the deposit at the ELi Property is roughly tabular, up to several meters thick over several square kilometers of area. At Clayton Valley, the lithium concentrations are highest within the mudstone and claystone, but lithium is still also present in a siltstone unit underlying the claystone. The deposition of the lithium-rich sediments likely occurred late in the history of the associated paleo-brine lake, based largely on the stratigraphic position of the mudstone and claystone above the thick overall sandstone- and siltstone-dominated basin fill events. Fayram, et al (2021) state, "Such a setting would be ideal for concentration of lithium from ash and groundwater inputs over an extensive period. As a result, the lithium-rich strata may represent several million years of lithium input and concentration within the basin".

Exploration

Limited exploration activities at the ELi Property are preliminary in nature. Initial reconnaissance-type sampling was conducted by Bob Craig in 2019 (Table 2). Subsequently, in 2021, a soil grid was located on the 26-lode claim corners by M. Montecinos, which consisted of 133 samples (Figure 4). Geologic mapping has not been conducted over the ELi Property and only a regional understanding is presented.

Geochemical Studies

The earliest sampling conducted on the ELi Property was conducted by Bob Craig in 2019 (Table 2). There appears to have been two campaigns of surface rock sampling and analyzed by different labs, ALS and American Assay Labs ("**AAL**"). A total of 16 samples were analyzed and ranged from 388 to 970 ppm; the samples averaged 664 ppm Li.

Sample ID	Easting	Northing	UTM Zone	Year	Assay Method	Assay Lab	Weight (kg)	Li ppm
CM 101	574,041	4,334,617	NAD83/Zone11	2019	ME-MS41	ALS Labs	1.2	870
CM 102	573,544	4,334,682	NAD83/Zone11	2019	ME-MS41	ALS Labs	0.9	630
CM 103	573,545	4,334,684	NAD83/Zone11	2019	ME-MS41	ALS Labs	1	640
CM 104	573,545	4,334,684	NAD83/Zone11	2019	ME-MS41	ALS Labs	1.22	620

Sample ID	Easting	Northing	UTM Zone	Year	Assay Method	Assay Lab	Weight (kg)	Li ppm
CM 105	573,452	4,334,824	NAD83/Zone11	2019	ME-MS41	ALS Labs	1.08	690
CM 106	573,449	4,334,830	NAD83/Zone11	2019	ME-MS41	ALS Labs	1.22	388
CM 107	573,635	4,334,628	NAD83/Zone11	2019	ME-MS41	ALS Labs	1.04	970
CM 108	573,628	4,334,619	NAD83/Zone11	2019	ME-MS41	ALS Labs	1.42	820
ELI101	574,041	4,334,617	NAD83/Zone11	2019	ICP-5AM48	American Assay Laboratories	1.4	775.9
ELI102	57390 3	4,334,508	NAD83/Zone11	2019	ICP-5AM48	American Assay Laboratories	0.8	596.9
ELI103	573,637	4,334,624	NAD83/Zone11	2019	ICP-5AM48	American Assay Laboratories	1.4	611.20
ELI104	573,554	4,334,679	NAD83/Zone11	2019	ICP-5AM48	American Assay Laboratories	1.1	901
ELI105	573,705	4,334,825	NAD83/Zone11	2019	ICP-5AM48	American Assay Laboratories	0.9	559.6
ELI106	573,485	4,335,165	NAD83/Zone11	2019	ICP-5AM48	American Assay Laboratories	1	436
ELI107	573,545	4,335,165	NAD83/Zone11	2019	ICP-5AM48	American Assay Laboratories	1.5	542.4
ELI108	573,631	4,335,092	NAD83/Zone11	2019	ICP-5AM48	American Assay Laboratories	1.1	634

Table 2. Analytical results from the 2019 (B. Craig) rock sampling campaigns; 16 samples.

In 2021, M. Montecinos collected 133 soil samples over the claim block. The samples ranged from 44.5 to 801.7 ppm Li and revealed high variability due to the absence of soil over the Li-rich horizon and concealment of the same horizon by Quaternary colluvium and alluvium as well as younger rock types. The results from both the historical rock and soil campaigns are presented below in Figure 4 and Table 3.

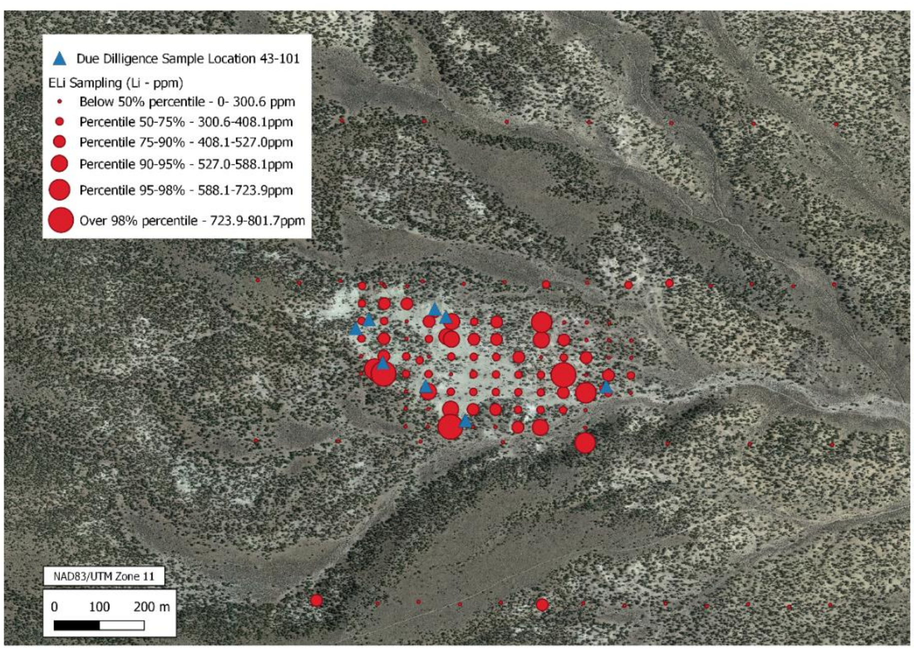


Figure 4. Presentation of the results for the lithium-in-soil (133 samples), Li-in-rock (2019, 16 samples) and this report (2021; 9 samples, blue triangles) over the ELi property. The highest values generally corresponded with outcropping Li-bearing sediments. Areas to the north, west and south are generally mantled by a thin veneer of alluvium or colluvium.

Analysis

Following from the September 1, 2021 site visit, high lithium variabilities in the soils reflect the influence of alluvial and colluvial debris dispersed over the Li-bearing sediments. Sampling of the outcrops and/or sub-crops reveals that Li values are generally in excess of 500 ppm. Because lithium is contained in the smectite structure and appears to readily leach in a low pH solution, near surface depletion of lithium should not be a surprise. The estimation of lithium content in the Horse Camp formation must rely on drilling and samples removed from surficial processes.

Sample ID	Easting	Northing	UTM Zone	Year	Assay Method	Assay Lab	Weight (kg)	Li ppm
19801	574549	4334000	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	1	57.4
19802	574458	4333994	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	1	57.7
19803	574366	4334000	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	1	107.2
19804	574275	4333994	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	1	165.3
19805	574183	4334000	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	1	203.5
19806	574092	4333994	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	1	218.9
19807	574000	4334000	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	1	74.3
19808	573909	4333994	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	1	457.5
19809	573817	4334000	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	1	53.6
19810	573726	4333994	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	1	44.5
19811	573634	4334000	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	1	51.7
19812	573543	4333994	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	1	48.2
19813	573407	4334002	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	1	436.6
19814	573634	4334457	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories		222.3
19815	573451	4334457	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	1	215.9
19816	573268	4334457	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	1	117.2
19817	573530	4334663	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	1	707.1
19818	573630	4334689	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories		353.3
19819	573268	4334914	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	1	49.7
19820	573451	4334914	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	1	248.7
19821	573360	4334908	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	1	128
19822	573543	4334908	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	1	105.5
19823	573634	4334914	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	1	153.4
19824	573726	4334908	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	1	102.9
19825	573817	4334914	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	1	95.6
19826	573909	4334908	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	1	333.9
19827	574000	4334914	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	1	131.3
19828	574092	4334908	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	1	355
19829	574183	4334914	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	1	366.2
19830	574275	4334908	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	1	57.4
19831	574366	4334914	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	1	52.7
19832	574458	4334908	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	1	49
19833	574549	4334914	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	1	59.4
19834	573817	4335371	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	1	282.8

Sample ID	Easting	Northing	UTM Zone	Year	Assay Method	Assay Lab	Weight (kg)	Li ppm
19835	573634	4335371	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	1	54.6
19836	573451	4335371	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	1	47.8
19837	573268	4335371	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	1	64.9
19838	574000	4335371	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	1	300.6
19839	574183	4335371	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	1	88
19840	574366	4335371	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	1	78.1
19841	574549	4335371	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	1	44.9
19842	574549	4334457	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	1	55
19843	574366	4334457	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	1	129.9
19844	574183	4334457	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	1	81
19845	574000	4334457	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	1	637
19846	573817	4334457	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	1	287.8
19847	573690	4334757	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	1	558.8
19848	573950	4334600	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	0.4	446.1
19849	573950	4334550	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	0.4	322.5
19850	573950	4334650	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	0.4	209.1
19851	573950	4334650	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	0.4	725.2
19852	573950	4334700	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	0.4	354.7
19853	573950	4334750	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	0.4	517.8
19854	573950	4334800	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	0.4	193.4
19855	574000	4334800	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	0.4	164
19856	574000	4334750	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	0.4	204.5
19857	574000	4334700	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	0.4	430
19858	574000	4334650	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	0.4	296.5
19859	574000	4334600	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	0.4	723.3
19860	574000	4334550	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories		254.2
19861	574000	4334500	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	0.4	253.4
19862	574050	4334600	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	0.4	314.3
19863	574050	4334650	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	0.4	409.5
19864	574050	4334700	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	0.4	232.5
19865	574050	4334750	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	0.4	106.4
19866	574050	4334800	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	0.4	120.5
19867	574100	4334750	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	0.4	230
19868	574100	4334700	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	0.4	84.8
19869	574100	4334650	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	0.4	356.8
19870	574100	4334600	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	0.4	280.3
19871	573900	4334600	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	0.4	363.1
19872	573900	4334550	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	0.4	393.2
19873	573900	4334500	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	0.4	548.8
19874	573900	4334650	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	0.4	408.1
19875	573900	4334700	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	0.4	275
19876	573900	4334750	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	0.4	564.3

Sample ID	Easting	Northing	UTM Zone	Year	Assay Method	Assay Lab	Weight (kg)	Li ppm
19877	573900	4334800	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	0.4	590.6
19878	573850	4334700	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	0.4	423.1
19879	573850	4334650	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	0.4	398.7
19880	573850	4334600	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	0.4	325
19881	573850	4334550	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	0.4	362.9
19882	573850	4334500	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	0.4	415.5
19883	573800	4334700	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	0.4	325.6
19884	573800	4334750	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	0.4	430.2
19885	573800	4334800	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	0.4	472.1
19886	573750	4334800	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	0.4	327.4
19887	573750	4334750	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	0.4	422.3
19888	573750	4334700	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	0.4	408.1
19889	573750	4334650	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	0.4	372.5
19890	573750	4334600	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	0.4	359.3
19891	573750	4334550	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	0.4	493.2
19892	573750	4334500	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	0.4	290.8
19893	573800	4334500	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	0.4	233.6
19894	573800	4334550	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	0.4	418.3
19895	573800	4334600	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	0.4	312.5
19896	573800	4334650	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	0.4	349.8
19897	573700	4334650	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	0.4	265.4
19898	573700	4334600	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	0.4	374.1
19899	573700	4334550	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	0.4	528.8
19900	573700	4334500	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	0.4	747.2
19901	573650	4334500	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	0.4	195.8
19902	573650	4334550	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	0.4	96.2
19903	573650	4334600	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	0.4	535.1
19904	573650	4334650	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	0.4	397.5
19905	573700	4334700	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	0.4	345.1
19906	573700	4334750	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	0.4	554.2
19907	573700	4334800	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	0.4	586.4
19908	573650	4334800	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	0.4	409
19909	573650	4334750	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	0.4	389
19910	573650	4334700	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	0.4	178
19911	573600	4334750	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	0.4	254.8
19912	573600	4334700	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	0.4	365
19913	573600	4334650	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	0.4	402
19914	573600	4334600	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	0.4	84.9
19915	573600	4334550	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	0.4	53.1
19916	573600	4334500	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	0.4	61.8
19917	573600	4334800	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	0.4	276.6
19918	573600	4334850	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	0.4	519.8

Sample ID	Easting	Northing	UTM Zone	Year	Assay Method	Assay Lab	Weight (kg)	Li ppm
19919	573600	4334900	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	0.4	170.8
19920	573550	4334900	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	0.4	128.3
19921	573500	4334900	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	0.4	305.4
19922	573500	4334850	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	0.4	401.4
19923	573500	4334800	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	0.4	318.6
19924	573500	4334750	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	0.4	388.3
19925	573500	4334700	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	0.4	102.9
19926	573500	4334650	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	0.4	69.6
19927	573550	4334650	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	0.4	801.7
19928	573550	4334700	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	0.4	445.2
19929	573550	4334750	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	0.4	495
19930	573550	4334800	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	0.4	363.5
19931	573550	4334850	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	0.4	502.7
19932	573664	4334822	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	0.4	339.5
19933	574039	4334612	NAD83/Zone11	2021	ICP-5AM48	American Assay Laboratories	1.09	367.8

Table 3. Soil sample locations and results (Li); collected by M. Montecinos (2021); NAD 83/Zone 11; American Assay Laboratories; FA-Pb30-ICP.

Drilling

No drilling has been conducted at the ELi Property.

Sample Preparation, Analyses and Security

The analyses of the historical sampling, both rock and soil, have been conducted at certified analytical facilities in Reno, Nevada (Tables 2 and 3). Initial rock samples (8; Craig, 2019) were analyzed at ALS Labs using Induced Coupled Plasma – Mass Spectrometry ("**ICP-MS**") with an aqua regia digestion. Eight samples, some duplicates of the former batch, were analyzed at AAL using the same technique but with a 5-acid digestion. The soil samples (Montecinos, 2021) were analyzed at AAL utilizing ICP-MP with a 5-acid aqua regia digestion.

Data Verification

The ELi Property area, located in Figure 1, was visited on September 1, 2021 with Marco Montecinos. Previous sampling has been conducted in the area and anomalous lithium values were identified in exposures of a fissile, finely laminated mudstone or claystone. These exposures rim a shallow drainage which is floored by alluvium derived from the same lacustrine deposits. The Li-rich beds flanking this small basin are mantled by a thin veneer of colluvium derived from the surrounding rock formations (Figure 5).

A traverse was conducted across the extensive exposures of Li-bearing sediments and several sites were determined to be adequate for sampling. Sampling occurred in shallow (<20 cm) hand-dug trenches approximately 1 meter in length (Table 4). Owing to the fissile nature of the sediments, the material was easily excavated with a rock pick and bagged on site. Sample weights ranged from 0.7 to 1.7 kg.

Project	Sample No.	Date	Sampler	Location (NAD83)			Sample Type	Sample Length (m)	Sample Weight (kg)	Lab	Method	Li (ppm)	Mg (%)	Ca (%)	Comments/Description
				Northing	Easting	Elevation									
ELi	272522	9/9/2021	RJ	4334619	574045	2081	Chip/channel	0.9	0.7	AA	ICP-2AM50	510.6	4.0	7.5	Wh, lt gy, olive msv to fnly lam'd tuff sltst; local lithics
ELi	272523	9/9/2021	RJ	4334518	573732	2092	Chip/channel	0.8	1.2	AA	ICP-2AM50	468.7	5.4	13.0	Wh, beige, olive fissile sltst; weathered; lacustrine
ELi	272524	9/9/2021	RJ	4334518	573734	2092	Chip/channel	0.6	0.8	AA	ICP-2AM50	623.5	6.9	11.7	Below -23; beige-olive, fissile sltst w/ lithics; M FeOx
ELi	272525	9/9/2021	RJ	4334616	573644	2094	Chip/channel	1	1.4	AA	ICP-2AM50	408.4	4.0	12.4	Wh-tan-olive fissile shale; tuff lake seds
ELi	272526	9/9/2021	RJ	4334682	573548	2099	Chip/channel	1	1	AA	ICP-2AM50	377.4	2.7	0.0	As above; fissile, msv, fn gn w/ gypsum
ELi	272527	9/9/2021	RJ	4334779	573487	2103	Chip/channel	0.8	1.1	AA	ICP-2AM50	412.6	3.2	15.9	Lt olive - gy, fissile sltst; base of slope
ELi	272528	9/9/2021	RJ	4334805	573516	2097	Chip/channel	0.5	1	AA	ICP-2AM50	409.3	3.5	11.9	Lt gy-olive sh, sltst; gully in floor of basin
ELi	272529	9/9/2021	RJ	4334836	573662	2094	Chip/channel	1	1.3	AA	ICP-2AM50	587.6	5.0	11.6	Fissile olive sltst; sm knoll near base of slope
ELi	272530	9/9/2021	RJ	4334814	573687	2094	Chip/channel	1	1.7	AA	ICP-2AM50	387.6	3.5	8.3	As above; top of small knoll

Table 4. Location, description and analytical results (Li, Mg, Ca) for samples collected by the Author on September, 2021.

A total of nine rock samples were collected from outcrops and sub-crops. The location and description of these samples are provided in Table 4 along with the analytical results for selected elements (Li, Mg and Ca). The sample sites are shown in Figure 4.

All samples were collected, bagged and transported by the Author to Reno, Nevada to the facilities of AAL. Once delivered:

- Samples were crushed and pulverized; and
- Samples were analyzed employing the ICP-2AM50 (2 acid digestion; Inductively Coupled Plasma Mass Spectroscopy; 0.5 gm sample; 50 elements).

The lower limit of detection for Li was 0.5 ppm. Owing to the small size of this job, blanks and standards were not inserted. Instead, AAL has internal QA/QC methods on laboratory procedures (Appendix A).

Table 4 reveals that the Li contents for the 9 samples ranged between 377.4 to 623.5 ppm Li; the average is 465 ppm Li.

Figure 5. Photo of low-lying hills comprising the Horse Camp formation. The Li-bearing sediments extend from the foreground to the hills in the background.

Mineral Processing and Metallurgical Testing

There has not been any metallurgical testing on mineralized rock from the ELi Property.

Mineral Resource and Mineral Reserve Estimates

There are no mineral resource estimates for the ELi Property.

Interpretations and Conclusions

Due diligence conducted by the Author on the ELi property has confirmed strongly anomalous (>500 ppm Li) lithium values associated with fissile mudstone and claystone of the Horse Camp formation (Pliocene-Miocene). These results (X = 465 ppm Li; 2021) compare reasonably well with earlier sampling (X = 668 ppm Li; 2019) but are 30% lower. Since Li is expected to be contained in the smectite (clay) structure, it is possible that surface waters may be able leach lithium in near surface environments. This particular unit, the Horse Camp formation, has been correlated to other lithium-bearing units across the Great Basin physiographic province and, in particular, Nevada.

In order to better define the distribution of the Horse Camp unit, geologic mapping of the area needs to be completed. Emphasis should be placed on the definition of the upper and lower contacts of the Li-bearing units, stratigraphy of the Pliocene-Miocene package and a structure contour map on the top of the Horse Camp formation.

The definition of lithium contents of the targeted unit will be best completed by a drilling program (reverse circulation) conducted on-grid over the land package once mapping and structural analyses have been completed.

Recommendations

Based upon the Author's visit to the ELi Property in September, 2021 and discussions with Mr. Marco Montecinos, several recommendations for additional work are provided below with focus on a shallow drilling program. The goal of this program should be to confirm the lithium contents of the sediments, versus samples for metallurgical testing, allowing for the use of reverse circulation technology:

- Geologic mapping of the claim block and surrounding area focusing on the Li-bearing unit, definition of lower and upper contacts and depth of concealment;
- Define a drill program (reverse circulation) and access for permitting purposes (Notice of Intent; <5 acres of disturbance) and submit to the BLM;
- Complete environmental permitting for the proposed drilling program; and
- Drill 450 metres of reverse circulation over the areas where erosion in the Li-bearing sediments is minimal. Initial holes should be deep enough to identify and define the base of this unit; holes likely to be <25 meters.

An estimated cost for these activities is provided below in Table 5.

Activity	Duration	Unit	Unit Cost	Total Cost
Geology Mapping/ Sampling - Senior Geologist	15	Days	$950	$14,250
Geology Mapping/Sampling - Junior Geologist	15	Days	$600	$9,000

Maps, sections, design	10	Days	$900	$9,000
Permitting (Notice of Intent)			$7,000	$7,000
Bond				$20,000
Land Expansion Cost (landman, staking, fees)				$46,500
Land Holding Cost				$12,000
RC Drilling (15 holes @ 30m /hole = 450m)	450	Metres	$125	$56,250
Permitting (Plan of Operation)			$40,000	$40,000
Analyses (Surface & Drilling)	600	Samples	$60	$36,000
Total				**$250,000**

Table 5. Proposed exploration activities and estimated costs for advancing the ELi Property.

USE OF PROCEEDS

Use of Proceeds

No securities are being offered under this Prospectus.

The Company has negative cash flow from operations in its most recently completed financial year.

Funds Available and Principal Purposes

As at January 31, 2022, the Company had total funds available and working capital of approximately $1,321,178.

The Company's estimated use of funds for the next twelve months is as follows:

Principal Purpose	Funds to be Used
ELi Property Phase I work program	$250,000
Phase I processing methods	$150,000
File the Prospectus(1)	$75,000
Marketing	$250,000
General and administrative costs(2)	$300,000
Unallocated working capital	$296,178
Total:	$1,321,178

Notes:
(1) Consisting of legal fees, filing fees, accounting fees and other professional advisory fees.
(2) Comprised of rent and utilities ($20,000); transfer agent fees ($10,000); legal, stock exchange and corporate filings fees ($20,000); accounting and auditing fees ($50,000) and consulting fees and wages ($200,000).

Administrative expenditures for the following twelve months are comprised of the following:

The Company's working capital available to fund ongoing operations will be sufficient to meet the Company's anticipated intended uses of funds over the next twelve months. The Company intends to spend the funds available to it as stated in this Prospectus. However, there may be circumstances where, for sound business reasons, a reallocation of the funds may be necessary. The amounts set forth above may increase if we are required to carry out due diligence investigations regarding any prospective investment or business opportunity or if the costs of the Prospectus or Listing, or negotiating an applicable transaction, are greater than anticipated.

As disclosed under "*Risk Factors*", the Company does not have a source of operating cash flow and as such has negative cash flow from operating activities in its most recently completed financial year, and proceeds of the Offering will be used to fund anticipated negative cash flow from operating activities in both current and future periods.

Business Objectives and Milestones

The Company's business objectives using the available funds are to (i) complete the Listing of the Common Shares on the Exchange; (ii) continue to advance the exploration and development of the ELi Property as described in the ELi Property Technical Report; and (iii) research, investigate and test various processing methods for sediment-hosted lithium.

Short-Term Objectives

Objective	Timeframe	Cost to Completion
File the Prospectus(1)	4 months	$75,000
Pursue exploration of ELi Property(2)	12 months	$250,000
Processing methods	12 months	$150,000

Notes:
(1) Consisting of legal fees, filing fees, accounting fees and other professional advisory fees.
(2) Based on the Phase I work program set out in the ELi Property Technical Report.

Long-Term Objectives

The Company's efforts will be directed at continuing to advance the exploration, development and extraction of sediment-hosted lithium on the ELi Property. The stated business objectives of the Company will be achieved by the oversight of the Company's management team. To pursue the foregoing business objectives, the Company intends to continue to define and extend known mineralization trends, to locate areas of new mineralization potential, generate targets for drilling on the ELi Property and develop and test potential extraction methods.

Objective	Timeframe	Expected Costs
Pursue exploration of ELi Property(1)	24 months	$1,084,600
Processing methods	24 months	$500,000

Notes:
(1) Based on the Phase II work program set out in the ELi Property Technical Report.

The funds available to the Company may not be sufficient to accomplish all of the Company's proposed objectives and there is no assurance that alternative financing will be available. If there are insufficient funds to complete the objectives listed, the Company will seek alternative sources of financing.

While the Company intends to pursue these objectives and milestones, there may be circumstances where, for valid business reasons or due to factors beyond the control of the Company (e.g. the COVID-19 pandemic), a re-allocation of efforts may be necessary or advisable. Although the Company does not currently anticipate that the COVID-19 pandemic will cause material delays in the timelines or estimates set out above, due to the evolving nature of the COVID-19 pandemic and its impacts, these timelines and estimates may require adjustment in the future.

DIVIDENDS OR DISTRIBUTIONS

The payment of dividends, if any, in the future, rests within the sole discretion of the Board. The payment of dividends will depend upon the Company's earnings, its capital requirements and its financial condition, as well as other relevant factors. The Company has not declared any cash dividends since its inception, and the Company intends to retain its earnings to finance growth and expand its operations and does not anticipate paying any dividends on its Common Shares and other classes of shares in the foreseeable future.

There are no restrictions in the Company's constating documents that prevent the Company from declaring dividends. The BCBCA, however, does prohibit the Company from declaring dividends where, after giving effect to the distribution of the dividend, the Company would not be able to pay its debts as they become due in the usual course of business; or the Company's total assets would be less than the sum of its total liabilities plus the amount that would be needed to satisfy the rights of shareholders who have preferential rights superior to those receiving the distribution. The Company does not have any other classes of shares than the Common Shares.

SELECTED FINANCIAL INFORMATION AND MANAGEMENT'S DISCUSSION AND ANALYSIS

Summary of Selected Financial Information

Company

The table below summarizes selected financial data for the periods indicated and should be read in conjunction with the Company Financial Statements and the related Company MD&A. The selected financial information for the three months ended November 30, 2021 and 2020, and for the years ended August 31, 2021 and 2020, has been derived from the Company Financial Statements and accompanying notes. The Company Financial Statements for the years ended August 31, 2021 and 2020, have been audited by DMCL Chartered Professional Accountants. The following financial data is prepared in accordance with IFRS. The selected financial information set out below may not be indicative of the Company's future performance.

Financial Positions	Three Months Ended November 30, 2021	Year Ended August 31, 2021	Year Ended August 31, 2020
Current assets	$388,868	$158,968	$18,350
Total assets	$447,971	$158,968	$18,350
Current liabilities	$439,584	$253,749	$23,500
Share capital	$163,183	$1,437	$1
Deficit	$(250,367)	$(96,782)	$(5,151)

Financial Results	Three Months Ended November 30, 2021	Year Ended August 31, 2021	Year Ended August 31, 2020
Expenses	$153,585	$91,631	$466
Net loss	$153,585	$91,631	$466
Net loss per share – basic and diluted	$0.02	$17.60	$466.00

NumCo

The table below summarizes selected financial data for the periods indicated and should be read in conjunction with the NumCo Financial Statements. The selected financial information for the three months ended November 30, 2021, and for the period of incorporation to August 31, 2021, has been derived from the NumCo Financial Statements and accompanying notes. The Financial Statements for the period of incorporation to August 31, 2021, have been audited by DMCL Chartered Professional Accountants. The following financial data is prepared in accordance with IFRS.

Financial Positions	Three Months Ended November 30, 2021	Period of incorporation to August 31, 2021
Current assets	$11,800	$1,001
Total assets	$11,800	$1,001
Current liabilities	$131,103	$104,080
Share capital	$82,385	$1
Deficit	$(137,938)	$(103,080)

Financial Results	Three Months Ended November 30, 2021	Period of incorporation to August 31, 2021
Expenses	$34,858	$103,080
Net loss	$34,858	$103,080
Net loss per share – basic and diluted	$0.01	$103,080

Pro Forma

The following table contains certain unaudited pro forma consolidated financial information for the Company as at and for the periods ended November 30, 2021 and August 31, 2021, and gives effect to completion of the Acquisition Transaction as if they had occurred as of November 30, 2021 and August 31, 2021.

Financial Positions	As at November 30, 2021	As at August 31, 2021
Current assets	$1,556,321	$1,703,632
Total assets	$1,683,821	$1,703,632
Current liabilities	$183,937	$165,370
Share capital	$1,165,532	$1,165,532
Deficit	$(311,545)	$(273167)

Financial Results	For the period ended November 30, 2021	For the period ended August 31, 2021
Expenses	$249,621	$371,096
Net loss	$249,621	$371,096
Net loss per share – basic and diluted	$0.01	$0.02

Management's Discussion and Analysis

Company

The Company MD&A provides an analysis of the Company's financial results for the financial years ended August 31, 2021 and 2020, and should be read in conjunction with the Financial Statements and the notes thereto, respectively. The Company MD&A is attached to this Prospectus as Appendix A.

Certain information included in the Company MD&A is forward-looking and based upon assumptions and anticipated results that are subject to uncertainties. Should one or more of these uncertainties materialize or should the underlying assumptions prove incorrect, actual results may vary significantly from those expected. See "*Cautionary Note Regarding Forward-Looking Statements*" for further detail.

Additional Disclosure for IPO Venture Issuers

See "*Use of Proceeds – Funds Available and Funds Available* and Principal Purposes" and "*Use of Proceeds – Business Objectives and Milestones*".

Additional Disclosure for Junior Issuers

The Company had negative cash flow from operations for its most recently completed financial year and expects to have sufficient funds available to fund operations for a period of twelve months. The Company estimates total operating costs of $475,000 to achieve its stated short-term business objectives. See "*Use of Proceeds – Business Objectives and Milestones*".

DESCRIPTION OF SECURITIES

No Offering; Qualifying Distribution

While certain securities are being qualified for distribution pursuant to this Prospectus, no securities are being offered under this Prospectus.

Authorized Capital

The authorized share capital of the Company consists of an unlimited number of Common Shares without par value. See "*Consolidated Capitalization*". As of the date of this Prospectus, there were 20,768,041 Common Shares issued and outstanding**.**

Share Capital

Description of security	Authorized Amount	Price per security	Number outstanding as at the date hereof
Common Shares	Unlimited	Multiple(1)	21,043,041

Warrants	N/A	$0.10[(2)]	14,834,840
Warrants	N/A	$0.40[(2)]	5,933,200
Options	Rolling 10%	$0.10[(2)]	500,000

Notes:
(1) See "*Prior Sales"* for a break-down of prior sales of securities.
(2) Exercise price.

Terms of Securities

The Common Shares have the following material terms.

No par value without special rights or restrictions. The holders of Common Shares are entitled to receive notice of, attend and vote at all meeting of shareholders.

Voting rights or restrictions on voting. Each Common Share entities the holder thereof to one vote. There are no special rights or restrictions.

Rights of redemption or retraction. If the Company proposes to redeem some but not all the Common Shares, the directors may, subject to any special rights or restrictions attached to such class of shares, determine the manner in which the Common Shares to be redeemed shall be selected.

Interest rates or dividend rates. Subject to the BCBCA, the directors may from time to time declare and authorize payment of such dividends as they may deem advisable.

CONSOLIDATED CAPITALIZATION

No securities are being offered pursuant to this Prospectus. The following table summarizes the changes in the Company's capitalization since November 30, 2021. The table should be read in conjunction with the financial statements appearing elsewhere in this Prospectus:

Securities	Authorized Amount	Amount Outstanding as of November 30, 2021	Amount Outstanding as at the Date of the Prospectus
Common Shares	Unlimited	11,366,105	21,043,041
Warrants[(1)]	N/A	11,366,104	20,768,040
Special Warrants[(2)(3)]	N/A	275,000	Nil
Options	Rolling 10%	500,000	500,000

Notes:
(1) 100,000 Warrants, on a post-Consolidation basis, with each Warrant exercisable to purchase one (1) Common Share for $0.10 per Common Share until August 12, 2024; 11,266,100 Warrants, on a post-Consolidation basis, with each Warrant exercisable to purchase one (1) Common Share for $0.10 per Common Share until September 28, 2024; 3,468,736 Warrants, with each Warrant exercisable to purchase one (1) Common Share for $0.10 per Common Share until December 23, 2024; and 5,933,200 Warrants, with each Warrant to purchase one (1) Common Share for $0.40 until January 17, 2025.
(2) See *"Description of Securities – Terms of Securities"*.
(3) The Special Warrants from the October 15, 2021 offering were deemed to be exercised on February 16, 2022 into 275,000 Common Shares.

OPTIONS TO PURCHASE SECURITIES

Stock Options

The Company adopted a Stock Option Plan on May 6, 2021. The purpose of the Stock Option Plan is to advance the interests of the Company and its shareholders and subsidiaries by attracting, retaining and motivating the performance of selected directors, officers, employees or consultants of the Company of high caliber and potential and to encourage and enable such persons to acquire and retain a proprietary interest in the Company by ownership of its stock. The Stock Option Plan provides that, subject to the requirements of the Exchange, the aggregate number of securities reserved for issuance, set aside and made available for issuance under the Stock Option Plan may not exceed 10% of the issued and outstanding shares of the Company at the time of granting of stock options (the "**Options**"). Furthermore, the aggregate number of shares that may be issued pursuant to the exercise of the Options awarded under the Stock Option Plan and all other security-based compensation arrangements of the Company shall not exceed 10% of the issued and outstanding Common Shares at any given time.

The aggregate number of Options granted under the Stock Option Plan in any twelve-month period to any one individual, together with all other security-based compensation arrangements of the Company, must not exceed 5% of the then issued and outstanding Common Shares of the Company on a non-diluted basis.

The Company may not grant Options under the Stock Option Plan if the exercise thereof would result in the issuance of more than 2% of the issued Common Shares, in aggregate, in any twelve-month period to any one consultant of the Company.

The Company may not grant Options under the Stock Option Plan if the exercise thereof would result in the issuance of more than 2% of the issued Common Shares, in aggregate, to persons employed to provide investor relations activities and any Options issued to such individuals will vest over at least twelve months with no more than one-quarter of the Options vesting in any three-month period.

The Stock Option Plan is administered by the Board, which has full and final authority with respect to the granting of all Options thereunder. Options may be granted under the Stock Option Plan to such directors, officers, employees or consultants of the Company or its subsidiaries, if any, as the Board may, from time to time, designate. Options may also be granted to employees of management companies providing management services to the Company. The exercise price of any Options granted under the Stock Option Plan shall be determined by the Board, subject to the approval of the Exchange if necessary but in no event may this exercise price be lower than the exercise price permitted by the Exchange.

The term of any Options granted under the Stock Option Plan shall be determined by the Board at the time of grant, subject to earlier termination in the event of dismissal for cause, termination other than for cause, or in the event of death. The term of any Options granted under the Stock Option Plan may not exceed ten years.

If desired by the Board, Options granted under the Stock Option Plan may be subject to vesting. Options granted under the Stock Option Plan are not to be transferable or assignable other than as a consequence of the death of the holder. Subject to certain exceptions, in the event that a director, officer, consultant, or employee of the Company ceases to hold office or ceases to be a management company employee, Options granted to such individual under the Stock Option Plan will expire 90 days after such individual ceases to hold office or such longer period as determined by the Board. In the event of death of an option holder, Options granted under the Stock Option Plan expire one year from the date of the death of the option holder.

Should the expiry date of an Option fall within a period during which the relevant participant is prohibited from exercising an Option due to trading restrictions imposed by the Company pursuant to any policy of the Company respecting restrictions on trading that is in effect at that time (the "**Black Out Period**") or within nine business days following the expiration of a Black Out Period, such expiry date of the Option shall be automatically extended without any further act or formality to that date which is the tenth business day after the end of the Black Out Period, such tenth business day to be considered the expiry date for such Option for all purposes under the Stock Option Plan. The ten business day period may not be extended by the Board.

Outstanding Options

The Company, as of the date hereof, has 500,000 Options outstanding.

Warrants

As of the date of this Prospectus, the Company has 20,768,040 Warrants outstanding. On a post-Consolidation basis, 100,000 Warrants are exercisable to acquire one Common Share at an exercise price of $0.10 per Common Share until August 12, 2024 and an additional 11,266,104 Warrants are exercisable to acquire one Common Share at an exercise price of $0.10 per Common Share until September 28, 2024.

3,468,736 Warrants are exercisable to acquire one Common Share at an exercise price of $0.10 per Common Share until December 23, 2024.

5,933,200 Warrants are exercisable to acquire one Common Share at an exercise price of $0.40 per Common Share until January 17, 2025**.**

Options, Warrants, and Units held by Directors, Officers, Employees, and Others

See "*Directors and Officers*" for a description of all convertible securities held by officers and directors of the Company. The Company has 500,000 Options outstanding held by two consultants.

PRIOR SALES

The following table summarizes all of the prior sales/issuances of securities of the Company:

Date of issuance	Type of security issued	Number of securities issued	Price or Exercise Price per security	Total funds received
June 25, 2018	Common Shares	1(1)	$0.01(1)	$0.01
August 12, 2021	Common Shares(2)	100,000(5)	$0.02(5)	$2,000.00
September 28, 2021	Common Shares(3)	11,266,104(5)	$0.02(5)	$225,322.00
September 28, 2021	Stock Options	500,000(5)	$0.10(5)	N/A
October 15, 2021	Special Warrant(4)	275,000(5)	$0.10(5)	$27,500.00
December 23, 2021	Compensation Units	3,468,736(6)	N/A	N/A
January 17, 2022	Common Shares(7)	5,933,200	$0.25(5)	$1,483,300.00
February 16, 2022	Common Shares(8)	275,000	N/A	N/A

Notes:

(1) These figures are presented on a pre-Consolidation basis.
(2) The Common Shares were issued as part of the $0.02 Unit offering alongside 100,000 Warrants (on a post-Consolidation basis), with each Warrant entitling the holder thereof to purchase one additional Common Share at a price of $0.10 per Common Share for a period of 36 months from their date of issue.
(3) The Common Shares were issued as part of the $0.02 Unit offering alongside 11,266,104 Warrants (on a post-Consolidation basis), with each Warrant entitling the holder thereof to purchase one additional Common Share at a price of $0.10 per Common Share for a period of 36 months from their date of issue.
(4) See "*Description of Securities – Terms of Securities*".
(5) On a post-Consolidation basis.
(6) Each Compensation Unit comprised of one Common Share and one Warrant, on the terms and conditions set out in the Share Purchase Agreement. Each Warrant shall be exercisable to acquire one Common Share at a price of $0.10 for 36 months from their date of issuance.

(7) The Common Shares were issued as part of the $0.25 Unit offering alongside 5,933,200 Warrants, with each Warrant entitling the holder thereof to purchase one additional Common Share at a price of $0.40 per Common Share for a period of 36 months from their date of issue.
(8) The Special Warrants were deemed to be exercised on February 16, 2022 into 275,000 Common Shares.

Trading Price and Volume

The Common Shares do not trade on any stock exchange.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

Under the applicable policies and notices of the Canadian Securities Administrators, securities held by Principals (as defined below) are required to be held in escrow in accordance with the national escrow regime applicable to initial public distributions. Equity securities owned or controlled by Principals, including Common Shares, are subject to the escrow requirements.

Principals include all persons or companies that, on completion of the Offering, fall into one of the following categories:

(a) directors and senior officers of the Company, as listed in this Prospectus;

(b) promoters of the Company during the two years preceding this Offering;

(c) those who own and/or control more than 10% of the Company's voting securities immediately before and after completion of this Offering if they also have appointed or have the right to appoint a director or senior officer of the Company or of a material operating subsidiary of the Company;

(d) those who own and/or control more than 20% of the Company's voting securities immediately before and after completion of this Offering; and

(e) associates and affiliates of any of the above.

(the "**Principals**")

The Principals of the Company are all of the directors and senior officers of the Company.

Pursuant to the Escrow Agreement to be entered into between the Company, Endeavor Trust Company (the "**Escrow Agent**") and various Principals of the Company, the Principals agree to deposit in escrow the Common Shares, Warrants and Special Warrants held by them with the Escrow Agent (the "**Escrowed Securities**"). The Escrow Agreement will provide that the Escrowed Securities will be released from escrow in equal blocks of 15% of a Principal's Escrowed Securities at six month intervals over the 36 months following the Listing Date, with 10% of each Principal's holdings being released on the Listing Date.

The Company is an "emerging issuer" as defined in the applicable policies and notices of the Canadian Securities Administrators. If the Company achieves "established issuer" status during the term of the Escrow Agreement, it will "graduate," resulting in a catch-up release and an accelerated release of any securities remaining in escrow under the 18-month schedule applicable to established issuers, as if the Company had originally been classified as an established issuer.

Pursuant to the terms of the Escrow Agreement, the Escrowed Securities may not be transferred or otherwise dealt with during the term of the Escrow Agreement unless the transfers or dealings within the escrow are:

1. transfers to continuing or, upon their appointment, incoming directors and senior officers of the Company or of a material operating subsidiary, with approval of the Board;

2. transfers to an RRSP or similar trustee plan provided that the only beneficiaries are the transferor or the transferor's spouse or children;

3. transfers upon bankruptcy to the trustee in bankruptcy; and

4. pledges to a financial institution as collateral for a bona fide loan, provided that upon a realization the securities remain subject to escrow. Tenders of Escrowed Securities to a take-over bid are permitted provided that, if the tenderer is a Principal of the successor corporation upon completion of the take-over bid, securities received in exchange for tendered Escrowed Securities are substituted in escrow on the basis of the successor corporation's escrow classification.

The complete text of the Escrow Agreement will be available for inspection at the offices of the Company. The following table sets out the securities of the Company as of the date of this Prospectus that are subject to escrow or a contractual restriction on transfer:

Designation of Class	Number of Securities Held in Escrow or that are Subject to a Contractual Restriction on Transfer	Percentage of Class
Common Shares(1)	365,000	1.73%
Warrants(2)	365,000	1.76%
Options	Nil	N/A
Special Warrants	Nil	N/A

Notes:
(1) Based on 21,043,041 Common Shares outstanding.
(2) Based on 20,768,040 Warrants outstanding.

PRINCIPAL SECURITYHOLDERS

To the knowledge of the directors and officers of the Company, as of the date of this Prospectus no person beneficially owns or exercises control or direction over the voting securities of the Company carrying more than 10% of the votes attached to any class of voting securities of the Company.

DIRECTORS AND EXECUTIVE OFFICERS

The following table provides the names, municipalities of residence, position, principal occupations, and the number of voting securities of the Company that each of the directors and executive officers beneficially owns, directly or indirectly, or exercises control over, as of the date hereof:

Name and Location of Residence	Position or Office	Principal Occupation During Past 5 Years	Director / Officer Since	Number and Percentage of Common Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly
Craig Engelsman(1) Delta, BC	Chief Executive Officer and Director	Strategic Business Advisor	May 18, 2021 (CEO) October 6, 2021 (Director)	365,000

Name and Location of Residence	Position or Office	Principal Occupation During Past 5 Years	Director / Officer Since	Number and Percentage of Common Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly
Oliver Foeste Vancouver, BC	Chief Financial Officer	Managing Partner, Invictus Accounting Group LLP	September 24, 2021 (CFO)	Nil
Marco Montecinos Sparks, Nevada	Director	Consulting Geologist and Business Development	October 6, 2021	Nil
Robert Birmingham[(1)] North Vancouver, BC	Director	President, Benaterra Communications Inc., Marketing Company	October 6, 2021	18,250
Chris Mackay[(1)] Vancouver, BC	Director	Principle of a real estate finance and acquisition company	October 6, 2021	Nil

Notes:
(1) Member of the Audit Committee.

The term of office of the directors expires annually at the time of the Company's annual general meeting. The term of office of the officers expires at the discretion of the Company's directors.

As at the date of this Prospectus, the directors and executive officers of the Company as a group beneficially owned, or controlled or directed, directly or indirectly, an aggregate of 382,500 Common Shares, which is equal to 1.82% of the Common Shares currently issued and outstanding.

In addition to the information set out in the table above, following is some information about the proposed members of the Board and management of the Company:

Craig Engelsman, Age 45, CEO and Director

Mr. Engelsman is an accomplished businessman in the mining and high-tech sectors with more than 20 years of experience. Mr. Engelsman founded and co-founded a number of successful start-up mining companies with discoveries in Africa and Latin America. He has played a pivotal role in several business recoveries and restructuring along with populating directorships with industry professionals. Mr. Engelsman has participated and assisted in raising over $500 million in equity and debt instruments in the public and private sectors.

Oliver Foeste, Age 46, CFO

Mr. Foeste is the founder and Managing Partner of Invictus Accounting Group LLP (est. 2012) ("**Invictus**") and has significant executive, director, finance, and restructuring experience across a number of industry sectors. Prior to Invictus, Mr. Foeste was in senior finance and accounting roles at TSX, TSXV, and NYSE listed issuers, and earned his CPA at Deloitte and a boutique tax advisory firm.

Marco Montecinos, Age 60, Director

Mr. Montecinos is a geologist with over 38 years of experience in mineral exploration and business development projects in the Americas. Mr. Montecinos currently works as Business Development Consultant with several junior exploration companies in the western US. Prior positions include, among others, Vice President of Exploration of Caza Gold Corp., Senior Consultant to Intrepid Mines Ltd. in the

Americas and Australia, and Vice President of Exploration for Montana Gold Corp. His portfolio includes consultant positions for junior and senior companies such as Francisco Gold Corp., Phelps Dodge Corporation, Placer Dome Inc., BHP Group, Alta Gold Co. and Nerco Minerals Co. as well as numerous intermediate and junior enterprises. Mr. Montecinos was instrumental in the discovery of the Marlin Deposit in Guatemala and other gold deposits in Nevada, Mexico, and Central America. Mr. Montecinos is President of Tigren, Inc., a Nevada based Exploration Services Company, which has provided technical services to the mining industry for 28 years. He holds a B.A. Degree in Mathematics (geology emphasis) and a minor in Physics from Western Colorado University (formerly Western State College) in Gunnison, Colorado.

Robert Birmingham, Age 40, Director

Mr. Birmingham has over 15 years of public market experience, with a focus on management, investor relations and capital raising. He is currently CEO and Director of Brigadier Gold Corp. (TSX.V: BRG), and Director of BIGG Digital Assets (CSE: BIGG). He has been on the board of directors of multiple TSX.V and CSE listed companies. Mr. Birmingham holds of Bachelor of Business Administration from Capilano University

Chris Mackay, Age 33, Director

Mr. Mackay is President at The Strand Corporation, a Vancouver-based finance, development and investment company. In his role Chris manages multiple real estate developments in both Canada and the US. Chris plays an integral role in the sourcing and analysis of new acquisitions and development projects, as well as, in securing financing for multi-million dollar projects. Mr. Mackay's experience in the financial markets, as well as his educational background, from the esteemed Sauder School of Business, will be value added to the Company, as the Company seeks to build out its growth strategy.

Corporate Cease Trade Orders or Bankruptcies

Other than as disclosed below, no director or executive officer or promoter of the Company is, as at the date of this Prospectus, or was within 10 years before the date hereof, a director, chief executive officer, or chief financial officer of any person or corporation, including the Company, that:

(a) was subject to (i) a cease trade order; (ii) an order similar to a cease trade order; or (iii) an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days (an "**Order**") that was issued while the director or executive officer or promoter was acting in the capacity of a director, the chief executive officer, or the chief financial officer thereof; or

(b) was subject to an order that was issued after the director or executive officer or promoter ceased to be a director, the chief executive officer, or the chief financial officer thereof and which resulted from an event that occurred while that person was acting in such capacity.

No director or executive officer or promoter of the Company or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company:

(a) is, as at the date of this Prospectus, or has been within the 10 years before the date hereof, a director or executive officer of any person or company, including the Company, that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(b) has, within the 10 years before the date of this Prospectus, 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 director, executive officer, or shareholder.

Penalties or Sanctions

Other than as disclosed herein, no director or executive officer or promoter of the Company or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, has been subject to:

(a) 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

(b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Personal Bankruptcies

No director, officer or promoter of the Company, nor any shareholder holding sufficient securities of the Company to affect materially the control of the Company, nor any personal holding company of any such person has, within the 10 years before the date of this Prospectus, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangements or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that person.

Conflicts of Interest

The directors of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interests, which they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the Board, any director in a conflict will disclose his interest and abstain from voting on such matter. There are no known existing or potential conflicts of interest among the Company, its promoters, directors and officers or other members of management of the Company or of any proposed promoter, director, officer or other member of management as a result of their outside business interests except that certain of the directors and officers serve as directors and officers of other companies, and therefore it is possible that a conflict may arise between their duties to the Company and their duties as a director or officer of such other companies.

EXECUTIVE COMPENSATION

In accordance with Form 51-102F6V *Statement of Executive Compensation – Venture Issuers*, the following is a discussion of all significant elements of compensation to be awarded to, earned by, paid to or payable to Named Executive Officers ("**NEO**"s) of the Company, once the Company becomes a reporting issuer, to the extent this compensation has been determined.

In this section NEO means each individual who acted as chief executive officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year (a "**CEO**"), each individual who acted as chief financial officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year (a "**CFO**") and each of the three most highly compensated executive officers, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than $150,000 as well as any additional individuals for whom disclosure would have been provided except that the individual was not serving as an executive officer of the Company, at the end of the most recently completed financial year.

The Company's NEOs are Craig Engelsman and Oliver Foeste.

Director and Named Executive Officer Compensation, excluding Compensation Securities

The Company did not provide any compensation to any of its Named Executive Officers from incorporation to August 31, 2021. The Company anticipates paying the following compensation for its 2022 financial year as set out in the chart below.

TABLE OF COMPENSATION EXCLUDING COMPENSATION SECURITIES							
Name and Position	Compensation period	Salary, consulting fee, retainer or commission ($)	Bonus ($)	Committee or meeting fees ($)	Value of perquisites ($)	Value of all other compensation ($)	Total compensation ($)
Craig Engelsman *CEO and Director*	FY2022 (projected)	150,000	Nil	Nil	Nil	Nil	150,000
Oliver Foeste *CFO*	FY2022 (projected)	60,000	Nil	Nil	Nil	Nil	60,000
Marco Montecinos *Director*	FY2022 (projected)	Nil	Nil	Nil	Nil	Nil	Nil
Robert Birmingham *Director*	FY2022 (projected)	Nil	Nil	Nil	Nil	Nil	Nil
Chris Mackay *Director*	FY2022 (projected)	Nil	Nil	Nil	Nil	Nil	Nil

External Management Companies

The Company has entered into an agreement with Invictus dated September 24, 2021 for the provision of CFO services provided by Oliver Foeste, as well as certain other accounting services. Pursuant to the agreement, fees for services will initially be billed on an hourly basis and will move to a monthly fee once the required level of assistance has been established. Current rates for accounting and CFO services range from $3,000 to $5,000 per month. Mr. Foeste is paid a salary for his role at Invictus, and his salary is not directly attributable to his work with the Company. Invictus invoices the Company $300 per hour for Mr. Foeste's CFO services provided.

Stock Options and Other Compensation Securities

The Company currently has the Stock Option Plan in place in order to assist the Company in attracting, retaining and motivating directors, officers, employees, consultants and contractors of the Company and to closely align the interests of such service providers with the interests of the Company. As at the date of this Prospectus, the Company has issued 500,000 Options.

Stock Option Plans and Other Incentive Plans

The Company has adopted the Stock Option Plan in order to assist the Company in attracting, retaining and motivating directors, officers, employees, consultants, and contractors of the Company and to closely align the interests of such service providers with the interests of the Company. As at the date of this Prospectus, there were 500,000 Options outstanding and none had been exercised.

Employment, Consulting, and Management Agreements

The Company expects to enter into agreements with certain NEOs and directors under which compensation will be provided in respect of services performed by a director or NEO. To date, the Company has entered into a consulting agreement with Craig Engelsman for his role as the CEO of the Company dated effective May 18, 2021, as well as an agreement with Invictus for Olvier Foeste's role as the CFO of the Company.

Craig Engelsman, Chief Executive Officer

The Company entered into an employment agreement with Craig Engelsman, effective May 18, 2021, pursuant to which Mr. Engelsman was retained as the CEO of the Company. Mr. Engelsman's compensation in respect of such services includes a base fee of $150,000 per annum and bonuses payable at the sole discretion of the Board. In addition, Mr. Engelsman may invoice the Company for pre-approved expenses incurred in connection with his role as CEO of the Company.

Oliver Foeste, Chief Financial Officer

The Company entered into an agreement with Invictus effective September 24, 2021, pursuant to which Invictus has agreed to provide CFO services to the Company. The CFO services are currently provided by Oliver Foeste. Pursuant to the agreement, fees for services will initially be billed on an hourly basis, and will move to a monthly fee once the required level of assistance has been established. The fees for CFO services under this agreement are billed on an hourly basis and invoiced monthly.

Termination and Change of Control Benefits

The consulting agreement with Mr. Engelsman provides that in the event that Mr. Engelsman's employment is terminated without just cause or by Mr. Engelsman with good reason, then upon such termination and regardless of his length of service, the Company will pay Mr. Engelsman a lump sum payment equal to three (3) months salary.

The consulting agreement with Mr. Foeste provides that in the event that Mr. Foeste's employment is terminated without cause at any time during the period from the date that is three months prior to any change of control to the date that is six months after any change of control, then upon such termination and regardless of his length of service, the Company will pay Mr. Foeste a lump sum payment equal to three months of the CFO's fees (based on the average fees charged for the three months prior to such termination).

Oversight and Description of Director and Named Executive Officer Compensation

The compensation of the Company's Named Executive Officers has been established with a view of attracting and retaining executives critical to the Company's short and long-term success and to continue providing executives with compensation that is in accordance with existing market standards. As the Company does not have a Compensation Committee, compensation provided to the Company's NEOs is determined by the Board of Directors as a whole and reviewed annually. In establishing executive compensation policies, the Board of Directors take into consideration the recommendations of management and, following discussion and review, considers them for final approval.

Compensation of the Company's Named Executive Officers is comprised of a base salary or consulting fees, performance-based bonuses payable in cash or shares in the Company and equity participation through the Company's Stock Option Plan. Through its executive compensation practices, the Company seeks to provide value to its shareholders by employing a strong executive leadership team. Specifically, the Company's executive compensation structure seeks to attract and retain talented and experienced executives necessary to achieve the Company's strategic objectives, motivate and reward executives whose knowledge, skills and performance are critical to the Company's success, and align the interests of the Company's executives and shareholders by motivating executives to increase shareholder value.

The Board of Directors does not conduct a formal evaluation of the implications of the risks associated with the Company's compensation practices and policies. Risk management is a consideration of the Board of Directors when implementing its compensation policies and the Board of Directors does not believe that the Company's compensation policies result in unnecessary or inappropriate risk-taking including risks that are likely to have a material adverse effect on the Company.

Base Salary

The Company believes that a competitive base salary is a necessary element of any compensation program that is designed to attract and retain talented and experienced executives. The Company also believes that attractive base salaries can motivate and reward executives for their overall performance.

To the extent that the Company has entered into employment agreements with its executives, the base salaries of such individuals reflect the base salaries that the Company negotiated with them. The base salaries that the Company negotiated with its executives were based on the individual experience and skills of, and expected contribution from, each executive, the roles and responsibilities of the executive, the base salaries of the Company's existing executives and other factors.

Option Based Awards

The Company adopted the Stock Option Plan in order to assist the Company in attracting, retaining and motivating directors, officers, employees, consultants, and contractors of the Company and to closely align the interests of such service providers with the interests of the Company. As at the date of this Prospectus, there were 500,000 Options outstanding and no Options had been exercised.

In determining option grants to the Named Executive Officers, the Board of Directors together with management will take into consideration factors that include the amount and exercise price of previous option grants, the NEO's experience, level of expertise and responsibilities, and the contributions of each NEO towards the completion of corporate transactions in any given fiscal year.

Use of Financial Instruments

The Company does not have a policy that would prohibit a Named Executive Officer or director of the Company from purchasing financial instruments, including prepaid variable forward contracts, equity swaps, collars or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the Named Executive Officer or director. However, management is not aware of any Named Executive Officer or director of the Company purchasing such an instrument.

Pension disclosure

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

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As at the date of this Prospectus, no former or current director, executive officer, or employee of the Company is or has been indebted to the Company or is indebted to another entity, which indebtedness has been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company, at any time.

AUDIT COMMITTEE INFORMATION

Audit Committee Charter

The Charter of the Company’s Audit Committee is attached to this Prospectus as Appendix D.

Composition of Audit Committee

The following are the members of the Audit Committee:

Name	Independence[1]	Financial Literacy[1]
Craig Engelsman	Not Independent	Financially Literate
Robert Birmingham	Independent	Financially Literate
Chris Mackay	Independent	Financially Literate

Notes:

(1) As defined under National Instrument 52-110 – *Audit Committees* ("**NI 52-110**").

Relevant Education and Experience

The education and experience of each member of the Audit Committee relevant to the performance of their duties as a member of the Audit Committee is set out below.

Craig Engelsman, Age 45, CEO and Director

Mr. Engelsman is an accomplished businessman in the mining and high-tech sectors with more than 20 years of experience. Mr. Engelsman founded and co-founded a number of successful start-up mining companies with discoveries in Africa and Latin America. He has played a pivotal role in several business recoveries and restructuring along with populating directorships with industry professionals. Mr. Engelsman has participated and assisted in raising over $500 million in equity and debt instruments in the public and private sectors.

Robert Birmingham, Age 40, Director

Mr. Birmingham has over 15 years of public market experience, with a focus on management, investor relations and capital raising. He is currently CEO and Director of Brigadier Gold Corp. (TSX.V: BRG), and Director of BIGG Digital Assets Inc. (CSE: BIGG). He has been on the board of directors of multiple TSX.V and CSE listed companies. Mr. Birmingham holds of Bachelor of Business Administration from Capilano University.

Chris Mackay, Age 33, Director

Mr. Mackay is President at The Strand Corporation, a Vancouver-based finance, development and investment company. In his role, Mr. Mackay manages multiple real estate developments in both Canada and the US. Mr. Mackay plays an integral role in the sourcing and analysis of new acquisitions and development projects, as well as, in securing financing for multi-million dollar projects. Mr. Mackay's experience in the financial markets, as well as his educational background, from the esteemed Sauder School of Business, will be value added to the Audit Committee.

Audit Committee Oversight

At no time has a recommendation of the Audit Committee to nominate or compensate an external auditor not been adopted by the Board.

Reliance on Certain Exemptions

Since the commencement of the Company's most recently completed financial year, the Company has not relied on:

(A) the exemption in section 2.4 of NI 52-110 (*De Minimis Non-audit Services*);

(B) the exemption in subsection 6.1.1(4) of NI 52-110 (*Circumstance Affecting the Business or Operations of the Venture Issuer*);

(C) the exemption in subsection 6.1.1(5) of NI 52-110 (*Events Outside Control of Member*);

(D) the exemption in subsection 6.1.1(6) of NI 52-110 (*Death, Incapacity or Resignation*); or

(E) an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110 (*Exemptions*).

Pre-Approval Policies and Procedures

Formal policies and procedures for the engagement of non-audit services have yet to be formulated and adopted. Subject to the requirements of NI 52-110, the engagement of non-audit services is considered by the Board of Directors, and where applicable by the Audit Committee, on a case-by-case basis.

External Auditor Service Fees

The following table sets out the audit fees incurred by the Company since incorporation for audit fees are as follows:

Year Ended	Audit Fees	Audit Related Fees(1)	Tax Fees(2)	All Other Fees(3)
August 31, 2021	$11,000	Nil	Nil	Nil
August 31, 2020	$9,000	Nil	Nil	Nil

Notes:
(1) Fees charged for assurance and related services that are reasonably related to the performance of an audit, and not included under Audit Fees.
(2) Fees charged for tax compliance, tax advice and tax planning services.
(3) Fees for services other than disclosed in any other column.

Exemption

The Company is relying on the exemption in section 6.1 of NI 52-110 from the requirements of Parts 3 (*Composition of the Audit Committee*) and 5 (*Reporting Obligations*).

CORPORATE GOVERNANCE DISCLOSURE

Board of Directors

The Board currently consists of four (4) directors, Craig Engelsman, Marco Montecinos, Robert Birmingham and Chris Mackay, of which three (3) are independent based upon the tests for independence set forth in NI 52-110. Mr. Engelsman is not independent by virtue of his position as CEO of the Company. The Board believes that good corporate governance improves corporate performance and benefits all shareholders. Regulatory authorities have implemented National Instrument 58-101 – *Disclosure of Corporate Governance Practices*, which prescribes certain disclosure of the Company's corporate governance practices.

Directorships

The following directors of the Company also serve as directors of other reporting issuers:

Name of Director	Other Reporting Issuer	Name of Exchange or Market
Marco Montecinos	M3 Metals Corp.	TSX.V: MT

Name of Director	Other Reporting Issuer	Name of Exchange or Market
Robert Birmingham	BIGG Digital Assets	CSE: BIGG
	Brigadier Gold Corp.	TSX.V: BRG
	Liberty One Lithium Corp.	TSX.V: LBY
Chris Mackay	Blender Bites Limited (formerly "Balsam Technologies Corp.")	CSE: BITE

Orientation and Continuing Education

The Board briefs all new directors with the policies of the Board, and other relevant corporate and business information. In particular, the Board oversees an orientation program to familiarize new directors with the Company's business and operations, including the Company's reporting structure, strategic plans, significant financial, accounting and risk issues and compliance programs and policies, management and the external auditors. The Board oversees ongoing education for all directors.

Ethical Business Conduct

The Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

Under applicable corporate legislation, a director is required to act honestly and in good faith with a view to the best interests of the Company and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances, and disclose to the Board the nature and extent of any interest of the director in any material contract or material transaction, whether made or proposed, if the director is a party to the contract or transaction, is a director or officer (or an individual acting in a similar capacity) of a party to the contract or transaction or has a material interest in a party to the contract or transaction. The director must then abstain from voting on the contract or transaction unless the contract or transaction (i) relates primarily to their remuneration as a director, officer, employee or agent of the Company or an affiliate of the Company, (ii) is for indemnity or insurance for the benefit of the director in connection with the Company, or (iii) is with an affiliate of the Company. If the director abstains from voting after disclosure of their interest, the directors approve the contract or transaction and the contract or transaction was reasonable and fair to the Company at the time it was entered into, the contract or transaction is not invalid and the director is not accountable to the Company for any profit realized from the contract or transaction. Otherwise, the director must have acted honestly and in good faith, the contract or transaction must have been reasonable and fair to the Company and the contract or transaction be approved by the shareholders by a special resolution after receiving full disclosure of its terms in order for the director to avoid such liability or the contract or transaction being invalid.

Nomination of Directors

The Company does not have a Corporate Governance and Nominating Committee. The Board of Directors, in its entirety, is responsible for identifying potential candidates to fill Board vacancies as and when they arise and they shall recruit and consider candidates for directors, including any candidates recommended by shareholders, having regard for the background, employment and qualifications of possible candidates. New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Company, the ability to devote the time required, shown support for the Company's mission and strategic objectives, and a willingness to serve.

Compensation

The Company does not have a Compensation Committee. The Board, in its entirety, makes decisions in respect of the total compensation paid by the Company to its senior executives and significant consultants.

For further information regarding the how the Company determines compensation for its directors and executive officers, see "*Executive Compensation*".

Other Board Committees

The Board of Directors has no other committees other than the Audit Committee.

Assessments

The Board assesses its needs with respect to rules and guidelines governing and regulating the affairs of the Board including the frequency and location of Board and committee meetings, procedures for establishing meeting agendas and the conduct of meetings, the adequacy and quality of the information provided to the Board prior to and during its meetings, and the availability, relevance and timeliness of discussion papers, reports and other information required by the Board.

The Board periodically reviews the competencies, skills and personal qualities of each existing director and the contributions made by each director to the effective operation of the Board and reviews any significant change in the primary occupation of the director.

The Board monitors the adequacy of information given to directors, communication between the Board and management and the strategic direction and processes of the Board and its committees.

PLAN OF DISTRIBUTION

No securities are being offered under this Prospectus. The Company is in the process of applying to list its Common Shares on the Exchange. As of the date hereof, the Exchange has not conditionally approved the Company's Listing, and there is no assurance that it will do so. The Listing will be subject to the Company fulfilling all of the listing requirements of the Exchange, including meeting all minimum listing requirements, which cannot be guaranteed.

As at the date of this Prospectus, the Company does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, a U.S. marketplace, or a marketplace outside of Canada and the United States of America other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc.

RISK FACTORS

Failure to obtain all Regulatory Requirements for Completion of the Listing

Completion of the Listing is subject to, among other things, the acceptance of the Exchange and the receipt of all necessary regulatory approvals. There can be no certainty, nor can either party provide any assurance, that these conditions will be satisfied or, if satisfied, when they will be satisfied. The requirement to take certain actions or to agree to certain conditions to satisfy such requirements or obtain any such approvals may have a material adverse effect on the business and affairs of the Company or the trading price of Common Shares after completion of the Listing.

Following Completion of the Listing, the Company may Issue Additional Equity Securities

Following completion of the Listing, the Company may issue equity securities to finance its activities, including to finance acquisitions. If the Company were to issue Common Shares, existing holders of such shares may experience dilution in the Company. Moreover, if the Company's intention to issue additional equity securities becomes publicly known, the Company's share price may be materially adversely affected.

Limited Operating History

The Company has no history of earnings or profitability. The likelihood of success of the Company must be considered in light of the problems, expenses, difficulties, complication, and delays frequently encountered in connection with the establishment of any business. The Company will have 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 Company will be able to generate revenues, operate profitably, or provide a return on investment, or that it will successfully implement its plans.

The Company does not have a source of operating cash flow and there can be no assurance that the Company will ever achieve profitability. Accordingly, the Company is dependent on third party financing to continue exploration activities, maintain capacity, and satisfy contractual obligations. The Company has negative cash flow from operating activities in its most recently completed financial year, and proceeds of from the Company's private placements will be used to fund anticipated negative cash flow from operating activities in both current and future periods. The amount and timing of Expenditures will depend on several factors, including in material part the progress of ongoing exploration, the results of consultants' analyses and recommendations, the rate at which operating losses are incurred, the entering into of any strategic partnerships, and the acquisition of additional property interests. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of the Company's properties or require it to sell one or more of its properties.

Uncertainty of Additional Funding

As stated above, the Company will be dependent on third party financing, whether through debt, equity, or other means. There is no assurance that it will be successful in obtaining required financing in the future or that such financing will be available on terms acceptable to the Company. Volatile resource markets, a claim against the Company, a significant event disrupting the Company's business, or other factors may make it difficult or impossible to obtain financing through debt, equity, or other means on favourable terms, or at all. In addition, any future financing may also be dilutive to existing shareholders of the Company.

Competitive Conditions

The Company will actively compete for resource acquisitions, exploration leases, licenses, and concessions, and skilled industry personnel with a substantial number of other mining companies, many of which have significantly greater financial resources than the Company. The Company's competitors will include major integrated mining companies and numerous other independent mining companies and individual producers and operators.

Reliance Upon Management

The Company will be dependent upon the continued support and involvement of its Principals and management. Should the Company lose the services of one or more of the Principals or management, the ability of the Company to achieve its objectives could be adversely affected.

Title to Properties

The Company will diligently investigate all title matters concerning the ownership of all mining claims and plans to do so for all new claims and rights to be acquired. The Company's options to acquire mining properties may be affected by undetected defects in title, such as the reduction in size of the mining titles and other third-party claims affecting the Company's interests. Maintenance of such interests is subject to ongoing compliance with the terms governing such mining titles. Mining properties sometimes contain claims or transfer histories that examiners cannot verify. Upon the exercise of its option, a successful claim that the Company does not have title to any of its mining properties could cause the Company to lose any rights to explore, develop, and extract any ore on that property, without compensation for its prior Expenditures relating to such property.

Substantial Capital Expenditures Required

Substantial Expenditures are required to establish ore reserves through drilling, to develop metallurgical processes to extract metal from the ore and, in the case of new properties, 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, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that the funds required for development can be obtained on a timely basis. The discovery of mineral deposits is dependent upon a number of factors. The commercial viability of a mineral deposit once discovered is also dependent upon a number of factors, some of which relate to particular attributes of the deposit, such as size, grade and proximity to infrastructure, and some of which are more general factors such as metal prices and government regulations, including environmental protection. Most of these factors are beyond the Company's control. In addition, because of these risks, there is no certainty that the Expenditures to be made by the Company on the exploration of the ELi Property as described herein will result in the discovery of commercial quantities of ore.

No Estimates of Mineral Deposits

There is no assurance that any estimates of mineral deposits or resources will materialize.

No assurance can be given that if mineralization is ever identified on the ELi Property, it will be developed into a coherent mineralization deposit, or that such deposit will even qualify as a commercially viable and mineable ore body that can be legally and economically exploited. Estimates regarding mineralized deposits can also be affected by many factors such as permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. In addition, the grades and tonnages of ore ultimately mined may differ from that indicated by drilling results and other exploration and development work. There can be no assurance that test work and results conducted and recovered in small-scale laboratory tests will be duplicated in largescale tests under on-site conditions. Material changes in mineralized tonnages, grades, dilution and stripping ratios or recovery rates may affect the economic viability of projects. The existence of mineralization or mineralized deposits should not be interpreted as assurances of the future delineation of ore reserves or the profitability of any future operations.

Conflicts of Interest

Members of the Board of the Company may become directors of other reporting companies or have significant shareholdings in other resource companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the Board may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. The Company and its Board will attempt to minimize such conflicts. In the event that such a conflict of interest arises at a meeting of the Board, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In appropriate cases the Company will establish a special committee of independent directors to review a matter in which several directors, or management, may have a conflict. Conflicts, if any, will be subject to the procedures and remedies as provided under the BCBCA. The provisions of the BCBCA require a director or officer of a corporation who has a material interest in a contract or listing of the corporation, or a director or officer of a corporation who is a director or officer of or has a material interest in a person who has a material interest in a contract or listing with the corporation, to disclose his or her interest and, in the case of directors, to refrain from voting on any matter in respect of such contract unless permitted under the BCBCA, as the case may be. Other than as indicated, the Company has no other procedures or mechanisms to deal with conflicts of interest.

Permits and Licences

The operations of the Company will require licences and permits from various governmental and non-governmental authorities. The Company will obtain all necessary licences and permits required to carry on with activities which it proposes to conduct under applicable laws and regulations. However, such licences and permits are subject to changes in regulations and in various operating circumstances. There can be no assurance that the Company will be able to obtain all necessary licences and permits required to carry out exploration, development, and extraction operations on its mining properties. See *"The ELi Property".*

Environmental and other Regulatory Requirements

Environmental and other regulatory requirements will affect the future operations of the Company, including exploration and development activities and commencement of production on the Company's mining properties. Such projects will require permits from various federal and local governmental authorities and such operations are and will be governed by laws and regulations governing exploration, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety, and other matters. The Company believes it is in substantial compliance with all material laws and regulations which currently apply to its activities. Companies engaged in the development and operation of mines and related facilities often experience increased costs, and delays in production and other schedules as a result of the need to comply with applicable laws, regulations, and permits.

Additional permits and studies, which may include environmental impact studies conducted before permits can be obtained, may be necessary prior to operation of the Company's mining properties and there can be no assurance that the Company will be able to obtain or maintain all necessary permits that may be required to commence construction, development, or operation of ore extraction facilities at the Company's mining properties on terms which enable operations to be conducted at economically justifiable costs. See *"The ELi Property"*.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining exploration activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and environmental laws.

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

Political Regulatory Risks

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

Competition

Significant competition exists for mining opportunities. As a result of this competition, some of which is with large established mining companies with substantial capabilities and greater financial and technical resources than the Company, the Company may be unable to acquire additional attractive mining properties on terms it considers acceptable.

Volatility of Share Price

In recent years, the securities markets in the United States and Canada, and the Exchange in particular, have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price that have not necessarily been related to the operating performance, underlying asset values, or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It may be anticipated that any quoted market for the Company's shares will be subject to market trends and conditions generally, notwithstanding any potential success of the Company in creating revenues, cash flows, or earnings.

Liquidity

The Company cannot predict at what prices the Common Shares will trade upon completion of the Listing, and there can be no assurance that an active trading market in the Common Shares will develop or be sustained. Acceptance of the Exchange has not yet been obtained. There is a significant liquidity risk associated with an investment in Common Shares.

Dividends

At the present time, it is unlikely the Company's shareholders will receive a dividend on the Common Shares.

No Known Mineral Reserves or Mineral Resources

There are no known bodies of commercial minerals on the ELi Property. The exploration programs undertaken and proposed constitute an exploratory search for mineral resources and mineral reserves or programs to qualify identified mineralization as mineral reserves. There is no assurance that the Company will be successful in its search for mineral resources and mineral reserves.

Exploration Risks

The ELi Property is in early exploration stages and is without a known body of commercially exploitable resources. Exploration for mineral resources involves a high degree of risk and few properties that are explored are ultimately developed into producing mines. The risks and uncertainties inherent in exploration activities include but are not limited to: general economic, market and business conditions, the regulatory process and actions, failure to obtain necessary permits and approvals, technical issues, new legislation, competitive and general economic factors and conditions, the uncertainties resulting from potential delays or changes in plans, the occurrence of unexpected events, and management's capacity to execute and implement its future plans. The discovery of mineral deposits is dependent upon several factors, not the least of which are the technical skills of the exploration personnel involved and the capital required for the programs. The cost of conducting exploration programs may be substantial and the likelihood of success is difficult to assess. There is no assurance that the Company's mineral exploration activities will result in any discoveries of new bodies of commercial ore. If commercial quantities of ore are discovered, there is no assurance that a new ore body will be developed and brought into commercial production. The commercial viability of a mineral deposit once discovered is also dependent upon several factors, most of which factors are beyond the control of the Company and may result in the Company not receiving adequate return on investment capital.

COVID-19 Risks

The Company's business, operations, and financial condition, and the market price of the Common Shares (following the Listing), could be materially and adversely affected by the outbreak of epidemics or pandemics or other health crises, including the recent outbreak of COVID-19. To date, there have been a large number of temporary business closures, quarantines, and a general reduction in consumer activity in a number of countries. The outbreak has caused companies and various international jurisdictions to impose travel, gathering and other public health restrictions. While these effects are expected to be temporary, the duration of the various disruptions to businesses locally and internationally and the related financial impact cannot be reasonably estimated at this time. Similarly, the Company cannot estimate whether or to what extent this outbreak and the potential financial impact may extend to countries outside of those currently impacted. Such public health crises can result in volatility and disruptions in the supply and demand for uranium and other minerals, global supply chains and financial markets, as well as declining trade and market sentiment and reduced mobility of people, all of which could affect commodity prices, interest rates, credit ratings, credit risk, share prices and inflation. The risks to the Company of such public health crises also include risks to employee health and safety, a slowdown or temporary suspension of operations in geographic locations impacted by an outbreak, increased labor and fuel costs, regulatory changes, political or economic instabilities or civil unrest. At this point, the extent to which COVID-19 will or may impact the Company is uncertain and these factors are beyond the Company's control; however, it is possible that COVID-19 may have a material adverse effect on the Company's business, results of operations, and financial condition and the market price of the Common Shares (following the Listing).

PROMOTERS

The Company confirms there are no promoters of the Company within the meaning of applicable securities legislation in the Province of British Columbia.

See "*Options to Purchase Securities"; "Directors and Executive Officers"; "Executive Compensation",* and *"Interest of Management and Others in Material Transactions*" for disclosure regarding the Company's promoters.

LEGAL PROCEEDINGS AND REGULATORY MATTERS

The Company is not a party, and the Company's property, including the ELi Property, are not subject to any legal proceedings or regulatory actions and the Company is not aware of any such proceedings known to be contemplated.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

No person who is: (a) a director or executive officer of the Company; (b) a person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10 percent of any class or series of the Company's outstanding voting securities; (c) an associate or affiliate of any of the persons or companies referred to in paragraphs (a) or (b), has or had any material interest, direct or indirect, in any material transaction since incorporation or in any proposed transaction that has materially affected or is reasonably expected to affect the Company.

AUDITOR, TRANSFER AGENT, AND REGISTRARS

The auditors of the Company and NumCo are Dale Matheson Carr-Hilton Labonte LLP ("**DMCL Chartered Professional Accountants**"), located at 1140 W Pender St #1500-1700, Vancouver, British Columbia V6E 4G1. They have advised the Company that they are independent of the Company and NumCo within the meaning of the Rules of Professional Conduct of the Institute of Chartered Professional Accountants of British Columbia.

The Company has appointed Endeavor Trust Company, located at 777 Hornby St #702, Vancouver, British Columbia V6Z 1S4, as the registrar and transfer agent of the Company.

MATERIAL CONTRACTS

Except for contracts made in the ordinary course of business, the following are the only material contracts entered into by the Company since its incorporation, which are currently in effect and considered to be currently material:

1. the Escrow Agreement; and
2. the registrar and transfer agreement dated January 20, 2022 between the Company and Endeavor Trust Company.

EXPERTS

DMCL Chartered Professional Accountants have audited the Company Financial Statements for the financial years ended August 31, 2021, 2020, and 2019 and the NumCo Financial Statements from the date of incorporation to August 31, 2021.

Robert J. Johansing, BSc Geology, MSc Economic Geology, QP MMSA authored the ELi Property Technical Report, which was prepared for the Company with respect to the ELi Property, dated January 4, 2022.

No person or company whose profession or business gives authority to a report, valuation, statement or opinion and whom is named as having prepared or certified a report or valuation described or included in this Prospectus holds or is to hold any beneficial or registered interest, direct or indirect, in any securities or property of the Company or any associate of the Company.

As at the date hereof, none of the aforementioned persons beneficially owns, directly or indirectly, securities of the Company or its associates and affiliates. In addition, none of the aforementioned persons nor any director, officer or employee of any of the aforementioned persons, is or is expected to be elected, appointed or employed as, a director, senior officer or employee of the Company or of an associate or affiliate of the Company, or as a promoter of the Company or an associate or affiliate of the Company.

OTHER MATERIAL FACTS

To management's knowledge, there are no other material facts relating to the Company that are not otherwise disclosed in this Prospectus or are necessary for the Prospectus to contain full, true and plain disclosure of all material facts relating to the Company.

RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment thereto. In several provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, damages if the Prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation in the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation in the purchaser's province for the particulars of these rights or consult with a legal advisor.

FINANCIAL STATEMENTS AND MD&A DISCLOSURE

The following financial statements and management's discussions and analysis are included herein:

APPENDIX A	-	CLEAR SKY LITHIUM CORP. FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED NOVEMBER 30, 2021 AND 2020 AND THE FINANCIAL YEARS ENDED AUGUST 31, 2021 AND 2020. CLEAR SKY LITHIUM CORP. MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE THREE MONTHS ENDED NOVEMBER 30, 2021 AND 2020 AND THE FINANCIAL YEARS ENDED AUGUST 31, 2021 AND 2020.
APPENDIX B	-	1291455 B.C. LTD. FINANCIAL STATEMENTS FOR THREE MONTHS ENDED NOVEMBER 30, 2021 AND FOR THE PERIOD OF INCORPORATION TO AUGUST 31, 2021.
APPENDIX C		CLEAR SKY LITHIUM CORP. PRO FORMA FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED NOVEMBER 30, 2021 AND 2020 AND THE FINANCIAL YEAR ENDED AUGUST 31, 2021.

APPENDIX A
CLEAR SKY LITHIUM CORP. FINANCIAL STATEMENTS AND MD&A

(ATTACHED)

CLEAR SKY LITHIUM CORP.

(formerly PW1 Ventures Corp.)

CONDENSED INTERIM FINANCIAL STATEMENTS

For the three months ended November 30, 2021 and 2020

(Expressed in Canadian dollars - Unaudited)

CLEAR SKY LITHIUM CORP. (formerly PW1 Ventures Corp.)
Condensed Interim Statements of Financial Position
(Expressed in Canadian Dollars - Unaudited)

	Notes	November 30, 2021	August 31, 2021
		$	$
ASSETS			
Current:			
Cash		**310,938**	156,408
Unit subscription receivable	5	**73,000**	2,000
GST receivable		**4,930**	560
		388,868	158,968
Due from related party	6	**59,103**	-
Total assets		**447,971**	158,968
LIABILITIES			
Current:			
Accounts payable and accrued liabilities	4,6	**111,937**	61,290
Deposit paid for shares and warrants	5	**187,935**	73,458
Subscription liability	5	**139,712**	119,001
Total liabilities		**439,584**	253,749
SHAREHOLDERS' EQUITY (DEFICIENCY)			
Share capital	5	**163,183**	1,437
Reserves	5	**95,571**	564
Deficit		**(250,367)**	(96,782)
Total shareholders' equity (deficiency)		**8,387**	(94,781)
Total liabilities and shareholders' equity		**447,971**	158,968

Nature of operations and going concern (Note 1)
Subsequent events (Note 8)

These financial statements were authorized for issue by the Board of Directors on February [X], 2022.

/s/ "[X]"
Director

/s/ "[X]"
Director

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

CLEAR SKY LITHIUM CORP. (formerly PW1 Ventures Corp.)
Condensed Interim Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars, except number of shares - Unaudited)

	Notes	Three months ended November 30, 2021	2020
		$	$
Operating expenses			
Advertising		**12,500**	-
Bank charges		**60**	18
General and administrative		**21,032**	-
Legal and professional fees	6	**77,918**	-
Salaries and wages	6	**38,144**	-
Share-based compensation	5,6	**3,931**	-
Net loss and comprehensive loss		**153,585**	18
Loss per share			
Basic and diluted		**0.02**	18.00
Weighted average number of common shares outstanding			
Basic and diluted		**7,804,817**	1

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

CLEAR SKY LITHIUM CORP. (formerly PW1 Ventures Corp.)
Condensed Interim Statements of Changes in Shareholders' Equity (Deficiency)
(Expressed in Canadian Dollars, except number of shares - Unaudited)

	Notes	Number of common shares	Share capital	Reserve	Deficit	Total
		#	$	$	$	$
Balance, August 31, 2020		1	1	-	(5,151)	(5,150)
Net loss and comprehensive loss for the period		-	-	-	(18)	(18)
Balance, November 30, 2020		1	1	-	(5,169)	(5,168)
Units issued for private placements		200,000	1,436	564	-	2,000
Net loss and comprehensive loss for the period		-	-	-	(91,613)	(91,613)
Balance, August 31, 2021		200,001	1,437	564	(96,782)	(94,781)
Units issued for private placements	5	22,532,200	161,746	63,576	-	225,322
Special warrants issued	5	-	-	27,500	-	27,500
Stock options granted	5	-	-	3,931	-	3,931
Net loss and comprehensive loss for the period		-	-	-	(153,585)	(153,585)
Balance, November 30, 2021		**22,732,201**	**163,183**	**95,571**	**(250,367)**	**8,387**

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

CLEAR SKY LITHIUM CORP. (formerly PW1 Ventures Corp.)
Condensed Interim Statements of Cash Flows
(Expressed in Canadian Dollars - Unaudited)

	Three months ended November 30,	
	2021	2020
	$	$
Operating activities		
Net loss for the period	**(153,585)**	(18)
Adjustment for non-cash items:		
Share-based compensation	**3,931**	-
Changes to non-cash working capital items:		
GST receivable	**(4,370)**	-
Accounts payable and accrued liabilities	**50,647**	-
Net cash used in operating activities	**(103,377)**	(18)
Investing activities		
Advances to related party	**(59,103)**	-
Net cash used in investing activities	**(59,103)**	-
Financing activities		
Proceeds from issuance of units	**136,289**	-
Deposit for share subscription	**180,721**	-
Net cash provided by financing activities	**317,010**	-
Increase (decrease) in cash	**154,530**	(18)
Cash, beginning of period	**156,408**	18,350
Cash, end of period	**310,938**	18,332
Supplement cash flow information		
Increase in unit subscription receivable	**71,000**	-

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Clear Sky Lithium Corp. (formerly PW1 Ventures Corp.) (the "Company") is in the business of the exploration and evaluation of mineral properties. The Company was incorporated under the Business Corporations Act of British Columbia on June 25, 2018. On May 18, 2021, the Company changed its name from PW1 Ventures Corp. to Clear Sky Lithium Corp. The address of the Company's registered and records office is 2200-885 West Georgia Street, Vancouver, British Columbia, Canada, V6C 3E8. The principal place of business is 2088-1177 West Hastings Street, Vancouver, British Columbia, Canada, V6E 2K3.

These condensed interim financial statements (the "financial statements") have been prepared on a going concern basis, which assumes the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. The Company incurred a loss of $153,585 for three months ended November 30, 2021 and has working capital deficiency as at November 30, 2021 of $50,716, and has accumulated deficit as at November 30, 2021 of $250,367. The Company has no source of operating cash flows, and there is no assurance that sufficient funding (including adequate financing) will be available to conduct the required exploration and development of mineral property projects. These factors present a material uncertainty over the Company's ability to continue as a going concern.

The application of the going concern assumption is dependent on the Company's ability to generate future profitable operations and receive continued financial support from its creditors and shareholders. These financial statements do not give effect to any adjustments that might be required should the Company be unable to continue as a going concern. These adjustments could be material.

The coronavirus pandemic continues to have global impacts on workforces, economies, and financial markets. It is not possible for the Company to predict the duration or magnitude of any adverse effects that the pandemic may have on the Company's business or ability to raise funds. As of the date of these financial statements, COVID-19 has had no impact on the Company's ability to access capital but there is no certainty as to how future developments may impact the Company's ability to raise funding or conduct exploration and evaluation activities should travel restrictions related to COVID-19 be extended or expanded in scope.

2. BASIS OF PRESENTATION

a) Statement of compliance

These condensed interim financial statements were approved and authorized for issuance on XX, 2022 by the directors of the Company.

These interim financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") applicable to the preparation of interim financial statements including *International Accounting Standard 34 - Interim Financial Reporting*. These interim financial statements do not include all disclosures required for annual audited financial statements. Accordingly, they should be read in conjunction with the notes to the Company's audited financial statements for the years ended August 31, 2021 and 2020 (the "annual financial statements"), which include the information necessary or useful to understanding the Company's business and financial statement presentation. In particular, the Company's use of judgements and estimates and significant accounting policies were presented in notes 2 and 3, respectively, of those annual financial statements and have been consistently applied in the preparation of the interim financial statements.

(Expressed in Canadian Dollars, except where noted)

2. BASIS OF PRESENTATION (Continued)

b) Basis of measurement

These interim financial statements have been prepared on a historical cost basis except for certain financial instruments which are measured at their fair value as explained in the accounting policies set out below. In addition, these interim financial statements have been prepared using the accrual basis of accounting except cash flow information.

c) Functional and presentation currency

The functional currency for the Company is the currency of the primary economic environment in which the entity operates. The Company has determined that the functional currency is the Canadian dollar, which is also the Company's presentation currency.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied in the preparation of these condensed interim financial statements are consistent with those applied and disclosed in note 3 of the annual financial statements.

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	November 30, 2021	August 31, 2021
	$	$
Accounts payables	**84,480**	23,916
Payroll liabilities	**6,881**	20,980
Accrued liabilities	**20,576**	16,394
	111,937	61,290

5. SHARE CAPITAL AND RESERVES

a) Share capital

Authorized

The Company is authorized to issue an unlimited number of common shares without par value.

Issued

The Company issued one share to its director and officer upon incorporation of the Company.

On September 28, 2021, the Company issued 22,532,200 units at a price of $0.01 for gross proceeds of $225,322, noting that $71,000 was receivable as at November 30, 2021 and was subsequently received after the period end. Each unit consists of one common share of the Company and one common share purchase warrant, with each warrant entitling the holder thereof to purchase one additional common share of the Company at a price of $0.05 per share for a period of thirty-six months from the issuance date. The fair value of the warrants was determined to be $63,576 applying the relative fair value method with each common share having a $0.007 fair value and each warrant having a $0.003 fair value, using the Black-Scholes option pricing model with the following assumptions for the warrants: expected life of three (3) years, risk-free interest rate of 0.6%, expected volatility of 114% and 0% expected dividend yield.

5. SHARE CAPITAL AND RESERVES (CONTINUED)

On August 12, 2021, the Company issued 200,000 units at a price of $0.01 for gross proceeds of $2,000. Each unit consists of one common share of the Company and one common share purchase warrant, with each warrant entitling the holder thereof to purchase one additional common share of the Company at a price of $0.05 per share for a period of thirty-six months from the issuance date. The warrants were valued using a Black-Scholes Option Pricing Model with the following assumptions: share price on date of grant of $0.01, exercise price of $0.05, estimated weighted average life of three years, volatility of 114%, and risk-free interest rate of 0.58%. Applying the relative fair value approach, the fair value of share capital on the date of issuance was $1,436 and fair value allocated to the warrant reserve was $564. As at November 30, 2021, the proceeds from the placement of these units were not received and as such $2,000 is recorded as unit subscription receivable, this amount was subsequently received after the period end.

b) Reserves

i. Warrants

On October 15, 2021, the Company issued 550,000 special warrants at the price of $0.05 per special warrant. The proceeds of $27,500 were received during the year ended August 31, 2021. Each special warrant, upon exercise, entitles the holder to receive one common share of the Company for no additional consideration. The special warrants will, if not exercised earlier, be deemed to be exercisable on the earlier of (i) the fifth business day after the date on which the Company obtains a receipt from the applicable securities commission in Canada for the final prospectus qualifying the distribution of the Company's shares to be issued upon the exercise or deemed exercise of the special warrants, and (ii) February 16, 2022.

ii. Stock options

On September 28, 2021, the Company granted 1,000,000 irrevocable common share purchase options (the "Options") to a service provider and a former officer from the Company. Each Option entitles the holder to purchase one common share at an exercise price of $0.05. All the Options were vested and exercisable upon issuance. The Options expire on September 28, 2024. The fair value of the Options was determined to be $3,931 using the Black-Scholes option pricing model with the following assumptions: expected life of 3 years, risk-free interest rate of 0.6% based on the bond rate of the Bank of Canada, expected volatility of 114% and 0% expected dividend yield.

c) Deposits paid for shares

As at November 30, 2021, the Company has received total proceeds of $187,935 (August 31, 2021 - $45,958) in connection with non-brokered private placements that closed in the subsequent period (Note 9).

d) Subscription liabilities

As at November 30, 2021, the Company has received deposits of $139,712 (August 31, 2021 - $119,001) for a financing that did not close. The deposits were returned to the subscribers in the subsequent period.

(Expressed in Canadian Dollars, except where noted)

6. RELATED PARTY TRANSACTIONS

The Company has identified its directors, officers and companies controlled by them as its key management personnel. Amounts paid to key management personnel and/or entities over which they have control are as follows:

	Three months ended November 30, 2021
	$
Key management compensation	**37,500**
Professional services provided by a company owned by a shareholder	**5,000**
Professional services provided by a company owned by an officer	**16,913**
Share-based compensation	**1,965**
	61,378

Balances due from (to) related parties as at November 30, 2021 and August 31, 2021, were as follows:

	November 30, 2021	August 31, 2021
	$	$
Due from related party (Note 8)	**59,103**	-
Accounts payable and accrued liabilities	**(12,246)**	(16,394)
	46,857	(16,394)

The amount due from related party is non-interest bearing, unsecured and has no fixed term of repayment.

7. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company provides disclosures that enable users to evaluate (a) the significance of financial instruments for the entity's financial position and performance; and (b) the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the date of the statement of financial position, and how the entity manages these risks.

The Company provides information about its financial instruments measured at fair value at one of three levels according to the relative reliability of the inputs used to estimate the fair value:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's financial instruments consist of cash, due from related party, accounts payables and accrued liabilities, deposit paid for share and warrants and subscription liability. The carrying values of these financial instruments approximate their respective fair values due to the term of these instruments.

As at November 30, 2021, the Company did not have any financial instruments measured at fair value.

8. SUBSEQUENT EVENTS

On December 22, 2021, the Company consolidated its common shares on a 2:1 basis. Shares outstanding of 22,732,200 were consolidated into 11,366,104 shares.

On December 23, 2021, the Company completed a share purchase agreement with the shareholders of 1291455 B.C. LTD. (“1291455BC”) whereby the Company purchased all the outstanding shares of 1291455BC in exchange for the issuance of 3,468,736 units, each unit comprised of one post-consolidation common share and one common share purchase warrant. Each warrant is exercisable to acquire one post-consolidation common share at a price of $0.10 for 36 months after the closing date. 1291455BC is a private company controlled by individuals related to the Company, was incorporated under the Business Corporation Act of British Columbia and is in the business of the exploration and evaluation of mineral properties. During the three months ended November 30, 2021 the Company paid $59,103 (2020 - $nil) of operating costs on behalf of 1291455BC which are included as due from related party on the statement of financial position as at November 30, 2021.

On January 17, 2022, the Company completed non-brokered private placements for 5,933,200 units at a price of $0.25 for gross proceeds of $1,483,300. Each unit consists of one post-consolidation common share of the Company and one common share purchase warrant, with each warrant entitling the holder to purchase one post-consolidation common share of the Company at a price of $0.40 per share for a period of thirty-six months from their date of issue. Of the gross proceeds, $187,935 was received as at November 30, 2021.

CLEAR SKY LITHIUM CORP.
(formerly PW1 Ventures Corp.)

FINANCIAL STATEMENTS

For the years ended August 31, 2021 and 2020

(Expressed in Canadian dollars)

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Clear Sky Lithium Corp. (formerly PW1 Ventures Corp.)

Opinion

We have audited the financial statements of Clear Sky Lithium Corp. (the "Company"), which comprise the statements of financial position as at August 31, 2021 and 2020 and the statements of loss and comprehensive loss, changes in shareholders' deficiency and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at August 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

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 Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

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

Other Information

Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis.

Our opinion on the 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 financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC

March [x], 2022

CLEAR SKY LITHIUM CORP. (formerly PW1 Ventures Corp.)
Statements of Financial Position
As at August 31, 2021 and August 31, 2020
(Expressed in Canadian Dollars)

	Notes	August 31, 2021	August 31, 2020
		$	$
ASSETS			
Current:			
Cash		**156,408**	18,350
Unit subscription receivable	5	**2,000**	-
GST receivable		**560**	-
Total assets		**158,968**	18,350
LIABILITIES			
Current:			
Accounts payable and accrued liabilities	4,6	**61,290**	5,000
Deposit paid for shares and warrants	5	**73,458**	18,500
Subscription liability	5	**119,001**	-
Total liabilities		**253,749**	23,500
SHAREHOLDERS' DEFICIENCY			
Share capital	5	**1,437**	1
Reserve	5	**564**	-
Deficit		**(96,782)**	(5,151)
Total shareholders' deficiency		**(94,781)**	(5,150)
Total liabilities and shareholders' deficiency		**158,968**	18,350

Nature of operations and going concern (Note 1)
Subsequent events (Note 10)

These financial statements were authorized for issue by the Board of Directors on March [X], 2022.

/s/ "[X]"
Director

/s/ "[X]"
Director

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

CLEAR SKY LITHIUM CORP. (formerly PW1 Ventures Corp.)
Statements of Loss and Comprehensive Loss
For the years ended August 31, 2021 and 2020
(Expressed in Canadian Dollars, except number of shares)

	Notes	2021	2020
		$	$
Operating expenses			
Advertising		**21,000**	-
Bank charges		**99**	80
Legal and professional fees		**11,365**	386
Listing fees		**5,400**	-
Salaries and wages	6	**53,767**	-
Net loss and comprehensive loss		**91,631**	466
Loss per share			
Basic and diluted		**17.60**	466.00
Weighted average number of common shares outstanding			
Basic and diluted		**5,206**	1

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

CLEAR SKY LITHIUM CORP. (formerly PW1 Ventures Corp.)
Statements of Changes in Shareholders' Deficiency
For the years ended August 31, 2021 and August 31, 2020
(Expressed in Canadian Dollars, except number of shares)

	Note	Number of common shares	Share capital	Reserve	Deficit	Total
		#	$	$	$	$
Balance, August 31, 2019		1	1	-	(4,685)	(4,684)
Net loss and comprehensive loss		-	-	-	(466)	(466)
Balance, August 31, 2020		1	1	-	(5,151)	(5,150)
Units issued for private placements	5	200,000	1,436	564	-	2,000
Net loss and comprehensive loss		-	-	-	(91,631)	(91,631)
Balance, August 31, 2021		**200,001**	**1,437**	**564**	**(96,782)**	**(94,781)**

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

CLEAR SKY LITHIUM CORP. (formerly PW1 Ventures Corp.)
Statements of Cash Flows
For the years ended August 31, 2021 and 2020
(Expressed in Canadian Dollars)

	2021	2020
	$	$
Operating activities		
Net loss	(91,631)	(466)
Changes to non-cash working capital items:		
GST receivable	(560)	-
Accounts payable and accrued liabilities	56,290	386
Net cash used in operating activities	(35,901)	(80)
Financing activities		
Deposit for warrants subscription	9,000	1,750
Deposit for share subscription	45,958	-
Refundable share subscription deposits	119,001	-
Net cash provided by financing activities	173,959	1,750
Increase in cash	138,058	1,670
Cash, beginning of year	18,350	16,680
Cash, end of year	156,408	18,350
Supplemental cash flow information		
Unit subscription receivable	2,000	-

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Clear Sky Lithium Corp. (formerly PW1 Ventures Corp.) (the "Company") was incorporated under the Business Corporations Act of British Columbia on June 25, 2018. On May 18, 2021, the Company changed its name from PW1 Ventures Corp. to Clear Sky Lithium Corp. The Company's principal business activities are in the exploration and evaluation of mineral properties. The address of the Company's registered and records office is 2200-885 West Georgia Street, Vancouver, British Columbia, Canada, V6C 3E8. The principal place of business is 2088-1177 West Hastings Street, Vancouver, British Columbia, Canada, V6E 2K3.

These financial statements have been prepared on a going concern basis, which assumes the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. The Company incurred a loss of $91,631 during the year ended August 31, 2021 (2020 - $466). The Company has no source of operating cash flows, and there is no assurance that sufficient funding (including adequate financing) will be available to conduct the required exploration and development of mineral property projects. These factors present a material uncertainty that casts significant doubt over the Company's ability to continue as a going concern.

The application of the going concern assumption is dependent on the Company's ability to generate future profitable operations and receive continued financial support from its creditors and shareholders. These financial statements do not give effect to any adjustments that might be required should the Company be unable to continue as a going concern. These adjustments could be material.

The coronavirus pandemic continues to have global impacts on workforces, economies, and financial markets. It is not possible for the Company to predict the duration or magnitude of any adverse effects that the pandemic may have on the Company's business or ability to raise funds. As of the date of these financial statements, COVID-19 has had no impact on the Company's ability to access capital but there is no certainty as to how future developments may impact the Company's ability to raise funding or conduct exploration and evaluation activities should travel restrictions related to COVID-19 be extended or expanded in scope.

2. BASIS OF PRESENTATION

a) Statement of compliance

These financial statements were approved and authorized for issuance on February XX, 2022 by the directors of the Company.

These financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

b) Basis of measurement

These financial statements have been prepared on a historical cost basis except for certain financial instruments which are measured at their fair value as explained in the accounting policies set out in note 3. In addition, these financial statements have been prepared using the accrual basis of accounting except cash flow information.

c) Functional and presentation currency

The functional currency for the Company is the currency of the primary economic environment in which the entity operates. The Company has determined that the functional currency is the Canadian dollar, which is also the Company's presentation currency.

3. SIGNIFICANT ACCOUNTING POLICIES

a) Cash and cash equivalents

Cash is comprised of cash held in a trust account and deposits in banks.

b) Financial instruments

IFRS 9 addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 requires financial assets to be classified into three measurement categories: those measured at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income ("FVTOCI"), and at amortized cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument.

The Company's financial instruments are classified as follows:

Financial instruments	Classification
Financial assets:	
Cash	Amortized cost
Unit subscription receivable	Amortized cost
GST receivable	Amortized cost
Financial liabilities:	
Accounts payable and accrued liabilities	Amortized cost
Deposit paid for shares and warrants	Amortized cost
Subscription liability	Amortized cost

Financial assets

Financial assets are classified as either financial assets at FVTPL, amortized cost, or FVTOCI. The Company determines the classification of its financial assets at initial recognition.

Fair value through profit or loss – financial assets are classified as FVTPL if they do not meet the criteria of amortized cost or FVTOCI. Changes in fair value are recognized in the statement of loss.

Amortized cost – financial assets are classified as measured at amortized cost if both of the following criteria are met and the financial assets are not designated as FVTPL: 1) The objective of the Company's business model for these financial assets is to collect their contractual cash flows; and 2) the assets contractual cash flow represents solely payments of principal and interest.

FVTOCI

Debt investments at FVTOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in Other Comprehensive Income ("OCI"). On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVTOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial liabilities

All financial liabilities are initially recorded at fair value and designated upon inception as FVTPL or other financial liabilities. Financial liabilities classified as FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Fair value changes on financial liabilities classified as FVTPL are recognized in earnings.

Financial liabilities classified as other financial liabilities are initially recognized at fair value less directly attributable transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest rate method. The effective interest rate method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Impairment of financial assets at amortized cost

The Company assesses all information available, including on a forward-looking basis, the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as the reporting date, with the risk of default as at the date of initial recognition, based on all information available, and reasonable and supportive forward-looking information. If it has been determined that there is a significant increase in risk, then the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses. If at the reporting date, the credit risk of the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in profit or loss the amount of expected credit losses (or reversal), as an impairment gain or loss, that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

c) Income taxes

Deferred income taxes are provided in full, using the liability method, on temporary differences arising between the income tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income taxes are determined using income tax rates and income tax laws that have been enacted at the end of the reporting period and are expected to apply when the related deferred income tax asset is realized, or the deferred income tax liability is settled. Deferred income tax assets are recognized to the extent that it is probable that future taxable income will be available against which the temporary differences can be utilized.

d) Earnings (loss) per share

Basic earnings (loss) per share ("EPS") is calculated using the weighted average number of common shares outstanding during the year. Diluted loss per share is calculated by adjusting the loss attributable to equity shareholders and the weighted average number of common shares outstanding for the effects of all potentially dilutive instruments. The calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the year. In years where a loss is reported, diluted loss per share is the same as basic loss per share because the effects of potentially dilutive common shares would be anti-dilutive.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e) Restoration, rehabilitation and environmental obligations

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, as soon as the obligation to incur such costs arises. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the unit-of-production or the straight-line method. The related liability is adjusted each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. Costs for restoration of subsequent site damage, which is created on an ongoing basis during production, are provided for at their net present values and charged against profits as extraction progresses.

f) Exploration and evaluation assets

Acquisition costs for exploration and evaluation assets, net of recoveries, are capitalized on a property-by-property basis. Acquisition costs include cash consideration and the value of common shares, based on fair value at issuance, issued for mineral properties pursuant to the terms of the underlying agreement. Exploration expenditures, net of recoveries, are not capitalized but recorded in the consolidated statements of loss and comprehensive loss as incurred.

After an exploration and evaluation asset is determined by management to be commercially viable and technically feasible, exploration and evaluation expenditures on the property will first be assessed for impairment before being capitalized as property and equipment. The Company has no exploration and evaluation assets that have been determined by management to be commercially viable and technically feasible as at August 31, 2021.

Capitalized acquisition costs are assessed for impairment if facts and circumstances suggest that the carrying amount exceeds the recoverable amount. When there is little prospect of further work being carried out by the Company on a property, when a property is abandoned, or when the capitalized costs are no longer considered recoverable, the related property costs are written down to management’s estimate of their net recoverable amount.

g) Share-based compensation and share-based payments

The Company may grant stock options to acquire common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes or provides services similar to those performed by an employee. The fair value of stock options, determined at the date of the grant, is charged to the statement of loss and comprehensive loss, with an offsetting credit to reserves, over the vesting period. If and when the stock options are exercised, the applicable original amounts of reserves are transferred to share capital.

The fair value of a share-based compensation award is measured at the date of the grant. The estimated fair value of stock options is measured using the Black-Scholes Option Pricing Model. The Black-Scholes Option Pricing Model requires the input of subjective assumptions, including the expected term of the option and stock price volatility. The expected term of options granted is determined based on historical data on the average hold period before exercise, expiry or cancellation. Expected volatility is estimated with reference to the historical volatility of the stock price of the Company.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are to be measured at fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

h) Share capital

The Company records proceeds from share issuances net of issue costs and any tax effects. Common shares issued for consideration other than cash are valued based on their market value of the shares as of the date of issuance.

When equity offerings consist of common shares issued with attached share purchase warrants, if both instruments are classified as equity, the net proceeds are allocated based on the relative fair value of each component of equity. In determining the fair value of warrants that are not publicly traded, the Company uses the Black-Scholes option pricing model.

i) Recent accounting pronouncements

Certain other accounting pronouncements were issued but the Company anticipates that the application of these standards, amendments and interpretations in future periods will have no material impact on the results and financial position of the Company except for additional disclosures. The Company is assessing the impact of the new or revised IFRS standards on its financial position and financial performance.

j) Critical accounting estimates, judgments and assumptions

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, and contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

<u>Critical accounting estimates</u>

Income taxes

The determination of income tax is inherently complex and requires making certain estimates and assumptions about future events. While income tax filings are subject to audits and reassessments, the Company has adequately provided for all income tax obligations. However, changes in facts and circumstances as a result of income tax audits, reassessments, jurisprudence and any new legislation may result in an increase or decrease in our provision for income taxes.

The estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income, which in turn is dependent upon successful discovery, extraction, development and commercialization of mineral reserves.

To the extent that management's assessment of the company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and deferred income tax provisions or recoveries could be affected.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Valuation of share-based payments

The assumptions used in the calculation for the value of share-based payments are inherently uncertain. The resulting value calculated is not necessarily the value that the holder of the equity compensation could receive in an arm's length transaction, given that there is no market for the options. Changes in these assumptions could materially affect the estimated fair values.

Valuation of shares issued in non-cash transactions

Generally, the valuation of non-cash transactions is based on the value of the goods or services received. When this cannot be determined, it is based on the fair value of the non-cash consideration. When non-cash transactions are entered into with employees and those providing similar services, the non-cash transactions are measured at the fair value of the consideration given up using market prices.

Determination of functional currency may involve certain judgments to determine the primary economic environment and the Company reconsiders the functional currency of its entities if there is a change in events and conditions that determined the primary economic environment.

Critical accounting judgments

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- going concern assessment; and
- the consideration of whether impairment indicators exist for financial assets.

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2021	2020
	$	$
Accounts payables	**23,916**	5,000
Payroll liabilities	**20,980**	-
Accrued liabilities	**16,394**	-
	61,290	5,000

5. SHARE CAPITAL AND RESERVES

a) Share capital

Authorized

The Company is authorized to issue an unlimited number of common shares without par value.

Issued

The Company issued one share to its director and officer upon incorporation of the Company.

(Expressed in Canadian Dollars, except where noted)

5. SHARE CAPITAL AND RESERVES (CONTINUED)

On August 12, 2021, the Company issued 200,000 units at a price of $0.01 for gross proceeds of $2,000. Each unit consists of one common share of the Company and one common share purchase warrant, with each warrant entitling the holder thereof to purchase one additional common share of the Company at a price of $0.05 per share for a period of thirty-six months from the issuance date. The warrants were valued using a Black-Scholes Option Pricing Model with the following assumptions: share price on date of grant of $0.01, exercise price of $0.05, estimated weighted average life of three years, volatility of 114%, and risk-free interest rate of 0.58%. Applying the relative fair value approach, the fair value of share capital on the date of issuance was $1,436 and fair value allocated to the warrant reserve was $564. As at August 31, 2021, the proceeds from the placement of these units were not received and as such $2,000 is recorded as unit subscription receivable.

b) Deposits for special warrants

As of August 31, 2021, the Company collected subscription proceeds of $27,500 (2020 - $18,500) for a non-brokered private placement of 550,000 special warrants at the price of $0.05 per special warrant. Each special warrant, upon exercise, entitles the holder to receive one common share of the Company for no additional consideration. The special warrants will, if not exercised earlier, be deemed to be exercisable on the earlier of (i) the fifth business day after the date on which the Company obtains a receipt from the applicable securities commission in Canada for the final prospectus qualifying the distribution of the Company's shares to be issued upon the exercise or deemed exercise of the special warrants, and (ii) February 16, 2022. Subsequent to year end these warrants were issued and then automatically converted into common shares of the Company on February 16, 2022 (Note 10).

c) Deposits for shares

During the year ended August 31, 2021, the Company received total proceeds of $45,958 (2020 - $nil) in connection with non-brokered private placements that closed in the subsequent period (Note 10).

d) Subscription liabilities

During the year ended August 31, 2021, the Company received deposits of $119,001 (2020 - $nil) for a financing that did not close. The deposits were returned to the subscribers in the subsequent period.

6. RELATED PARTY TRANSACTIONS

The Company has identified its directors, officers and companies controlled by them as its key management personnel. Amounts paid to key management personnel and/or entities over which they have control are as follows:

	2021	2020
	$	$
Key management compensation	**50,000**	-

As of August 31, 2021, accounts payable and accrued liabilities included $16,394 due to an officer of the Company (2020 - $Nil). The payable is unsecured, non-interest bearing, and with no fixed terms of repayment.

(Expressed in Canadian Dollars, except where noted)

7. INCOME TAXES

The provision for income tax differs from the amount that would have been expected if the reported earnings had been subject to the Canadian statutory income tax rate of 27%.

	2021	2020
	$	$
Net loss for the year	**91,631**	466
Expected income tax recovery based on statutory rates	**24,740**	126
Effects on income taxes of:		
Change in deferred tax asset not recognized	**(24,740)**	(126)
Deferred income tax expense	**-**	-

The components of the Company's unrecognized deferred tax assets are as follows:

	2021	2020
	$	$
Non-capital loss carry forwards	**26,131**	1,391
Deferred tax assets not recognized	**(26,131)**	(1,391)
	-	-

As of August 31, 2021, the Company had non-capital loss carry forwards of $96,782 which expire in 2039 to 2041.

The Company has not recognized any deferred income tax assets. The Company recognizes deferred income tax assets based on the extent to which it is probable that sufficient taxable income will be realized during the carry forward years to utilize all deferred tax assets.

8. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company provides disclosures that enable users to evaluate (a) the significance of financial instruments for the entity's financial position and performance; and (b) the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the date of the statement of financial position, and how the entity manages these risks.

The Company provides information about its financial instruments measured at fair value at one of three levels according to the relative reliability of the inputs used to estimate the fair value:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's financial instruments consist of cash, accounts payables and accrued liabilities, deposit paid for shares and warrants, and subscription liability. The carrying values of these financial instruments approximate their respective fair values due to the term of these instruments.

As at August 31, 2021, the Company did not have any financial instruments measured at fair value.

8. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

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

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash. The Company manages its credit risk relating to cash through the use of a major financial institution which has a high credit quality as determined by rating agencies. As at August 31, 2021, the Company had cash of $91,449 (2020 - $18,350) with a large Canadian bank and $64,959 (2020 - $nil) in a lawyer's trust account. The Company assessed credit risk as low.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. As at August 31, 2021, the Company has current liabilities totaling $253,749 and cash of $156,408. The Company is in the exploration stage, it will periodically have to raise funds to continue operations and intends to raise further financing through private placements.

Market risk

Market risk is the risk that changes in market prices such as commodity prices, foreign exchange rates and interest rates will affect the Company's income. The objective of market risk management is to manage and control market risk exposure within acceptable parameters. The Company does not use derivative instruments to reduce its insignificant exposure to market risks.

9. CAPITAL MANAGEMENT

The Company includes shareholders' equity and any debt it may issue, in the definition of capital. The Company's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

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

The Company's property is in the exploration stage and as such the Company is dependent upon external financings to fund activities. In order to carry out planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional funds required.

Management reviews its capital management approach on an ongoing basis and believes that this approach is reasonable given the relative size of the Company. There were no changes to the Company's approach to capital management during the year ending August 31, 2021. The Company is not subject to any external covenants.

10.SUBSEQUENT EVENTS

On September 28, 2021, the Company granted 1,000,000 irrevocable common share purchase options (the "Options") to a service provider and a former officer from the Company. Each Option entitles the holder to purchase one common share at an exercise price of $0.05. All the Options were vested and exercisable upon issuance. The Options expire on September 28, 2024.

On September 28, 2021, the Company issued 22,532,200 units at a price of $0.01 for gross proceeds of $225,322. Each unit consists of one common share of the Company and one common share purchase warrant, with each warrant entitling the holder thereof to purchase one additional common share of the Company at a price of $0.05 per share for a period of thirty-six months from the issuance date.

On October 15, 2021, the Company issued 550,000 special warrants at the price of $0.05 per special warrant. The proceeds were received during the year ended August 31, 2021 (Note 5). Each special warrant, upon exercise, entitles the holder to receive one common share of the Company for no additional consideration. The special warrants will, if not exercised earlier, be deemed to be exercisable on the earlier of (i) the fifth business day after the date on which the Company obtains a receipt from the applicable securities commission in Canada for the final prospectus qualifying the distribution of the Company's shares to be issued upon the exercise or deemed exercise of the special warrants, and (ii) February 16, 2022. The warrants converted into common shares on February 16, 2022.

On December 22, 2021, the Company consolidated its common shares on a 2:1 basis. Shares outstanding of 22,732,200 were consolidated into 11,366,104 shares.

On December 23, 2021, the Company completed a share purchase agreement with the shareholders of 1291455 B.C. LTD. ("1291455BC") whereby the Company purchased all the outstanding shares of 1291455BC in exchange for the issuance of 3,468,736 units, each unit comprised of one post-consolidation common share and one common share purchase warrant. Each warrant is exercisable to acquire one post-consolidation common share at a price of $0.10 for 36 months after the closing date. 1291455BC is a private company controlled by individuals related to the Company, was incorporated under the Business Corporation Act of British Columbia and is in the business of the exploration and evaluation of mineral properties.

On January 17, 2022, the Company completed a non-brokered private placement for 5,933,200 units at a price of $0.25 for gross proceeds of $1,483,300. Each unit consists of one post-consolidation common share of the Company and one common share purchase warrant, with each warrant entitling the holder to purchase one post-consolidation common share of the Company at a price of $0.40 per share for a period of thirty-six months from their date of issue. Of the gross proceeds, $27,925 was received during the year ended August 31, 2021.

CLEAR SKY LITHIUM CORP.

MANAGEMENT'S DISCUSSION & ANALYSIS

FOR THE THREE MONTHS ENDED

NOVEMBER 30, 2021 AND 2020

(Expressed in Canadian Dollars)

MANAGEMENT DISCUSSION & ANALYSIS

The following Management's Discussion & Analysis ("MD&A") has been prepared by management, in accordance with the requirements of NI 51-102 as of [XX, 2022]. This MD&A provides analysis of the Company's financial results for the three months ended November 30, 2021 and 2020, and should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements "interim financial statements" for the three months ended November 30, 2021 and 2020, as well as the audited financial statements for the years ended August 31, 2021 and 2020 and the related notes contained therein which have been prepared under International Financial Reporting Standards ("IFRS"). The information contained herein is not a substitute for detailed investigation or analysis on any particular issue. The information provided in this document is not intended to be a comprehensive review of all matters and developments concerning the Company. Except as otherwise disclosed, all dollar figures included therein and in the following MD&A are quoted in Canadian dollars.

In this MD&A, "Clear Sky", the "Company", or the words "we", "us", or "our", collectively refer to Clear Sky Lithium Corp. The first, second, third and fourth quarters of the Company's fiscal years are referred to as "Q1", "Q2", "Q3" and "Q4", respectively.

BUSINESS OVERVIEW

Clear Sky Lithium Corp. (the "Company") was incorporated under the Business Corporations Act of British Columbia on June 25, 2018. On May 18, 2021, the Company changed its name from PW1 Ventures Corp. to Clear Sky Lithium Corp. The Company's principal business activities are in the exploration and evaluation of mineral properties. The address of the Company's registered and records office is 2200-885 West Georgia Street, Vancouver, British Columbia, Canada, V6C 3E8. The principal place of business is 2088-1177 West Hastings Street, Vancouver, British Columbia, Canada, V6E 2K3.

The Company is considered to be in the exploration stage with respect to its interests in exploration and evaluation assets. The recoverability of the amounts comprising exploration and evaluation assets is dependent upon the confirmation of economically recoverable reserves, the ability of the Company to obtain necessary financing to successfully complete their exploration and development and upon future profitable production.

Mineral Exploration Projects

On December 23, 2021, the Company acquired 1291455 B.C. Ltd. ("1291455") by way of purchasing all of the issued and outstanding shares.1291455 owns a 100% interest in 26 unpatented claims situated in Eureka County and Nye Count, Nevada. 1291455 is a private company incorporated under the Business Corporation Act of British Columbia and is in the business of the exploration and evaluation of mineral properties.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

Certain statements in this document constitute forward-looking information under applicable securities legislation. Forward- looking information typically contains statements with words such as "anticipate", "believe", "estimate", "will", "expect", "plan", "intend", or similar words suggesting future outcomes or an outlook. Forward-looking information in this document includes, but is not limited to:

- our business plan and investment strategy; and
- general business strategies and objectives.

Such forward-looking information is based on a number of assumptions which may prove to be incorrect. Assumptions have been made with respect to the following matters, in addition to any other assumptions identified in this document which includes, but is not limited to:

- taxes and capital, operating, general & administrative and other costs;
- general business, economic and market conditions;
- the ability of the Company to obtain the required capital to finance its investment strategy and meet its commitments and financial obligations;
- the ability of the Company to obtain services and personnel in a timely manner and at an acceptable cost to carry out activities; and
- the timely receipt of required regulatory approvals.

Although the Company believes that the expectations reflected in such forward-looking information are reasonable, undue reliance should not be placed on them as there can be no assurance that such expectations will prove to be correct. Forward-looking information is based on expectations, estimates and projections that involve a number of risks and uncertainties which could cause actual results to differ materially than anticipated and described in the forward-looking information. The material risks and uncertainties include, but are not limited to:

- meeting current and future commitments and obligations;
- general business, economic and market conditions;
- the uncertainty of estimates and projections relating to future costs and expenses;
- changes in, or in the interpretation of, laws, regulations or policies;
- the ability to obtain required regulatory approvals in a timely manner;
- the outcome of existing and potential lawsuits, regulatory actions, audits and assessments; and
- other risks and uncertainties described elsewhere in this document.

The foregoing list of risks is not exhaustive. For more information relating to risks, see the section titled "Risk Factors" herein. The forward-looking information contained in this document is made as of the date hereof and, except as required by applicable securities law, the Company undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise.

OVERALL PERFORMANCE AND RESULTS OF OPERATIONS

The following table summarizes the results of operations and selected information from the Company's audited financial statements for the period ending August 31, 2021 and 2020.

	For the three months ended November 30, 2021	For the three months ended November 30, 2020
	$	**$**
Advertising	**12,500**	-
Bank charges	**60**	18
General and administrative	**21,032**	-
Legal and professional fees	**77,918**	-
Salaries and wages	**38,144**	-
Share-based compensation	**3,931**	-
Net loss and comprehensive loss for the year	**153,585**	18
Weighted average number of common shares outstanding – basic and diluted	**7,804,817**	1
Loss per common share – basic and diluted	**0.02**	18.00

	As at November 30, 2021	As at August 31, 2020
	$	$
Total assets	**447,971**	158,968
Current liabilities	**439,584**	253,749
Total liabilities	**439,584**	253,749
Working capital deficiency	**(50,716)**	(94,781)

Analysis of operating results

During the three months ended November 30, 2021 and 2020, the Company had operating expenses of $153,585 and $18 respectively. Increase in operating expenses primarily relate to increases in the Company's cost structure as a result preparing for its public listing.

Share Capital Highlights

During the three months ended November 30, 2021:

On September 28, 2021, the Company granted 1,000,000 irrevocable common share purchase options (the "Options") to a service provider and a former officer from the Company. Each Option entitles the holder to purchase one common share at an exercise price of $0.05. All the Options were vested and exercisable upon issuance. The Options expire on September 28, 2024. The fair value of the Options was calculated as $3,931 using the Black-Scholes option pricing model with the following assumptions: expected life of 3 years, risk-free interest rate of 0.6% based on the bond rate of the Bank of Canada, expected volatility of 114% and 0% expected dividend yield.

On September 28, 2021, the Company issued 22,532,200 units at a price of $0.01 for gross proceeds of $225,322, noting that $71,000 was receivable as at November 30, 2021 and was subsequently received after the period end. Each unit consists of one common share of the Company and one common share purchase warrant, with each warrant entitling the holder thereof to purchase one additional common share of the Company at a price of $0.05 per share for a period of thirty-six months from the issuance date. The fair value of the warrants was determined to be $63,576 applying the relative fair value method with each common share having a $0.007 fair value and each warrant having a $0.003 fair value, using the Black-

Scholes option pricing model with the following assumptions for the warrants: expected life of three (3) years, risk-free interest rate of 0.6%, expected volatility of 114% and 0% expected dividend yield.

On October 15, 2021, the Company issued 550,000 special warrants at the price of $0.05 per special warrant. The proceeds were received during the year ended August 31, 2021 (Note 5). Each special warrant, upon exercise, entitles the holder to receive one common share of the Company for no additional consideration. The special warrants will, if not exercised earlier, be deemed to be exercisable on the earlier of (i) the fifth business day after the date on which the Company obtains a receipt from the applicable securities commission in Canada for the final prospectus qualifying the distribution of the Company's shares to be issued upon the exercise or deemed exercise of the special warrants, and (ii) February 16, 2022.

As at November 30, 2021, the Company has received total proceeds of $187,935 (August 31, 2021 - $45,958) in connection with non-brokered private placements that closed in the subsequent period.

As at November 30, 2021, the Company has received deposits of $139,712 (August 31, 2021 - $119,001) for a financing that did not close. The deposits were returned to the subscribers in the subsequent period.

During the year ended August 31, 2021:

On August 12, 2021, the Company issued 200,000 units at a price of $0.01 for gross proceeds of $2,000. Each unit consists of one common share of the Company and one common share purchase warrant, with each warrant entitling the holder thereof to purchase one additional common share of the Company at a price of $0.05 per share for a period of thirty-six months from the issuance date. The warrants were valued using a Black-Scholes Option Pricing Model with the following assumptions: share price on date of grant of $0.01, exercise price of $0.05, estimated weighted average life of three years, volatility of 114%, and risk-free interest rate of 0.58%. Applying the relative fair value approach, the fair value of share capital on the date of issuance was $1,436 and fair value allocated to the warrant reserve was $564. As at November 30, 2021, the proceeds from the placement of these units were not received and as such $2,000 is recorded as unit subscription receivable, this amount was subsequently received after the period end.

As of August 31, 2021, the Company collected subscription proceeds of $27,500 (2020 - $18,500) for a non-brokered private placement of 550,000 special warrants at the price of $0.05 per special warrant. These warrants were issued on October 15, 2021 and converted to common shares on February 16, 2022.

During the year ended August 31, 2021, the Company received total proceeds of $45,958 (2020 - $nil) in connection with non-brokered private placements that closed in the subsequent period.

During the year ended August 31, 2021, the Company received deposits of $119,001 (2020 - $nil) for a financing that did not close. The deposits were returned to the subscribers in the subsequent period.

HIGHLIGHTS SUBSEQUENT TO YEAR-END

On December 22, 2021, the Company consolidated its common shares on a 2:1 basis. Shares outstanding of 22,732,200 were consolidated into 11,366,104 shares.

On December 23, 2021, the Company completed a share purchase agreement with the shareholders of 1291455 B.C. LTD. ("1291455BC") whereby the Company purchased all the outstanding shares of 1291455BC in exchange for the issuance of 3,468,736 units, each unit comprised of one post-consolidation common share and one common share purchase warrant. Each warrant is exercisable to acquire one post-consolidation common share at a price of $0.10 for 36 months after the closing date. 1291455BC is a private company controlled by individuals related to the Company, was incorporated under the Business Corporation Act of British Columbia and is in the business of the exploration and evaluation of mineral properties. During the three months ended November 30, 2021 the Company paid $59,103 (2020 - $nil) of operating costs on behalf of 1291455BC which are included as due from related party on the statement of financial position as at November 30, 2021.

On January 17, 2022, the Company completed non-brokered private placements for 5,933,200 units at a price of $0.25 for gross proceeds of $1,483,300. Each unit consists of one post-consolidation common share of the Company and one common share purchase warrant, with each warrant entitling the holder to purchase one post-consolidation common share of the Company at a price of $0.40 per share for a period of thirty-six months from their date of issue. Of the gross proceeds, $187,935 was received as at November 30, 2021.

LIQUIDITY AND CAPITAL RESOURCES

The net working capital deficiency of the Company at November 30, 2021 was $50,716 compared to a working capital deficiency of $94,781 at August 31, 2021. The Company's cash flows from operations are negative as it is an exploration stage company. The Company's net cash used in operating activities at November 30, 2021 was $103,377 (2020 - $18).

For the three months ended November 30, 2021, the Company had net cash provided by financing activities of $257,907 (2020 - $nil).

The Company's current assets are not sufficient to support the company's general administrative and corporate operating requirements on an ongoing basis for the foreseeable future.

Liquidity Outlook

The Company's cash position is highly dependent on its ability to raise cash through financings.

This outlook is based on the Company's current financial position and is subject to change if opportunities become available based on exploration program results and/or external opportunities. At present, the Company's operations do not generate cash inflows and its financial success is dependent on management's ability to discover economically viable mineral deposits. The mineral exploration process can take many years and is subject to factors that are beyond the Company's control.

In order to finance the Company's future exploration programs and to cover administrative and overhead expenses, the Company will need to raise funds through equity sales, from the exercise of convertible securities, debt, deferral of payments to related parties, or other forms of raising capital. Many factors influence the Company's ability to raise funds, including the health of the resource market, the climate for mineral exploration investment, the Company's track record, and the experience and calibre of its management. Actual funding requirements may vary from those planned due to a number of factors, including the progress of exploration activities. Management believes it will be able to raise equity capital as required in the short and long term but recognizes that there will be risks involved which may be beyond its control.

GOING CONCERN

The Company's financial statements are 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 continuing operations of the Company are dependent upon obtaining necessary financing to meet the Company's commitments as they come due and to finance future exploration and development of potential business acquisitions, economically recoverable reserves, securing and maintaining title and beneficial interest in the properties and upon future profitable production. Failure to continue as a going concern would require that assets and liabilities be recorded at their liquidation values, which might differ significantly from their carrying values. These financial statements do not include adjustments that would be necessary should the Company be unable to continue as a going concern. These adjustments could be material.

The coronavirus pandemic continues to have global impacts on workforces, economies, and financial markets. It is not possible for the Company to predict the duration or magnitude of any adverse effects that the pandemic may have on the Company's business or ability to raise funds. As of the date of these financial statements, COVID-19 has had no impact on the Company's ability to access capital but there is no certainty as to how future developments may impact the Company's ability to raise funding or conduct exploration and evaluation activities should travel restrictions related to COVID-19 be extended or expanded in scope.

SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

The preparation of financial statements requires management to establish accounting policies, estimates and assumptions that affect the timing and reported amounts of assets, liabilities, revenues and expenses. These estimates are based on historical experience and on various other assumptions that management believes to be reasonable under the circumstances and require judgment on matters which are inherently uncertain. Details of the Company's significant accounting policies can be found the audited annual financial statements for year ended August 31, 2021.

INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Company's financial statements for the three months ended November 30, 2021 and 2020 have been prepared in accordance with IFRS as issued by the IASB and IFRIC, effective as of November 30, 2021. The Company's significant accounting policies are described in note 3 of the Company's audited financial statements for the years ended August 31, 2021, 2020 and 2019.

RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers. Amounts paid to management personnel and/or entities over which they have control during the three months ended November 30, 2021 and 2020 are as follows:

	Three months ended November 30,	
	2021	2020
	$	$
Key management compensation	**37,500**	-
Professional services provided by a company owned by a shareholder	**5,000**	-
Professional services provided by a company owned by a former officer	**16,913**	-
Share-based compensation	**1,965**	-
Total	**61,378**	-

Balances due to (from) related parties as at November 30, 2021 and August 31, 2021, were as follows:

	November 30, 2021	August 31, 2021
	$	$
Due from related party	**59,103**	-
Accounts payable and accrued liabilities	**(12,246)**	(16,394)
	46,857	(16,394)

OFF BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements as at November 30, 2021 and 2020 or at the date of this MD&A.

PROPOSED TRANSACTIONS

The Company has no undisclosed proposed transactions as at November 30, 2021 and 2020 or at the date of this MD&A.

FINANCIAL INSTRUMENTS

Fair Value

The Company provides disclosures that enable users to evaluate (a) the significance of financial instruments for the entity's financial position and performance; and (b) the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the date of the statement of financial position, and how the entity manages these risks.

The Company provides information about its financial instruments measured at fair value at one of three levels according to the relative reliability of the inputs used to estimate the fair value:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's financial instruments consist of cash, accounts payables and accrued liabilities. The carrying values of these financial instruments approximate their respective fair values due to the term of these instruments.

As at November 30, 2021, the fair value of cash held by the Company was based on level 1 inputs of the fair value hierarchy.

Details of the Company's financial instrument related risks including credit risk, liquidity risk, and market risk are detailed in note 7 of the interim financial statements.

OUTSTANDING SHARE DATA

The authorized capital of the Company consists of an unlimited number of common shares without par value. As of the date of this MD&A, the Company had the following outstanding:

Common shares	21,043,040
Warrants	20,768,040
Stock options	500,000

RISK FACTORS

An investment in the Company should be considered highly speculative, not only due to the nature of the Company's business and operations, but also because of the uncertainty related to completion of the Proposed Transaction. In addition to the other information in this MD&A, an investor should carefully consider each of, and the cumulative effect of, the following factors, which assume the completion of the Proposed Transaction. Except as noted, these risk factors have been drafted in a manner so as to assume the completion of the Proposed Transaction.

Project Risks

Dependence on the Property

The Company will be an exploration stage company and as such does not anticipate receiving revenue from its mineral properties for some time. The Company will be focused on the exploration and development of the Property, which does not have any identified mineral resources or reserves. Unless the Company acquires additional property interests any adverse developments affecting the Property could have a material adverse effect upon the Company and would materially and adversely affect any profitability, financial performance and results of operations of the Company.

Mineral exploration and development involves a high degree of risk and few properties that are explored are ultimately developed into producing mines. There is no assurance that the Company's mineral exploration and development programs at the Property will result in the definition of bodies of commercial mineralization. There is also no assurance that even if commercial quantities of mineralization are discovered that Property will be brought into commercial production. Failure to do so will have a material adverse impact on the Company's operations and potential future profitability. The discovery of bodies of commercial mineralization is dependent upon a number of factors, not the least of which is the technical skill of the exploration personnel involved. The commercial viability of a mineral deposit once discovered is also dependent upon a number of factors, some of which are the particular attributes of the deposit (such as size, grade and proximity to infrastructure), metal prices and government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. Most of the above factors are beyond The Company control.

Exploration, Development and Production Risks

The exploration for and development of minerals involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. Few properties that are explored are ultimately developed into producing mines. There can be no guarantee that the estimates of quantities and qualities of minerals disclosed will be economically recoverable. With all mining operations there is uncertainty and, therefore, risk associated with operating parameters and costs resulting from the scaling up of extraction methods tested in pilot conditions. Mineral exploration is speculative in nature and there can be no assurance that any minerals discovered will result in an increase in The Company resource base.

The Company operations will be subject to all of the hazards and risks normally encountered in the exploration, development and production of minerals. These include unusual and unexpected geological formations, rock falls, seismic activity, flooding and other conditions involved in the extraction of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. In addition, operations are subject to hazards that may result in environmental pollution, and consequent liability that could have a material adverse impact on the business, operations and financial performance of the Company.

Substantial expenditures are required to establish ore reserves through drilling, to develop metallurgical processes to extract the metal from the ore and, in the case of new properties, 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, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis. The economics of developing precious metals and other mineral properties is affected by many factors including the cost of operations, variations in the grade of ore mined, fluctuations in metal markets, costs of processing equipment and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. The remoteness and restrictions on access of properties in which Clear Sky has an interest will have an adverse effect on profitability as a result of higher infrastructure costs. There are also physical risks to the exploration personnel working in the terrain in which the Company properties will be located, often in poor climate conditions.

The long-term commercial success of Clear Sky will depend on its ability to explore, develop and commercially produce minerals from its properties and to locate and acquire additional properties worthy of exploration and development for minerals. No assurance can be given that Clear Sky will be able to locate satisfactory properties or acquisition or participation. Moreover, if such acquisitions or participations are identified, Clear Sky may determine that current markets, terms of acquisition and participation or pricing conditions make such acquisitions or participation uneconomic.

Mineral Resources and Reserves

Because Clear Sky has not defined or delineated any resource or reserve on any of its properties, mineralization estimates for its properties may require adjustments or downward revisions based upon further exploration or development work or actual production experience. In addition, the grade of ore ultimately mined, if any, may differ from that indicated by drilling results. There can be no assurance that minerals recovered in small-scale tests will be duplicated in large-scale tests under on-site conditions or in production scale.

Unless otherwise indicated, mineralization figures presented in this Filing Statement are based upon estimates made by Clear Sky, personnel and independent geologists. These estimates are imprecise and depend upon geological interpretation and statistical inferences drawn from drilling and sampling analysis which may prove to be unreliable.

There can be no assurance that these estimates will be accurate; resource or other mineralization figures will be accurate; or such mineralization could be mined or processed profitably.

Insufficient Resources or Reserves

Substantial additional expenditures will be required to establish either resources or reserves on mineral properties and to develop processes to extract the minerals. No assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that the funds required for development can be obtained on a timely basis or at all.

No Assurances

There is no assurance that economic mineral deposits will ever be discovered, or if discovered, subsequently put into production. Most exploration activities do not result in the discovery of commercially mineable deposits. The Company future growth and profitability will depend, in part, on its ability to identify and expand its mineral reserves through additional exploration of the Property and on the costs and results of continued exploration and development programs. Mining exploration is highly speculative in nature, involves many risks and frequently is not productive. Most exploration projects do not result in the discovery of commercially mineable ore deposits and no assurance can be given that any anticipated level of recovery of mineral reserves will be realized or that any identified mineral deposit will ever qualify as a commercially mineable (or viable) ore body which can be legally and economically exploited. There can be no assurance that The Company exploration efforts at the Property will be successful.

Volatility of Commodity Prices

The development of the Property and any other project Clear Sky acquires is dependent on the future prices of minerals and metals. The viability of developing the Property depends heavily on the price of lithium.

Precious metals prices are subject to volatile price movements that are beyond The Company control, which can be material and occur over short periods of time. Factors affecting such volatility include, but are not limited to, interest and exchange rates, inflation or deflation, fluctuations in the value of the U.S. dollar and foreign currencies, global and regional supply and demand, speculative trading, the costs of and levels of precious metals production, and political and economic conditions. Such external economic factors are in turn influenced by changes in international investment patterns, monetary systems, the strength of and confidence in the U.S. dollar (the currency in which the prices of precious metals are generally quoted), and political developments.

The effect of these factors on the prices of precious metals, and therefore the economic viability of the Property and any project Clear Sky may acquire in the future, cannot be accurately determined. The prices of commodities have historically fluctuated widely, and future price declines could cause the development of (and any future commercial production from) the Property to be impracticable or uneconomical. As such, Clear Sky may determine that it is not economically feasible to commence commercial production, which could have a material adverse impact on The Company financial performance and results of operations. In such a circumstance, Clear Sky may also curtail or suspend some or all of its exploration activities.

Title Matters, Surface Rights and Access Rights

The Property may be subject to prior unregistered agreements of transfer or indigenous land claims, and title may be affected by undetected defects. Until any such competing interests have been determined, there can be no assurance as to the validity of title of the Property and any other mining or property interests derived from or in replacement or conversion of or in connection with the claims comprising the Property or the size of the area to which such claims and interests pertain. Clear Sky cannot guarantee that title to its mineral properties will not be challenged. Title insurance is generally not available for mineral properties and The Company ability to ensure that it has obtained secure claim to individual mineral properties or mining concessions may be severely constrained.

Although, upon exercising the Option, will acquire the rights to some or all of the minerals in the ground, it does not thereby acquire any rights to, or ownership of, the surface to the areas covered by its mineral tenures. In areas where there are local populations or landowners, it is necessary, as a practical matter, to negotiate surface access. There is a risk that local communities or affected groups may take actions to delay, impede or otherwise terminate the contemplated activities of Clear Sky. There can be no guarantee that Clear Sky will be able to negotiate a satisfactory agreement with any such existing landowners/occupiers for such access, and therefore it may be unable to carry out significant exploration and development activities. In addition, in circumstances where such access is denied, or no agreement can be reached, Clear Sky may need to rely on the assistance of local officials or the courts in such jurisdiction, which assistance may not be provided or, if provided, may not be effective. If the development of a mine on the Property becomes justifiable it will be necessary to acquire surface rights for mining, plant, tailings and mine waste disposal. There can be no assurance that Clear Sky will be successful in acquiring any such rights.

Insurance and Uninsured Risks

The Company business is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, catastrophic equipment failures, changes in the regulatory environment and natural phenomena such as inclement weather conditions, pandemics, floods and earthquakes. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to the Company properties or the properties of others, delays in mining, monetary losses and possible legal liability.

Although Clear Sky will maintain insurance to protect against certain risks in such amounts as it considers to be reasonable, its insurance will not cover all the potential risks associated with a mining company's operations. Clear Sky may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to Clear Sky or to other companies in the mining industry on acceptable terms. Clear Sky might also become subject to liability for pollution or other hazards that may not be insured against or that Clear Sky may elect not to insure against because of premium costs or other reasons. Losses from these events may cause Clear Sky to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

Environmental Risks and Hazards

All phases of the Company operations are subject to environmental regulation. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner that will require stricter standards and enforcement, increased fines and penalties for noncompliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that existing or future environmental regulation will not materially adversely affect the Company business, financial condition and results of operations.

Permitting Risks

Government environmental approvals and permits are currently, or may in the future be, required in connection with The Company operation. To the extent such approvals are required and not obtained, Clear Sky will be curtailed or prohibited from proceeding with planned exploration, development or operation of mineral properties.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in mining operations, including Clear Sky, may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws, regulations and permits governing operations and activities of Companies in the mining industry, or more stringent implementation thereof, could have a material adverse impact on Clear Sky and cause increases in exploration expenses, capital expenditures or production costs, reduction in levels of production at producing properties, or abandonment or delays in development of new mining properties.

Infrastructure

Mining, processing, development and exploration activities depend on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants, which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Company business, financial condition and results of operations.

Competition for Exploration, Development and Operation Rights

The mining industry is intensely competitive in all of its phases and Clear Sky competes with many companies possessing greater financial and technical resources. Competition in the precious metals mining industry is primarily for: mineral rich properties that can be developed and produced economically; the technical expertise to find, develop and operate such properties; the labour to operate the properties; and the capital for the purpose of funding such properties. Many competitors not only explore for and mine precious metals but conduct refining and marketing operations on a global basis. Such competition may result in Clear Sky being unable to recruit or retain qualified employees or to acquire the capital necessary to fund its operations and develop the Property as contemplated. Existing or future competition in the mining industry could materially adversely affect prospects for mineral exploration and success in the future.

Increased demand for services and equipment could cause project costs to increase materially, resulting in delays if services or equipment cannot be obtained in a timely manner due to inadequate availability, or at all, and increase potential scheduling difficulties and cost increases due to the need to coordinate the availability of services or equipment, any of which could materially increase project exploration, development or construction costs, result in project delays or both.

Governmental Regulation

The mineral exploration and development activities of Clear Sky are subject to various laws governing prospecting, exploration, development, production, taxes, labour standards and occupational health, mine safety, toxic substances, land use, water use, land claims of local people and other matters in local areas of operation. Although the Company exploration and development activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail exploration, development or production. Amendments to current laws and regulations governing the Company operations, or more stringent implementation thereof, could have an adverse impact on the Company business and financial condition.

Operational Labour and Employment Matters

While Clear Sky has good relations with its employees and consultants, exploration and development at its mining properties is dependent upon the efforts of the Company employees. In addition, relations between Clear Sky and its employees may be affected by changes in the scheme of labour relations that may be introduced by the relevant federal and provincial governmental authorities. Changes in such legislation or in the relationship between Clear Sky and its employees may have a material adverse effect on the Company business, results of operations and financial condition.

Acquiring Additional Properties

Significant and increasing competition exists for mineral acquisition opportunities throughout the world. As a result of this competition, some of which is with large, better established mining companies with substantial capabilities and greater financial and technical resources, Clear Sky may be unable to acquire rights to exploit additional attractive mining properties on terms it considers acceptable.

Community Relationships

Relationships with the communities in which Clear Sky it operates are critical to ensure the future success of its existing operations and the construction and development of its projects.

The Property may be subject to the rights or the asserted rights of various community stakeholders, including First Nations. The presence of community stakeholders may impact The Company ability to develop or operate the Property or to conduct exploration activities. Accordingly, Clear Sky is subject to the risk that one or more groups may oppose the continued operation, further development or new development or exploration of the Company current or future mining properties and projects. Such opposition may be directed through legal or administrative proceedings, or through protests or other campaigns against the Company activities. Governments in many jurisdictions must consult with, or require Clear Sky to consult with, indigenous peoples with respect to grants of mineral rights and the issuance or amendment of project authorizations. The risk of unforeseen title claims by First Nations peoples also could affect existing operations as well as development projects. These legal requirements may also affect the Company ability to expand or transfer existing operations or to develop new projects.

Impact of Pandemic Disease on Global Economic Conditions and Economic Performance

The Company operations are subject to the risk of emerging infectious diseases or the threat of outbreaks of viruses or other contagions or epidemic diseases, such as the novel coronavirus ("**COVID-19**") outbreak which began at the beginning of 2020. These infectious disease risks may not be adequately responded to locally, nationally or internationally due to lack of preparedness to detect and respond to outbreaks or respond to significant pandemic threats. As such, there are potentially significant economic and social impacts of infectious disease risks, including the inability of the Company mining and exploration operations to operate as intended due to a shortage of skilled employees, shortages or disruptions in supply chains, inability of employees to access sufficient healthcare, significant social upheavals, government or regulatory actions or inactions, decreased demand or the inability to sell precious metals or declines in the price of precious metals, capital market volatility, or other unknown but potentially significant impacts.

There are potentially significant economic losses from infectious disease outbreaks that can extend far beyond the initial location of an infectious disease outbreak. As such, both catastrophic outbreaks as well as regional and local outbreaks can have a significant impact on the Company operations, future cash flows, earnings, results of operations and financial condition. Clear Sky may not be able to accurately predict the quantum of such risks. In addition, the Company own operations are exposed to infectious disease risks noted above and, as such, The Company operations may be adversely affected by such infectious disease risks. Accordingly, any outbreak or threat of an outbreak of a virus, such as COVID-19 or other contagions or epidemic disease could have a material adverse effect on Clear Sky, its business, results from operations and financial condition. The COVID-19 outbreak at the beginning of 2020 has resulted in extended shutdowns of numerous business activities and supply chain disruptions. These shutdowns and disruptions have impacted the global economy and may have an adverse impact on the Company business. As new developments continue to arise, the full impact that COVID-19 may have on lithium prices, commodity prices, costs and availability of supplies, availability of personnel and the global economy are not fully ascertainable. The direct and indirect effects of COVID-19 could have a material adverse effect on the Company future cash flows, earnings, results of operations and financial condition. In addition, health concerns could result in social, economic and labour instability.

Corporate Risks

The Proposed Transaction May Not Be Completed

The Proposed Transaction is subject to final acceptance by the Exchange as evidenced by the Final Exchange Bulletin. There can be no assurance that all of the necessary approvals will be obtained. If the Proposed Transaction is not completed for any reason, the Company will continue to search for and evaluate other investment opportunities; however, it will have incurred significant costs associated with the failed implementation of the Proposed Transaction.

Additional Funding Requirements

The exploration and development of the Property will require substantial additional capital. When such additional capital is required, Clear Sky will need to pursue various financing transactions or arrangements, including joint venturing of projects, debt financing, equity financing or other means. Additional financing may not be available when needed or, if available, the terms of such financing might not be favorable to Clear Sky and might involve substantial dilution to existing shareholders. Clear Sky may not be successful in locating suitable financing transactions in the time period required or at all. A failure to raise capital when needed would have a material adverse effect on Clear Sky's business, financial condition and results of operations.

Any future issuance of securities to raise required capital will likely be dilutive to existing shareholders. In addition, debt and other debt financing may involve a pledge of assets and may be senior to interests of equity holders. Clear Sky may incur substantial costs in pursuing future capital requirements, including investment banking fees, legal fees, accounting fees, securities law compliance fees, printing and distribution expenses and other costs. The ability to obtain needed financing may be impaired by such factors as the capital markets (both generally and in the precious metals industries in particular), Clear Sky's status as a new enterprise with a limited history, the location of the Property, the price of commodities and/or the loss of key management personnel. Further, if the price of precious on the commodities markets decreases, then potential revenues from the Property will likely decrease and such decreased revenues may increase the requirements for capital. Failure to obtain sufficient financing will result in a delay or indefinite postponement of development or production at the Property.

Limited Operating History and Early Stage Property

Clear Sky will be an early-stage company and the Property is an exploration stage property. As such, Clear Sky will be subject to all of the business risks and uncertainties associated with any new business enterprise, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and lack of revenues. The current state of the Property requires significant additional expenditures before any cash flow may be generated. There is no assurance that Clear Sky will be successful in achieving a return on shareholders' investment and the likelihood of its success must be considered in light of its early stage of operations.

The Property is in the early exploration stage and is without resources or reserves. The proposed programs on the Property are an exploratory search for a mineral deposit. Development of the Property will only follow upon obtaining satisfactory results. Exploration for and the development of minerals involve a high degree of risk and few properties, which are explored, are ultimately developed into producing properties. There is no assurance that Clear Sky's exploration and development activities will result in any discoveries of commercial bodies of ore.

The long-term success of Clear Sky's operations will be in large part directly related to the cost and success of its exploration programs, which may be affected by a number of factors.

Lack of Operating Cash Flow

Clear Sky will initially have no source of operating cash flow and is expected to continue to do so for the foreseeable future. Clear Sky's failure to achieve profitability and positive operating cash flows could have a material adverse effect on its financial condition and results of operations. If Clear Sky sustains losses over an extended period of time, it may be unable to continue our business. Further exploration and development of the Property will require the commitment of substantial financial resources. It may be several years before Clear Sky will generate any revenues from operations, if at all. There can be no assurance that Clear Sky will realize revenue or achieve profitability.

Adverse General Economic Conditions

The unprecedented events in global financial markets in the past several years have had a profound impact on the global economy. Many industries, including the mineral exploration sector, were impacted by these market conditions.

Some of the key impacts of the financial market turmoil included contraction in credit markets resulting in a widening of credit risk, devaluations, high volatility in global equity, commodity, foreign exchange and precious metal markets and a lack of market liquidity. A similar slowdown in the financial markets or other economic conditions, including but not limited to, inflation, fuel and energy costs, lack of available credit, the state of the financial markets, interest rates and tax rates, may adversely affect Clear Sky's operations.

Specifically, a global credit/liquidity crisis could impact the cost and availability of financing and our overall liquidity, the volatility of mineral prices would impact Clear Sky's prospects, volatile energy, commodity and consumables prices and currency exchange rates would impact costs and the devaluation and volatility of global stock markets would impact the valuation of its equity and other securities. These factors could have a material adverse effect on Clear Sky's financial condition and results of operations.

In recent years, the securities markets in Canada, as well as in other countries around the world, have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price that have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It may be anticipated that any quoted market for the Common Shares will be subject to market trends and conditions generally, notwithstanding any potential success of Clear Sky in developing assets, adding additional resources, establishing feasibility of deposits or creating revenues, cash flows or earnings. The value of securities will be affected by market volatility. An active public market for the Common Shares might not develop or be sustained. If an active public market for the Common Shares does not develop or continue, the liquidity of a shareholder's investment may be limited and the price of the Common Shares may decline.

Claims and Legal Proceedings

Clear Sky may be subject to claims or legal proceedings covering a wide range of matters that arise in the ordinary course of business activities, including relating to former employees. These matters may give rise to legal uncertainties or have unfavourable results. Clear Sky may carry liability insurance coverage and mitigate risks that can be reasonably estimated; however, there is a risk that insurance may not be adequate to cover all possible risks arising from Clear Sky's operations. In addition, Clear Sky may be involved in disputes with other parties in the future that may result in litigation or unfavourable resolution which could materially adversely impact Clear Sky's financial position, cash flow, results of operations, and reputation, regardless of the specific outcome.

Force Majeure

Clear Sky's projects now or in the future may be adversely affected by risks outside the control of Clear Sky, including the price of precious metals on world markets, labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

Competition

All aspects of Clear Sky's business will be subject to competition from other parties. Many of Clear Sky's competitors for the acquisition, exploration, production and development of mineral properties, and for capital to finance such activities, will include companies that have greater financial and personnel resources available to them than Clear Sky. Competition could adversely affect Clear Sky's ability to acquire suitable properties or prospects in the future.

Litigation

Clear Sky and/or its directors and officers may be subject to a variety of civil or other legal proceedings, with or without merit. From time to time in the ordinary course of its business, Clear Sky may become involved in various legal proceedings, including commercial, employment and other litigation and claims, as well as governmental and other regulatory investigations and proceedings. Such matters can be time-consuming, divert management's attention and resources and cause Clear Sky to incur significant expenses. Furthermore, because litigation is inherently unpredictable, the results of any such actions may have a material adverse effect on Clear Sky's business, operating results or financial condition.

No Earnings and History of Losses

The business of developing and exploring resource properties involves a high degree of risk and, therefore, there is no assurance that current exploration programs will result in identifying further profitable operations. Clear Sky has not determined whether the Property contains economically recoverable reserves of mineralized material and currently has not earned any revenue from its projects; therefore, Clear Sky does not generate cash flow from its operations. There can be no assurance that significant additional losses will not occur in the future. Clear Sky's operating expenses and capital expenditures may increase in future years with advancing exploration, development and/or production from Clear Sky's properties. Clear Sky expects to incur losses until such time as the Property or any future property it acquires enters into commercial production and generates sufficient revenue to fund continuing operations. There is no assurance that any of Clear Sky's properties will eventually enter commercial operation. There is also no assurance that new capital will become available and, if it does not, Clear Sky may be forced to substantially curtail or cease operations.

Attracting and Retaining Talented Personnel

Clear Sky's success will depend in large measure on the abilities, expertise, judgment, discretion, integrity and good faith of management and other personnel in conducting the business of Clear Sky. Clear Sky will initially have a small management team and the loss of any of these individuals or the inability to attract suitably qualified staff could materially adversely impact the business. Clear Sky's ability to manage its operating, development, exploration and financing activities will depend in large part on the efforts of these individuals.

Clear Sky's success will depend on the ability of management and employees to interpret market and technical data successfully and to interpret and respond to economic, market and other business conditions in order to locate and adopt appropriate investment opportunities, monitor such investments and ultimately, if required, successfully divest such investments. Further, key personnel may not continue their association or employment with Clear Sky which may not be able to find replacement personnel with comparable skills. Clear Sky has sought to and will continue to ensure that management and any key employees are appropriately compensated; however, their services cannot be guaranteed. If Clear Sky is unable to attract and retain key personnel, business may be adversely affected. Clear Sky faces market competition for qualified personnel and there can be no assurance that Clear Sky will be able to attract and retain such personnel.

Dividends

Clear Sky does not intend to declare dividends for the foreseeable future as Clear Sky anticipates that any future earnings will be re-invested in the development and growth of the business. Therefore, investors will not receive any funds unless they sell their shares, and shareholders may be unable to shares on favorable terms or at all. Investors cannot be assured of a positive return on investment or that they will not lose the entire amount of their investment.

Volatility of Market for Shares

The market price of Clear Sky Shares may be highly volatile and could be subject to wide fluctuations in response to a number of factors, including: (i) dilution caused by issuance of shares or other forms of equity securities, which Clear Sky expects to make in connection with future financings to fund operations and growth, to attract and retain qualified personnel and in connection with future strategic partnerships with other companies, (ii) announcements of new acquisitions, reserve discoveries or other business initiatives by competitors, (iii) fluctuations in revenue from operations as new reserves come to market, (iv) changes in the market for lithium and/or in the capital markets generally, (v) changes in the demand for minerals and metals; and (vi) changes in the social, political and/or legal climate in the regions in which Clear Sky operates. In addition, the market price of Clear Sky Shares could be subject to wide fluctuations in response to: (a) quarterly variations in operating expenses, (b) changes in the valuation of similarly situated Companies, both in the mining industry and in other industries, (c) changes in analysts' estimates affecting Clear Sky, competitors and/or the industry, (d) changes in the accounting methods used in or otherwise affecting the industry, (e) additions and departures of key personnel, (f) fluctuations in interest rates, exchange rates and the availability of capital in the capital markets, and (g) significant sales of Clear Sky Shares, including sales by future investors in future offerings which may be made to raise additional capital. These and other factors will be largely beyond Clear Sky's control, and the impact of these risks, singularly or in the aggregate, may result in material adverse changes to the market price of Clear Sky Shares and/or Clear Sky's results of operations and financial condition.

CLEAR SKY LITHIUM CORP.

MANAGEMENT'S DISCUSSION & ANALYSIS

FOR THE YEARS ENDED

AUGUST 31, 2021 and 2020

(Expressed in Canadian Dollars)

MANAGEMENT DISCUSSION & ANALYSIS

The following Management's Discussion & Analysis ("MD&A") has been prepared by management, in accordance with the requirements of NI 51-102 as of [XX, 2022] and should be read in conjunction with the audited financial statements for the years ended August 31, 2021 and 2020 and the related notes contained therein which have been prepared under International Financial Reporting Standards ("IFRS"). The information contained herein is not a substitute for detailed investigation or analysis on any particular issue. The information provided in this document is not intended to be a comprehensive review of all matters and developments concerning the Company. Except as otherwise disclosed, all dollar figures included therein and in the following MD&A are quoted in Canadian dollars.

In this MD&A, "Clear Sky", the "Company", or the words "we", "us", or "our", collectively refer to Clear Sky Lithium Corp. The first, second, third and fourth quarters of the Company's fiscal years are referred to as "Q1", "Q2", "Q3" and "Q4", respectively. The years ended August 31, 2021 and 2020 are referred to as "fiscal 2021", and "fiscal 2020", respectively.

BUSINESS OVERVIEW

Clear Sky Lithium Corp. (the "Company") was incorporated under the Business Corporations Act of British Columbia on June 25, 2018. On May 18, 2021, the Company changed its name from PW1 Ventures Corp. to Clear Sky Lithium Corp. The Company's principal business activities are in the exploration and evaluation of mineral properties. The address of the Company's registered and records office is 2200-885 West Georgia Street, Vancouver, British Columbia, Canada, V6C 3E8. The principal place of business is 2088-1177 West Hastings Street, Vancouver, British Columbia, Canada, V6E 2K3.

The Company is considered to be in the exploration stage with respect to its interests in exploration and evaluation assets. The recoverability of the amounts comprising exploration and evaluation assets is dependent upon the confirmation of economically recoverable reserves, the ability of the Company to obtain necessary financing to successfully complete their exploration and development and upon future profitable production.

Mineral Exploration Projects

On December 23, 2021, the Company acquired 1291455 B.C. Ltd. ("1291455BC") by way of purchasing all of its issued and outstanding shares. 1291455BC is a private company incorporated under the Business Corporation Act of British Columbia. 1291455BC is in the business of the exploration and evaluation of mineral properties and owns a 100% interest in 26 unpatented claims situated in Eureka County and Nye County in Nevada, USA.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

Certain statements in this document constitute forward-looking information under applicable securities legislation. Forward- looking information typically contains statements with words such as "anticipate", "believe", "estimate", "will", "expect", "plan", "intend", or similar words suggesting future outcomes or an outlook. Forward-looking information in this document includes, but is not limited to:

- our business plan and investment strategy; and
- general business strategies and objectives.

Such forward-looking information is based on a number of assumptions which may prove to be incorrect. Assumptions have been made with respect to the following matters, in addition to any other assumptions identified in this document which includes, but is not limited to:

- taxes and capital, operating, general & administrative and other costs;
- general business, economic and market conditions;
- the ability of the Company to obtain the required capital to finance its investment strategy and meet its commitments and financial obligations;
- the ability of the Company to obtain services and personnel in a timely manner and at an acceptable cost to carry out activities; and
- the timely receipt of required regulatory approvals.

Although the Company believes that the expectations reflected in such forward-looking information are reasonable, undue reliance should not be placed on them as there can be no assurance that such expectations will prove to be correct. Forward-looking information is based on expectations, estimates and projections that involve a number of risks and uncertainties which could cause actual results to differ materially than anticipated and described in the forward-looking information. The material risks and uncertainties include, but are not limited to:

- meeting current and future commitments and obligations;
- general business, economic and market conditions;
- the uncertainty of estimates and projections relating to future costs and expenses;
- changes in, or in the interpretation of, laws, regulations or policies;
- the ability to obtain required regulatory approvals in a timely manner;
- the outcome of existing and potential lawsuits, regulatory actions, audits and assessments; and
- other risks and uncertainties described elsewhere in this document.

The foregoing list of risks is not exhaustive. For more information relating to risks, see the section titled "Risk Factors" herein. The forward-looking information contained in this document is made as of the date hereof and, except as required by applicable securities law, the Company undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise.

OVERALL PERFORMANCE AND RESULTS OF OPERATIONS

The following table summarizes the results of operations and selected information from the Company's audited financial statements for the period ending August 31, 2021 and 2020.

	For the year ended August 31, 2021	For the year ended August 31, 2020
	$	$
Advertising	**21,000**	-
Bank charges	**99**	80
Legal and professional fees	**11,365**	386
Listing fees	**5,400**	-
Salaries and wages	**53,767**	-
Net loss and comprehensive loss for the year	**91,631**	466
Weighted average number of common shares outstanding – basic and diluted	**5,206**	1
Loss per common share – basic and diluted	**17.60**	466.00

	As at August 31, 2021	As at August 31, 2020
	$	$
Total assets	**158,968**	18,350
Current liabilities	**253,749**	23,500
Total liabilities	**253,749**	23,500
Working capital deficiency	**(94,781)**	(5,150)

Analysis of operating results

During the years ended August 31, 2021 and 2020, the Company had operating expenses of $91,631 and $466 respectively. Increase in operating expenses primarily relate to increases in the Company's cost structure as it prepares for a public listing.

Share Capital Highlights

During the year ended August 31, 2021:

On August 12, 2021, the Company issued 200,000 units at a price of $0.01 for gross proceeds of $2,000. Each unit consists of one common share of the Company and one common share purchase warrant, with each warrant entitling the holder thereof to purchase one additional common share of the Company at a price of $0.05 per share for a period of thirty-six months from the issuance date. The warrants were valued using a Black-Scholes Option Pricing Model with the following assumptions: share price on date of grant of $0.01, exercise price of $0.05, estimated weighted average life of three years, volatility of 114%, and risk-free interest rate of 0.58%. Applying the relative fair value approach, the fair value of share capital on the date of issuance was $1,436 and fair value allocated to the warrant reserve was $564. As at August 31, 2021, the proceeds from the placement of these units were not received and as such $2,000 is recorded as unit subscription receivable.

As of August 31, 2021, the Company collected subscription proceeds of $27,500 (2020 - $18,500) for a non-brokered private placement of 550,000 special warrants at the price of $0.05 per special warrant. Each special warrant, upon exercise, entitles the holder to receive one common share of the Company for no additional consideration. The special warrants will, if not exercised earlier, be deemed to be exercisable on the earlier of (i) the fifth business day after the date on which the Company obtains a receipt from the applicable securities commission in Canada for the final prospectus qualifying the distribution of the Company's shares to be issued upon the exercise or deemed exercise of the special warrants, and (ii) February 16, 2022. Subsequent to year end these warrants were issued and then automatically converted into common shares of the Company on February 16, 2022.

During the year ended August 31, 2021, the Company received total proceeds of $45,958 (2020 - $nil) in connection with non-brokered private placements that closed in the subsequent period.

During the year ended August 31, 2021, the Company received deposits of $119,001 (2020 - $nil) for a financing that did not close. The deposits were returned to the subscribers in the subsequent period.

HIGHLIGHTS SUBSEQUENT TO YEAR-END

On September 28, 2021, the Company granted 1,000,000 irrevocable common share purchase options (the "Options") to a service provider and a former officer from the Company. Each Option entitles the holder to purchase one common share at an exercise price of $0.05. All the Options were vested and exercisable upon issuance. The Options expire on September 28, 2024.

On September 28, 2021, the Company issued 22,532,200 units at a price of $0.01 for gross proceeds of $225,322. Each unit consists of one common share of the Company and one common share purchase warrant, with each warrant entitling the holder thereof to purchase one additional common share of the Company at a price of $0.05 per share for a period of thirty-six months from the issuance date.

On October 15, 2021, the Company issued 550,000 special warrants at the price of $0.05 per special warrant. The proceeds were received during the year ended August 31, 2021. Each special warrant, upon exercise, entitles the holder to receive one common share of the Company for no additional consideration. The special warrants will, if not exercised earlier, be deemed to be exercisable on the earlier of (i) the fifth business day after the date on which the Company obtains a receipt from the applicable securities commission in Canada for the final prospectus qualifying the distribution of the Company's shares to be issued upon the exercise or deemed exercise of the special warrants, and (ii) February 16, 2022. The warrants converted into common shares on February 16, 2022.

On December 22, 2021, the Company consolidated its common shares on a 2:1 basis. Shares outstanding of 22,732,200 were consolidated into 11,366,104 shares.

On December 23, 2021, the Company completed a share purchase agreement with the shareholders of 1291455BC whereby the Company purchased all the outstanding shares of 1291455BC in exchange for the issuance of 3,468,736 units, each unit comprised of one post-consolidation common share and one common share purchase warrant. Each warrant is exercisable to acquire one post-consolidation common share at a price of $0.10 for 36 months after the closing date. 1291455BC is a private company controlled by individuals related to the Company, was incorporated under the Business Corporation Act of British Columbia and is in the business of the exploration and evaluation of mineral properties.

On January 17, 2022, the Company completed a non-brokered private placement for 5,933,200 units at a price of $0.25 for gross proceeds of $1,483,300. Each unit consists of one post-consolidation common share of the Company and one common share purchase warrant, with each warrant entitling the holder to purchase one post-consolidation common share of the Company at a price of $0.40 per share for a period of thirty-six months from their date of issue. Of the gross proceeds, $27,925 was received during the year ended August 31, 2021.

LIQUIDITY AND CAPITAL RESOURCES

The net working capital deficiency of the Company at August 31, 2021 was $94,781 compared to $5,150 at August 31, 2020. The Company's cash flows from operations are negative as it is an exploration stage company. The Company's net cash used in operating activities at August 31, 2021 was $35,901 (2020 - $80).

For the year ended August 31, 2021, the Company had net cash provided by financing activities of $173,959 (2020 - $1,750).

The Company's current assets are not sufficient to support the company's general administrative and corporate operating requirements on an ongoing basis for the foreseeable future. Liquidity Outlook

The Company's cash position is highly dependent on its ability to raise cash through financings.

This outlook is based on the Company's current financial position and is subject to change if opportunities become available based on exploration program results and/or external opportunities. At present, the Company's operations do not generate cash inflows and its financial success is dependent on management's ability to discover economically viable mineral deposits. The mineral exploration process can take many years and is subject to factors that are beyond the Company's control.

In order to finance the Company's future exploration programs and to cover administrative and overhead expenses, the Company will need to raise funds through equity sales, from the exercise of convertible securities, debt, deferral of payments to related parties, or other forms of raising capital. Many factors influence the Company's ability to raise funds, including the health of the resource market, the climate for mineral exploration investment, the Company's track record, and the experience and calibre of its management. Actual funding requirements may vary from those planned due to a number of factors, including the progress of exploration activities. Management believes it will be able to raise equity capital as required in the short and long term but recognizes that there will be risks involved which may be beyond its control.

GOING CONCERN

The Company's financial statements are 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 continuing operations of the Company are dependent upon obtaining necessary financing to meet the Company's commitments as they come due and to finance future exploration and development of potential business acquisitions, economically recoverable reserves, securing and maintaining title and beneficial interest in the properties and upon future profitable production. Failure to continue as a going concern would require that assets and liabilities be recorded at their liquidation values, which might differ significantly from their carrying values. These financial statements do not include adjustments that would be necessary should the Company be unable to continue as a going concern. These adjustments could be material.

The coronavirus pandemic continues to have global impacts on workforces, economies, and financial markets. It is not possible for the Company to predict the duration or magnitude of any adverse effects that the pandemic may have on the Company's business or ability to raise funds. As of the date of these financial statements, COVID-19 has had no impact on the Company's ability to access capital but there is no certainty as to how future developments may impact the Company's ability to raise funding or conduct exploration and evaluation activities should travel restrictions related to COVID-19 be extended or expanded in scope.

SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

The preparation of financial statements requires management to establish accounting policies, estimates and assumptions that affect the timing and reported amounts of assets, liabilities, revenues and expenses. These estimates are based on historical experience and on various other assumptions that management believes to be reasonable under the circumstances and require judgment on matters which are inherently uncertain. Details of the Company's significant accounting policies can be found the audited annual financial statements for year ended August 31, 2021.

INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Company's financial statements for fiscal 2021 and 2020 have been prepared in accordance with IFRS as issued by the IASB and IFRIC, effective as of August 31, 2021. The Company's significant accounting policies are described in note 3 of the Company's financial statements.

RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers. Amounts paid to management personnel and/or entities over which they have control during the years ended August 31, 2021 and 2020 are as follows:

	August 31, 2021	August 31, 2020
	$	$
Management compensation	**50,000**	-

As of August 31, 2021, accounts payable and accrued liabilities included $16,394 due an officer of the Company (2020 - $Nil). All related party amounts were incurred in the normal course of operations, bear no interest and have no fixed terms of repayment.

OFF BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements as at August 31, 2021 and 2020 or at the date of this MD&A.

PROPOSED TRANSACTIONS

The Company has no undisclosed proposed transactions as at August 31, 2021 and 2020 or at the date of this MD&A.

FINANCIAL INSTRUMENTS

Fair Value

The Company provides disclosures that enable users to evaluate (a) the significance of financial instruments for the entity's financial position and performance; and (b) the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the date of the statement of financial position, and how the entity manages these risks.

The Company provides information about its financial instruments measured at fair value at one of three levels according to the relative reliability of the inputs used to estimate the fair value:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's financial instruments consist of cash, accounts payables and accrued liabilities. The carrying values of these financial instruments approximate their respective fair values due to the term of these instruments.

As at August 31, 2021, the Company did not have any financial instruments measured at fair value.

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

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash. The Company manages its credit risk relating to cash through the use of a major financial institution which has a high credit quality as determined by rating agencies. As at August 31, 2021, the Company had cash of $91,449 (2020 - $18,350) with a large Canadian bank and $64,959 (2020 - $nil) in a lawyer's trust account. The Company assessed credit risk as low.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. As at August 31, 2021, the Company has current liabilities totaling $253,749 and cash of $156,408. The Company is in the exploration stage, it will periodically have to raise funds to continue operations and intends to raise further financing through private placements.

Market risk

Market risk is the risk that changes in market prices such as commodity prices, foreign exchange rates and interest rates will affect the Company's income. The objective of market risk management is to manage and control market risk exposure within acceptable parameters. The Company does not use derivative instruments to reduce its insignificant exposure to market risks.

OUTSTANDING SHARE DATA

The authorized capital of the Company consists of an unlimited number of common shares without par value. As of the date of this MD&A, the Company had the following outstanding:

Common shares	21,043,040
Warrants	20,768,040
Stock options	500,000

RISK FACTORS

An investment in the Company should be considered highly speculative, not only due to the nature of the Company's business and operations, but also because of the uncertainty related to completion of the Proposed Transaction. In addition to the other information in this MD&A, an investor should carefully consider each of, and the cumulative effect of, the following factors, which assume the completion of the Proposed Transaction. Except as noted, these risk factors have been drafted in a manner so as to assume the completion of the Proposed Transaction.

Project Risks

Dependence on the Property

The Company will be an exploration stage company and as such does not anticipate receiving revenue from its mineral properties for some time. The Company will be focused on the exploration and development of the Property, which does not have any identified mineral resources or reserves. Unless the Company acquires additional property interests any adverse developments affecting the Property could have a material adverse effect upon the Company and would materially and adversely affect any profitability, financial performance and results of operations of the Company.

Mineral exploration and development involves a high degree of risk and few properties that are explored are ultimately developed into producing mines. There is no assurance that the Company's mineral exploration and development programs at the Property will result in the definition of bodies of commercial mineralization. There is also no assurance that even if commercial quantities of mineralization are discovered that Property will be brought into commercial production. Failure to do so will have a material adverse impact on the Company's operations and potential future profitability. The discovery of bodies of commercial mineralization is dependent upon a number of factors, not the least of which is the technical skill of the exploration personnel involved. The commercial viability of a mineral deposit once discovered is also dependent upon a number of factors, some of which are the particular attributes of the deposit (such as size, grade and proximity to infrastructure), metal prices and government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. Most of the above factors are beyond The Company control.

Exploration, Development and Production Risks

The exploration for and development of minerals involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. Few properties that are explored are ultimately developed into producing mines. There can be no guarantee that the estimates of quantities and qualities of minerals disclosed will be economically recoverable. With all mining operations there is uncertainty and, therefore, risk associated with operating parameters and costs resulting from the scaling up of extraction methods tested in pilot conditions. Mineral exploration is speculative in nature and there can be no assurance that any minerals discovered will result in an increase in The Company resource base.

The Company operations will be subject to all of the hazards and risks normally encountered in the exploration, development and production of minerals. These include unusual and unexpected geological formations, rock falls, seismic activity, flooding and other conditions involved in the extraction of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. In addition, operations are subject to hazards that may result in environmental pollution, and consequent liability that could have a material adverse impact on the business, operations and financial performance of the Company.

Substantial expenditures are required to establish ore reserves through drilling, to develop metallurgical processes to extract the metal from the ore and, in the case of new properties, 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, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis. The economics of developing precious metals and other mineral properties is affected by many factors including the cost of operations, variations in the grade of ore mined, fluctuations in metal markets, costs of processing equipment and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. The remoteness and restrictions on access of properties in which Clear Sky has an interest will have an adverse effect on profitability as a result of higher infrastructure costs. There are also physical risks to the exploration personnel working in the terrain in which the Company properties will be located, often in poor climate conditions.

The long-term commercial success of Clear Sky will depend on its ability to explore, develop and commercially produce minerals from its properties and to locate and acquire additional properties worthy of exploration and development for minerals. No assurance can be given that Clear Sky will be able to locate satisfactory properties or acquisition or participation. Moreover, if such acquisitions or participations are identified, Clear Sky may determine that current markets, terms of acquisition and participation or pricing conditions make such acquisitions or participation uneconomic.

Mineral Resources and Reserves

Because Clear Sky has not defined or delineated any resource or reserve on any of its properties, mineralization estimates for its properties may require adjustments or downward revisions based upon further exploration or development work or actual production experience. In addition, the grade of ore ultimately mined, if any, may differ from that indicated by drilling results. There can be no assurance that minerals recovered in small-scale tests will be duplicated in large-scale tests under on-site conditions or in production scale.

Unless otherwise indicated, mineralization figures presented in this Filing Statement are based upon estimates made by Clear Sky, personnel and independent geologists. These estimates are imprecise and depend upon geological interpretation and statistical inferences drawn from drilling and sampling analysis which may prove to be unreliable.

There can be no assurance that these estimates will be accurate; resource or other mineralization figures will be accurate; or such mineralization could be mined or processed profitably.

Insufficient Resources or Reserves

Substantial additional expenditures will be required to establish either resources or reserves on mineral properties and to develop processes to extract the minerals. No assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that the funds required for development can be obtained on a timely basis or at all.

No Assurances

There is no assurance that economic mineral deposits will ever be discovered, or if discovered, subsequently put into production. Most exploration activities do not result in the discovery of commercially mineable deposits. The Company future growth and profitability will depend, in part, on its ability to identify and expand its mineral reserves through additional exploration of the Property and on the costs and results of continued exploration and development programs. Mining exploration is highly speculative in nature, involves many risks and frequently is not productive. Most exploration projects do not result in the discovery of commercially mineable ore deposits and no assurance can be given that any anticipated level of recovery of mineral reserves will be realized or that any identified mineral deposit will ever qualify as a commercially mineable (or viable) ore body which can be legally and economically exploited. There can be no assurance that The Company exploration efforts at the Property will be successful.

Volatility of Commodity Prices

The development of the Property and any other project Clear Sky acquires is dependent on the future prices of minerals and metals. The viability of developing the Property depends heavily on the price of lithium.

Precious metals prices are subject to volatile price movements that are beyond The Company control, which can be material and occur over short periods of time. Factors affecting such volatility include, but are not limited to, interest and exchange rates, inflation or deflation, fluctuations in the value of the U.S. dollar and foreign currencies, global and regional supply and demand, speculative trading, the costs of and levels of precious metals production, and political and economic conditions. Such external economic factors are in turn influenced by changes in international investment patterns, monetary systems, the strength of and confidence in the U.S. dollar (the currency in which the prices of precious metals are generally quoted), and political developments.

The effect of these factors on the prices of precious metals, and therefore the economic viability of the Property and any project Clear Sky may acquire in the future, cannot be accurately determined. The prices of commodities have historically fluctuated widely, and future price declines could cause the development of (and any future commercial production from) the Property to be impracticable or uneconomical. As such, Clear Sky may determine that it is not economically feasible to commence commercial production, which could have a material adverse impact on The Company financial performance and results of operations. In such a circumstance, Clear Sky may also curtail or suspend some or all of its exploration activities.

Title Matters, Surface Rights and Access Rights

The Property may be subject to prior unregistered agreements of transfer or indigenous land claims, and title may be affected by undetected defects. Until any such competing interests have been determined, there can be no assurance as to the validity of title of the Property and any other mining or property interests derived from or in replacement or conversion of or in connection with the claims comprising the Property or the size of the area to which such claims and interests pertain. Clear Sky cannot guarantee that title to its mineral properties will not be challenged. Title insurance is generally not available for mineral properties and The Company ability to ensure that it has obtained secure claim to individual mineral properties or mining concessions may be severely constrained.

Although, upon exercising the Option, will acquire the rights to some or all of the minerals in the ground, it does not thereby acquire any rights to, or ownership of, the surface to the areas covered by its mineral tenures. In areas where there are local populations or landowners, it is necessary, as a practical matter, to negotiate surface access. There is a risk that local communities or affected groups may take actions to delay, impede or otherwise terminate the contemplated activities of Clear Sky. There can be no guarantee that Clear Sky will be able to negotiate a satisfactory agreement with any such existing landowners/occupiers for such access, and therefore it may be unable to carry out significant exploration and development activities. In addition, in circumstances where such access is denied, or no agreement can be reached, Clear Sky may need to rely on the assistance of local officials or the courts in such jurisdiction, which assistance may not be provided or, if provided, may not be effective. If the development of a mine on the Property becomes justifiable it will be necessary to acquire surface rights for mining, plant, tailings and mine waste disposal. There can be no assurance that Clear Sky will be successful in acquiring any such rights.

Insurance and Uninsured Risks

The Company business is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, catastrophic equipment failures, changes in the regulatory environment and natural phenomena such as inclement weather conditions, pandemics, floods and earthquakes. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to the Company properties or the properties of others, delays in mining, monetary losses and possible legal liability.

Although Clear Sky will maintain insurance to protect against certain risks in such amounts as it considers to be reasonable, its insurance will not cover all the potential risks associated with a mining company's operations. Clear Sky may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to Clear Sky or to other companies in the mining industry on acceptable terms. Clear Sky might also become subject to liability for pollution or other hazards that may not be insured against or that Clear Sky may elect not to insure against because of premium costs or other reasons. Losses from these events may cause Clear Sky to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

Environmental Risks and Hazards

All phases of the Company operations are subject to environmental regulation. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner that will require stricter standards and enforcement, increased fines and penalties for noncompliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that existing or future environmental regulation will not materially adversely affect the Company business, financial condition and results of operations.

Permitting Risks

Government environmental approvals and permits are currently, or may in the future be, required in connection with The Company operation. To the extent such approvals are required and not obtained, Clear Sky will be curtailed or prohibited from proceeding with planned exploration, development or operation of mineral properties.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in mining operations, including Clear Sky, may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws, regulations and permits governing operations and activities of Companies in the mining industry, or more stringent implementation thereof, could have a material adverse impact on Clear Sky and cause increases in exploration expenses, capital expenditures or production costs, reduction in levels of production at producing properties, or abandonment or delays in development of new mining properties.

Infrastructure

Mining, processing, development and exploration activities depend on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants, which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Company business, financial condition and results of operations.

Competition for Exploration, Development and Operation Rights

The mining industry is intensely competitive in all of its phases and Clear Sky competes with many companies possessing greater financial and technical resources. Competition in the precious metals mining industry is primarily for: mineral rich properties that can be developed and produced economically; the technical expertise to find, develop and operate such properties; the labour to operate the properties; and the capital for the purpose of funding such properties. Many competitors not only explore for and mine precious metals but conduct refining and marketing operations on a global basis. Such competition may result in Clear Sky being unable to recruit or retain qualified employees or to acquire the capital necessary to fund its operations and develop the Property as contemplated. Existing or future competition in the mining industry could materially adversely affect prospects for mineral exploration and success in the future.

Increased demand for services and equipment could cause project costs to increase materially, resulting in delays if services or equipment cannot be obtained in a timely manner due to inadequate availability, or at all, and increase potential scheduling difficulties and cost increases due to the need to coordinate the availability of services or equipment, any of which could materially increase project exploration, development or construction costs, result in project delays or both.

Governmental Regulation

The mineral exploration and development activities of Clear Sky are subject to various laws governing prospecting, exploration, development, production, taxes, labour standards and occupational health, mine safety, toxic substances, land use, water use, land claims of local people and other matters in local areas of operation. Although the Company exploration and development activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail exploration, development or production. Amendments to current laws and regulations governing the Company operations, or more stringent implementation thereof, could have an adverse impact on the Company business and financial condition.

Operational Labour and Employment Matters

While Clear Sky has good relations with its employees and consultants, exploration and development at its mining properties is dependent upon the efforts of the Company employees. In addition, relations between Clear Sky and its employees may be affected by changes in the scheme of labour relations that may be introduced by the relevant federal and provincial governmental authorities. Changes in such legislation or in the relationship between Clear Sky and its employees may have a material adverse effect on the Company business, results of operations and financial condition.

Acquiring Additional Properties

Significant and increasing competition exists for mineral acquisition opportunities throughout the world. As a result of this competition, some of which is with large, better established mining companies with substantial capabilities and greater financial and technical resources, Clear Sky may be unable to acquire rights to exploit additional attractive mining properties on terms it considers acceptable.

Community Relationships

Relationships with the communities in which Clear Sky it operates are critical to ensure the future success of its existing operations and the construction and development of its projects.

The Property may be subject to the rights or the asserted rights of various community stakeholders, including First Nations. The presence of community stakeholders may impact The Company ability to develop or operate the Property or to conduct exploration activities. Accordingly, Clear Sky is subject to the risk that one or more groups may oppose the continued operation, further development or new development or exploration of the Company current or future mining properties and projects. Such opposition may be directed through legal or administrative proceedings, or through protests or other campaigns against the Company activities. Governments in many jurisdictions must consult with, or require Clear Sky to consult with, indigenous peoples with respect to grants of mineral rights and the issuance or amendment of project authorizations. The risk of unforeseen title claims by First Nations peoples also could affect existing operations as well as development projects. These legal requirements may also affect the Company ability to expand or transfer existing operations or to develop new projects.

Impact of Pandemic Disease on Global Economic Conditions and Economic Performance

The Company operations are subject to the risk of emerging infectious diseases or the threat of outbreaks of viruses or other contagions or epidemic diseases, such as the novel coronavirus ("**COVID-19**") outbreak which began at the beginning of 2020. These infectious disease risks may not be adequately responded to locally, nationally or internationally due to lack of preparedness to detect and respond to outbreaks or respond to significant pandemic threats. As such, there are potentially significant economic and social impacts of infectious disease risks, including the inability of the Company mining and exploration operations to operate as intended due to a shortage of skilled employees, shortages or disruptions in supply chains, inability of employees to access sufficient healthcare, significant social upheavals, government or regulatory actions or inactions, decreased demand or the inability to sell precious metals or declines in the price of precious metals, capital market volatility, or other unknown but potentially significant impacts.

There are potentially significant economic losses from infectious disease outbreaks that can extend far beyond the initial location of an infectious disease outbreak. As such, both catastrophic outbreaks as well as regional and local outbreaks can have a significant impact on the Company operations, future cash flows, earnings, results of operations and financial condition. Clear Sky may not be able to accurately predict the quantum of such risks. In addition, the Company own operations are exposed to infectious disease risks noted above and, as such, The Company operations may be adversely affected by such infectious disease risks. Accordingly, any outbreak or threat of an outbreak of a virus, such as COVID-19 or other contagions or epidemic disease could have a material adverse effect on Clear Sky, its business, results from operations and financial condition. The COVID-19 outbreak at the beginning of 2020 has resulted in extended shutdowns of numerous business activities and supply chain disruptions. These shutdowns and disruptions have impacted the global economy and may have an adverse impact on the Company business. As new developments continue to arise, the full impact that COVID-19 may have on lithium prices, commodity prices, costs and availability of supplies, availability of personnel and the global economy are not fully ascertainable. The direct and indirect effects of COVID-19 could have a material adverse effect on the Company future cash flows, earnings, results of operations and financial condition. In addition, health concerns could result in social, economic and labour instability.

Corporate Risks

The Proposed Transaction May Not Be Completed

The Proposed Transaction is subject to final acceptance by the Exchange as evidenced by the Final Exchange Bulletin. There can be no assurance that all of the necessary approvals will be obtained. If the Proposed Transaction is not completed for any reason, the Company will continue to search for and evaluate other investment opportunities; however, it will have incurred significant costs associated with the failed implementation of the Proposed Transaction.

Additional Funding Requirements

The exploration and development of the Property will require substantial additional capital. When such additional capital is required, Clear Sky will need to pursue various financing transactions or arrangements, including joint venturing of projects, debt financing, equity financing or other means. Additional financing may not be available when needed or, if available, the terms of such financing might not be favorable to Clear Sky and might involve substantial dilution to existing shareholders. Clear Sky may not be successful in locating suitable financing transactions in the time period required or at all. A failure to raise capital when needed would have a material adverse effect on Clear Sky's business, financial condition and results of operations. Any future issuance of securities to raise required capital will likely be dilutive to existing shareholders. In addition, debt and other debt financing may involve a pledge of assets and may be senior to interests of equity holders. Clear Sky may incur substantial costs in pursuing future capital requirements, including investment banking fees, legal fees, accounting fees, securities law compliance fees, printing and distribution expenses and other costs. The ability to obtain needed financing may be impaired by such factors as the capital markets (both generally and in the precious metals industries in particular), Clear Sky's status as a new enterprise with a limited history, the location of the Property, the price of commodities and/or the loss of key management personnel. Further, if the price of precious on the commodities markets decreases, then potential revenues from the Property will likely decrease and such decreased revenues may increase the requirements for capital. Failure to obtain sufficient financing will result in a delay or indefinite postponement of development or production at the Property.

Limited Operating History and Early Stage Property

Clear Sky will be an early-stage company and the Property is an exploration stage property. As such, Clear Sky will be subject to all of the business risks and uncertainties associated with any new business enterprise, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and lack of revenues. The current state of the Property requires significant additional expenditures before any cash flow may be generated. There is no assurance that Clear Sky will be successful in achieving a return on shareholders' investment and the likelihood of its success must be considered in light of its early stage of operations.

The Property is in the early exploration stage and is without resources or reserves. The proposed programs on the Property are an exploratory search for a mineral deposit. Development of the Property will only follow upon obtaining satisfactory results. Exploration for and the development of minerals involve a high degree of risk and few properties, which are explored, are ultimately developed into producing properties. There is no assurance that Clear Sky's exploration and development activities will result in any discoveries of commercial bodies of ore.

The long-term success of Clear Sky's operations will be in large part directly related to the cost and success of its exploration programs, which may be affected by a number of factors.

Lack of Operating Cash Flow

Clear Sky will initially have no source of operating cash flow and is expected to continue to do so for the foreseeable future. Clear Sky's failure to achieve profitability and positive operating cash flows could have a material adverse effect on its financial condition and results of operations. If Clear Sky sustains losses over an extended period of time, it may be unable to continue our business. Further exploration and development of the Property will require the commitment of substantial financial resources. It may be several years before Clear Sky will generate any revenues from operations, if at all. There can be no assurance that Clear Sky will realize revenue or achieve profitability.

Adverse General Economic Conditions

The unprecedented events in global financial markets in the past several years have had a profound impact on the global economy. Many industries, including the mineral exploration sector, were impacted by these market conditions.

Some of the key impacts of the financial market turmoil included contraction in credit markets resulting in a widening of credit risk, devaluations, high volatility in global equity, commodity, foreign exchange and precious metal markets and a lack of market liquidity. A similar slowdown in the financial markets or other economic conditions, including but not limited to, inflation, fuel and energy costs, lack of available credit, the state of the financial markets, interest rates and tax rates, may adversely affect Clear Sky's operations. Specifically, a global credit/liquidity crisis could impact the cost and availability of financing and our overall liquidity, the volatility of mineral prices would impact Clear Sky's prospects, volatile energy, commodity and consumables prices and currency exchange rates would impact costs and the devaluation and volatility of global stock markets would impact the valuation of its equity and other securities. These factors could have a material adverse effect on Clear Sky's financial condition and results of operations.

In recent years, the securities markets in Canada, as well as in other countries around the world, have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price that have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It may be anticipated that any quoted market for the Common Shares will be subject to market trends and conditions generally, notwithstanding any potential success of Clear Sky in developing assets, adding additional resources, establishing feasibility of deposits or creating revenues, cash flows or earnings. The value of securities will be affected by market volatility. An active public market for the Common Shares might not develop or be sustained. If an active public market for the Common Shares does not develop or continue, the liquidity of a shareholder's investment may be limited and the price of the Common Shares may decline.

Claims and Legal Proceedings

Clear Sky may be subject to claims or legal proceedings covering a wide range of matters that arise in the ordinary course of business activities, including relating to former employees. These matters may give rise to legal uncertainties or have unfavourable results. Clear Sky may carry liability insurance coverage and mitigate risks that can be reasonably estimated; however, there is a risk that insurance may not be adequate to cover all possible risks arising from Clear Sky's operations. In addition, Clear Sky may be involved in disputes with other parties in the future that may result in litigation or unfavourable resolution which could materially adversely impact Clear Sky's financial position, cash flow, results of operations, and reputation, regardless of the specific outcome.

Force Majeure

Clear Sky's projects now or in the future may be adversely affected by risks outside the control of Clear Sky, including the price of precious metals on world markets, labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

Competition

All aspects of Clear Sky's business will be subject to competition from other parties. Many of Clear Sky's competitors for the acquisition, exploration, production and development of mineral properties, and for capital to finance such activities, will include companies that have greater financial and personnel resources available to them than Clear Sky. Competition could adversely affect Clear Sky's ability to acquire suitable properties or prospects in the future.

Litigation

Clear Sky and/or its directors and officers may be subject to a variety of civil or other legal proceedings, with or without merit. From time to time in the ordinary course of its business, Clear Sky may become involved in various legal proceedings, including commercial, employment and other litigation and claims, as well as governmental and other regulatory investigations and proceedings. Such matters can be time-consuming, divert management's attention and resources and cause Clear Sky to incur significant expenses. Furthermore, because litigation is inherently unpredictable, the results of any such actions may have a material adverse effect on Clear Sky's business, operating results or financial condition.

No Earnings and History of Losses

The business of developing and exploring resource properties involves a high degree of risk and, therefore, there is no assurance that current exploration programs will result in identifying further profitable operations. Clear Sky has not determined whether the Property contains economically recoverable reserves of mineralized material and currently has not earned any revenue from its projects; therefore, Clear Sky does not generate cash flow from its operations. There can be no assurance that significant additional losses will not occur in the future. Clear Sky's operating expenses and capital expenditures may increase in future years with advancing exploration, development and/or production from Clear Sky's properties. Clear Sky expects to incur losses until such time as the Property or any future property it acquires enters into commercial production and generates sufficient revenue to fund continuing operations. There is no assurance that any of Clear Sky's properties will eventually enter commercial operation. There is also no assurance that new capital will become available and, if it does not, Clear Sky may be forced to substantially curtail or cease operations.

Attracting and Retaining Talented Personnel

Clear Sky's success will depend in large measure on the abilities, expertise, judgment, discretion, integrity and good faith of management and other personnel in conducting the business of Clear Sky. Clear Sky will initially have a small management team and the loss of any of these individuals or the inability to attract suitably qualified staff could materially adversely impact the business. Clear Sky's ability to manage its operating, development, exploration and financing activities will depend in large part on the efforts of these individuals.

Clear Sky's success will depend on the ability of management and employees to interpret market and technical data successfully and to interpret and respond to economic, market and other business conditions in order to locate and adopt appropriate investment opportunities, monitor such investments and ultimately, if required, successfully divest such investments. Further, key personnel may not continue their association or employment with Clear Sky which may not be able to find replacement personnel with comparable skills. Clear Sky has sought to and will continue to ensure that management and any key employees are appropriately compensated; however, their services cannot be guaranteed. If Clear Sky is unable to attract and retain key personnel, business may be adversely affected. Clear Sky faces market competition for qualified personnel and there can be no assurance that Clear Sky will be able to attract and retain such personnel.

Dividends

Clear Sky does not intend to declare dividends for the foreseeable future as Clear Sky anticipates that any future earnings will be re-invested in the development and growth of the business. Therefore, investors will not receive any funds unless they sell their shares, and shareholders may be unable to shares on favorable terms or at all. Investors cannot be assured of a positive return on investment or that they will not lose the entire amount of their investment.

Volatility of Market for Shares

The market price of Clear Sky Shares may be highly volatile and could be subject to wide fluctuations in response to a number of factors, including: (i) dilution caused by issuance of shares or other forms of equity securities, which Clear Sky expects to make in connection with future financings to fund operations and growth, to attract and retain qualified personnel and in connection with future strategic partnerships with other companies, (ii) announcements of new acquisitions, reserve discoveries or other business initiatives by competitors, (iii) fluctuations in revenue from operations as new reserves come to market, (iv) changes in the market for lithium and/or in the capital markets generally, (v) changes in the demand for minerals and metals; and (vi) changes in the social, political and/or legal climate in the regions in which Clear Sky operates. In addition, the market price of Clear Sky Shares could be subject to wide fluctuations in response to: (a) quarterly variations in operating expenses, (b) changes in the valuation of similarly situated Companies, both in the mining industry and in other industries, (c) changes in analysts' estimates affecting Clear Sky, competitors and/or the industry, (d) changes in the accounting methods used in or otherwise affecting the industry, (e) additions and departures of key personnel, (f) fluctuations in interest rates, exchange rates and the availability of capital in the capital markets, and (g) significant sales of Clear Sky Shares, including sales by future investors in future offerings which may be made to raise additional capital. These and other factors will be largely beyond Clear Sky's control, and the impact of these risks, singularly or in the aggregate, may result in material adverse changes to the market price of Clear Sky Shares and/or Clear Sky's results of operations and financial condition.

APPENDIX B
1291455 B.C. LTD. FINANCIAL STATEMENTS

(ATTACHED)

1291455 B.C. LTD.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended November 30, 2021

(Expressed in Canadian dollars - Unaudited)

1291455 B.C. LTD.
Condensed Interim Consolidated Statements of Financial Position
(Expressed in Canadian dollars - Unaudited)

	Notes	November 30, 2021	August 31, 2021
		$	$
ASSETS			
Current:			
Cash		**11,800**	1,000
Accounts receivable		**-**	1
		11,800	1,001
Exploration and evaluation asset	4	**127,500**	-
Total assets		**139,300**	1,001
LIABILITIES			
Current:			
Accounts payable and accrued liabilities		**16,754**	73,080
Subscription liability	5	**100**	270
Share subscription deposit		**-**	730
Promissory note	6	**25,146**	-
Due to related parties	7	**89,103**	30,000
Total liabilities		**131,103**	104,080
SHAREHOLDER'S EQUITY			
Share capital	5	**82,385**	1
Obligation to issue shares	5	**63,750**	-
Deficit		**(137,938)**	(103,080)
Total shareholder's equity		**8,197**	(103,079)
Total liabilities and shareholders' equity		**139,300**	1,001

Nature of operations and going concern (Note 1)
Subsequent events (Note 9)

These financial statements were authorized for issue by the Board of Directors on February [X], 2022.

/s/ "[X]"
Director

/s/ "[X]"
Director

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

1291455 B.C. LTD.
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars, except number of shares - Unaudited)

	Note	For three months ended November 30, 2021
		$
Operating expenses		
Bank charges		**154**
Exploration expenditures	4	**25,243**
Legal and professional fees		**6,818**
Foreign exchange loss		**2,643**
Net loss and comprehensive loss for the period		**34,858**
Loss per common share		
Basic and diluted		**0.01**
Weighted average number of common shares outstanding		
Basic and diluted		**2,532,247**

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

1291455 B.C. LTD.
Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
(Expressed in Canadian dollars, except number of shares - Unaudited)

	Notes	Number of common shares	Share capital	Obligation to issue shares	Deficit	Total shareholders' equity
		#	$	$	$	$
Balance, February 26, 2021		-	-	-	-	-
Share issued for incorporation		1	1	-	-	1
Net loss and comprehensive loss		-	-	-	(103,080)	(103,080)
Balance, August 31, 2021		1	1	-	(103,080)	(103,079)
Share issued for private placements	5	4,119,200	82,384	-	-	82,384
Shares to be issued for Asset Purchase Agreement	4,5	-	-	63,750	-	63,750
Net loss and comprehensive loss		-	-	-	(34,858)	(34,858)
Balance, November 30, 2021		**4,119,201**	**82,385**	**63,750**	**(137,938)**	**8,197**

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

1291455 B.C. LTD.
Condensed Interim Consolidated Statement of Cash Flows
(Expressed in Canadian dollars - Unaudited)

	For three months ended November 30, 2021
	$
Operating activities	
Net loss for the period	(34,858)
Changes to non-cash working capital items:	
Accounts payable and accrued liabilities	(56,325)
Net cash used in operating activities	(91,183)
Investing activities	
Acquisition of exploration and evaluation asset	(63,750)
Net cash used in investing activities	(63,750)
Financing activities	
Due to related parties	59,103
Proceeds from promissory note	25,146
Proceeds from share issuance from private placements	81,384
Proceeds from share subscription deposit	100
Net cash provided by financing activities	165,733
Increase in cash	10,800
Cash, beginning of period	1,000
Cash, end of period	11,800

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

1. NATURE OF OPERATIONS AND GOING CONCERN

1291455 B.C. LTD. (the "Company") is in the business of the exploration and evaluation of mineral properties. The Company was incorporated under the Business Corporations Act of British Columbia on February 26, 2021. The address of the Company's registered and records office and principal place of business is 2600-1066 West Hastings Street, Vancouver, British Columbia, Canada, V6E 3X1.

The business of mining and exploration involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of exploration and evaluation expenditures is dependent upon several factors. These include the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development of these properties, and future profitable production or proceeds from disposition of mineral properties.

These condensed interim consolidated financial statements have been prepared on a going concern basis, which assumes the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. The Company incurred a loss of $34,858 during the three months ended November 30, 2021, and has working capital deficit as at November 30, 2021 of $119,303 and has accumulated deficit as at November 30, 2021 of $137,938. The Company has no source of operating cash flows, and there is no assurance that sufficient funding (including adequate financing) will be available to conduct the required exploration and development of mineral property projects. These factors present a material uncertainty that may cast significant doubt over the Company's ability to continue as a going concern.

The application of the going concern concept is dependent upon the Company's ability to generate future profitable operations and receive continued financial support from its creditors and shareholders. These financial statements do not give effect to any adjustments that might be required should the Company be unable to continue as a going concern. These adjustments could be material

In 2020, there was a global outbreak of coronavirus that has resulted in changes in global supply and demand of certain mineral and energy products. These changes, including a potential economic downturn and any potential resulting direct and indirect negative impact to the Company cannot be determined, but they could have a prospective material impact to the Company's project exploration activities, cash flows and liquidity. Various restrictions on gatherings, work and access to remote communities near the Company's project may also impact the Company's ability to perform exploration activities at the project.

2. BASIS OF PRESENTATION

a) Statement of compliance

These condensed interim consolidated financial statements were approved and authorized for issuance on XX, 2022 by the directors of the Company.

These condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") applicable to the preparation of interim financial statements including International Accounting Standard 34 - *Interim Financial Reporting*. These interim financial statements do not include all disclosures required for annual audited financial statements. Accordingly, they should be read in conjunction with the notes to the Company's audited financial statements for the period ended August 31, 2021 (the "annual financial statements"), which include the information necessary or useful to understanding the Company's business and financial statement presentation.

2. BASIS OF PRESENTATION (CONTINUED)

In particular, the Company's use of judgements and estimates and significant accounting policies were presented in notes 2 and 3, respectively, of those annual financial statements and have been consistently applied in the preparation of the interim financial statements.

b) Basis of measurement

These interim financial statements have been prepared on a historical cost basis except for certain financial instruments which are measured at their fair value as explained in the accounting policies set out in Note 3. In addition, these financial statements have been prepared using the accrual basis of accounting except cash flow information.

c) Basis of consolidation

These interim financial statements incorporate the financial statements of the Company and its wholly owned subsidiary Clear Sky Lithium Nevada Inc. ("Clear Sky Nevada"), which was incorporated during the three months ended November 30, 2021. Control is based on whether an investor has power over the investee and the ability to use its power over the investee to affect the amount of the returns. The financial statements of subsidiary are included in the consolidated financial statements from the date that control commenced until the date that control ceases. All significant intercompany transactions and balances have been eliminated.

d) Functional and presentation currency

These interim financial statements are presented in Canadian dollar, unless otherwise noted, which is the functional currency of the Company and its subsidiary.

Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, the monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the date of statement of financial position. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in the statement of loss and comprehensive loss.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied in the preparation of these condensed interim consolidated financial statements are consistent with those applied and disclosed in Note 3 of the Company's annual financial statements.

(Expressed in Canadian dollars, unless otherwise noted - Unaudited)

4. EXPLORATION AND EVALUATION ASSETS AND EXPENDITURES

The following table provides a summary of exploration and evaluation asset acquisition costs:

	Eli Property
	$
Balance at August 31, 2021	**-**
Additions – cash	**63,750**
Additions – common shares to be issued	**63,750**
Balance at November 30, 2021	**127,500**

On November 16, 2021, the Company purchased a 100% interest in 26 unpatented mining claims situated in Eureka County and Nye County, Nevada, (the “Eli Property”) for purchase consideration comprising US$50,000 cash and 100,000 common shares of the Company with a contractual value of US$50,000 (the “share contractual value”) or US$0.50 per share. In the event that the initial public sale or offering price (the “future share price”) of the Company’s shares is less than USD$0.50 per share, then the number of shares to be delivered to the seller shall be equal to the share contractual value divided by the future share price. The Company will also provide the seller with a gross returns mineral production royalty of two percent (2.0%) from the production of minerals from the Eli Property and any unpatented mining claims that the Company locates in an identified area of interest. Pursuant to the acquisition, subsequent to period end, the Company issued 100,000 shares on December 23, 2021 (Note 9).

The following table provides a summary of exploration and evaluation expenditure costs for the three months ended November 30, 2021:

	2021
	$
Eli Property	
Assays and soil sampling	**9,078**
Claims staking and maintenance	**4,807**
Geotechnical	**5,884**
Travel and accommodation	**4,834**
General	**640**
Total expenditures	**25,243**

5. SHARE CAPITAL AND RESERVES

a) Share capital

Authorized

The Company is authorized to issue an unlimited number of common shares without par value.

Issued

During October 2021, the Company closed a private placement for $0.02 per common share that resulted in the issuance of 4,119,200 common shares for gross proceeds of $82,384.

b) Subscription liabilities

As at November 30, 2021, the Company has collected deposit of $100 that will be returned.

5. SHARE CAPITAL AND RESERVES (CONTINUED)

c) Obligation to issue shares

On November 16, 2021, the Company purchased a 100% interest in 26 unpatented mining claims situated in Eureka County and Nye County, Nevada, (the “Eli Property”) for purchase consideration comprising US$50,000 cash and 100,000 common shares of the Company with a contractual value of US$50,000 (the “share contractual value”) or US$0.50 per share. In the event that the initial public sale or offering price (the “future share price”) of the Company’s shares is less than USD$0.50 per share, then the number of shares to be delivered to the seller shall be equal to the share contractual value divided by the future share price. The Company will also provide the seller with a gross returns mineral production royalty of two percent (2.0%) from the production of minerals from the Eli Property and any unpatented mining claims that the Company locates in an identified area of interest. Pursuant to the acquisition, subsequent to period end, the Company issued 100,000 shares on December 23, 2021 (Note 9).

6. PROMISSORY NOTE

On September 1, 2021, the Company entered a promissory note agreement with the principal amount of US$20,000 to finance its operating activities. The payable is unsecured, non-interest bearing, and with payment due on demand.

7. RELATED PARTY TRANSACTIONS

As at November 30, 2021, due to related parties included $30,000 due to an officer of the Company and $59,103 due to Clear Sky Lithium Corp., the prospective parent of the Company, in pursuance to the share purchase agreement that was closed subsequent to November 30, 2021 (Note 9). The payables are unsecured, non-interest bearing, and have no fixed terms of repayment.

8. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company provides disclosures that enable users to evaluate (a) the significance of financial instruments for the entity’s financial position and performance; and (b) the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the date of the statement of financial position, and how the entity manages these risks.

The Company provides information about its financial instruments measured at fair value at one of three levels according to the relative reliability of the inputs used to estimate the fair value:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

8. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

The Company's financial instruments consist of cash, accounts payables and accrued liabilities, subscription liability and dues to related parties. The carrying values of these financial instruments approximate their respective fair values due to the term of these instruments.

As at November 30, 2021, the Company did not have any financial instruments measured at fair value.

9. SUBSEQUENT EVENTS

On December 20, 2021, the Company restructured the share capital by repurchasing and cancelling 750,465 shares by making a cash payment of $15,009.

On December 23, 2021, the Company issued 100,000 shares as part of the consideration price for the Eli Property.

On December 23, 2021, the Company completed a share purchase agreement ("SPA") with Clear Sky Lithium Corp. ("Clear Sky") whereby the shareholders of the Company sold all the outstanding shares of the Company in exchange for the issuance of 3,468,736 units (the "Compensation Units"), each Compensation Unit comprised of one Clear Sky share (the "Compensation Share") at a deemed price per Compensation Share of $0.10 and one common share purchase warrant of Clear Sky (the "Compensation Warrants"). Each Compensation Warrant shall be exercisable to acquire one Clear Sky share at a price of $0.10 for 36 months after the closing date.

1291455 B.C. LTD.

FINANCIAL STATEMENTS

For the period from February 26, 2021 (incorporation) to August 31, 2021

(Expressed in Canadian dollars)

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Directors of 1291455 B.C. Ltd.

Opinion

We have audited the financial statements of 1291455 B.C. Ltd. (the "Company"), which comprise the statement of financial position as at August 31, 2021 and the statements of loss and comprehensive loss, changes in shareholders' deficiency and cash flows for the period from February 26, 2021 (incorporation) to August 31, 2021, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at August 31, 2021, and its financial performance and its cash flows for the period from February 26, 2021 (incorporation) to August 31, 2021 in accordance with International Financial Reporting Standards.

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 Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC

March [x], 2022

1291455 B.C. LTD.
Statement of Financial Position
As at August 31, 2021
(Expressed in Canadian dollars)

	Notes	2021
		$
ASSETS		
Current:		
Cash		**1,000**
Accounts receivable		**1**
Total assets		**1,001**
LIABILITIES		
Current:		
Accounts payable and accrued liabilities		**73,080**
Subscription liability	4	**270**
Subscription deposit	4	**730**
Due to related party	5	**30,000**
Total liabilities		**104,080**
SHAREHOLDER'S DEFICIENCY		
Share capital	4	**1**
Deficit		**(103,080)**
Total shareholder's deficiency		**(103,079)**
Total liabilities and shareholder's deficiency		**1,001**

Nature of operations and going concern (Note 1)
Subsequent events (Note 9)

These financial statements were authorized for issue by the Board of Directors on February [X], 2022.

/s/ "[X]"
Director

/s/ "[X]"
Director

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

1291455 B.C. LTD.
Statement of Loss and Comprehensive Loss
For the period from February 26, 2021 (incorporation) to August 31, 2021
(Expressed in Canadian dollars, except number of shares)

	Note	**2021**
		$
Operating expenses		
Exploration expenditures	6	**96,210**
Legal and professional fees		**6,870**
Net loss and comprehensive loss for the period		**103,080**
Loss per common share		
Basic and diluted		**103,080**
Weighted average number of common shares outstanding		
Basic and diluted		**1**

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

1291455 B.C. LTD.
Statement of Changes in Shareholder's Deficiency
For the period from February 26, 2021 (incorporation) to August 31, 2021
(Expressed in Canadian dollars, except number of shares)

	Number of common shares	Share capital	Deficit	Total
	#	$	$	$
Balance, February 26, 2021	-	-	-	-
Share issued on incorporation	1	1	-	1
Net loss and comprehensive loss	-	-	(103,080)	(103,080)
Balance, August 31, 2021	**1**	**1**	**(103,080)**	**(103,079)**

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

1291455 B.C. LTD.
Statement of Cash Flows
For the period from February 26, 2021 (incorporation) to August 31, 2021
(Expressed in Canadian dollars)

	2021
	$
Operating activities	
Net loss for the period	**(103,080)**
Changes to non-cash working capital items:	
Accounts payable and accrued liabilities	**73,080**
Net cash used in operating activities	**(30,000)**
Financing activities	
Advances from related party	**30,000**
Proceeds from share subscription deposit	**730**
Proceeds from share subscription subsequently refunded	**270**
Net cash provided by financing activities	**31,000**
Increase in cash	**1,000**
Cash, beginning of period	**-**
Cash, end of period	**1,000**

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

1. NATURE OF OPERATIONS AND GOING CONCERN

1291455 B.C. LTD. is in the business of the exploration and evaluation of mineral properties. The Company was incorporated under the Business Corporations Act of British Columbia on February 26, 2021. The address of the Company's registered and records office and principal place of business is 2600-1066 West Hastings Street, Vancouver, British Columbia, Canada, V6E 3X1.

These financial statements (the "financial statements") have been prepared on a going concern basis, which assumes the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. The Company incurred a loss of $103,080 during the period ended August 31, 2021 and has working capital deficit as at August 31, 2021 of $103,079 and has accumulated deficit as at August 31, 2021 of $103,080. The Company has no source of operating cash flows, and there is no assurance that sufficient funding (including adequate financing) will be available to conduct the required exploration and development of mineral property projects. These factors present a material uncertainty that may cast significant doubt over the Company's ability to continue as a going concern.

The application of the going concern concept is dependent upon the Company's ability to generate future profitable operations and receive continued financial support from its creditors and shareholders. These financial statements do not give effect to any adjustments that might be required should the Company be unable to continue as a going concern. These adjustments could be material

In 2020, there was a global outbreak of coronavirus that has resulted in changes in global supply and demand of certain mineral and energy products. These changes, including a potential economic downturn and any potential resulting direct and indirect negative impact to the Company cannot be determined, but they could have a prospective material impact to the Company's project exploration activities, cash flows and liquidity. Various restrictions on gatherings, work and access to remote communities near the Company's project may also impact the Company's ability to perform exploration activities at the project.

2. BASIS OF PRESENTATION

a) Statement of compliance

The financial statements were approved and authorized for issuance on XX, 2022 by the Directors of the Company.

These financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

b) Basis of measurement

These financial statements have been prepared on a historical cost basis except for certain financial instruments which are measured at their fair value as explained in the accounting policies set out in Note 3. In addition, these financial statements have been prepared using the accrual basis of accounting except cash flow information.

3. SIGNIFICANT ACCOUNTING POLICIES

c) Cash

Cash is comprised of cash held in a trust account.

d) Financial instruments

IFRS 9 addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 requires financial assets to be classified into three measurement categories: those measured at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income ("FVTOCI"), and at amortized cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument.

The Company's financial instruments are classified as follows:

Financial instruments	Classification
Financial assets:	
Cash	Amortized cost
Unit subscription receivable	Amortized cost
GST receivable	Amortized cost
Financial liabilities:	
Accounts payable and accrued liabilities	Amortized cost
Due to related party	Amortized cost
Subscription liability and deposit	Amortized cost

Financial assets

Financial assets are classified as either financial assets at FVTPL, amortized cost, or FVTOCI. The Company determines the classification of its financial assets at initial recognition.

Fair value through profit or loss – financial assets are classified as FVTPL if they do not meet the criteria of amortized cost or FVTOCI. Changes in fair value are recognized in the statement of loss.

Amortized cost – financial assets are classified as measured at amortized cost if both of the following criteria are met and the financial assets are not designated as FVTPL: 1) The objective of the Company's business model for these financial assets is to collect their contractual cash flows; and 2) the assets contractual cash flow represents solely payments of principal and interest.

FVTOCI

Debt investments at FVTOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in Other Comprehensive Income ("OCI"). On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVTOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial liabilities

All financial liabilities are initially recorded at fair value and designated upon inception as FVTPL or other financial liabilities. Financial liabilities classified as FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Fair value changes on financial liabilities classified as FVTPL are recognized in earnings.

Financial liabilities classified as other financial liabilities are initially recognized at fair value less directly attributable transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest rate method. The effective interest rate method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Impairment of financial assets at amortized cost

The Company assesses all information available, including on a forward-looking basis, the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as the reporting date, with the risk of default as at the date of initial recognition, based on all information available, and reasonable and supportive forward-looking information. If it has been determined that there is a significant increase in risk, then the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses. If at the reporting date, the credit risk of the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in profit or loss the amount of expected credit losses (or reversal), as an impairment gain or loss, that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

e) Income taxes

Deferred income taxes are provided in full, using the liability method, on temporary differences arising between the income tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income taxes are determined using income tax rates and income tax laws that have been enacted at the end of the reporting period and are expected to apply when the related deferred income tax asset is realized, or the deferred income tax liability is settled. Deferred income tax assets are recognized to the extent that it is probable that future taxable income will be available against which the temporary differences can be utilized.

f) Earnings (loss) per share

Basic earnings (loss) per share (“EPS”) is calculated using the weighted average number of common shares outstanding during the period. Diluted loss per share is calculated by adjusting the loss attributable to equity shareholders and the weighted average number of common shares outstanding for the effects of all potentially dilutive instruments. The calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period. In periods where a loss is reported, diluted loss per share is the same as basic loss per share because the effects of potentially dilutive common shares would be anti-dilutive.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

g) Restoration, rehabilitation and environmental obligations

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, as soon as the obligation to incur such costs arises. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the unit-of-production or the straight-line method. The related liability is adjusted each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. Costs for restoration of subsequent site damage, which is created on an ongoing basis during production, are provided for at their net present values and charged against profits as extraction progresses.

h) Exploration and evaluation assets – mineral properties

Acquisition costs for exploration and evaluation assets, net of recoveries, are capitalized on a property-by-property basis. Acquisition costs include cash consideration and the value of common shares, based on fair value at issuance, issued for mineral properties pursuant to the terms of the underlying agreement. Exploration expenditures, net of recoveries, are not capitalized but recorded in the consolidated statements of loss and comprehensive loss as incurred.

After an exploration and evaluation asset is determined by management to be commercially viable and technically feasible, exploration and evaluation expenditures on the property will first be assessed for impairment before being capitalized as property and equipment. The Company has no exploration and evaluation assets that have been determined by management to be commercially viable and technically feasible as at August 31, 2021.

Capitalized acquisition costs are assessed for impairment if facts and circumstances suggest that the carrying amount exceeds the recoverable amount. When there is little prospect of further work being carried out by the Company on a property, when a property is abandoned, or when the capitalized costs are no longer considered recoverable, the related property costs are written down to management's estimate of their net recoverable amount.

The recoverability of the carrying amount of mineral properties is dependent on successful development and commercial exploitation or, alternatively, the sale of the respective areas of interest.

i) Share-based compensation and share-based payments

The Company may grant stock options to acquire common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes or provides services similar to those performed by an employee. The fair value of stock options, determined at the date of the grant, is charged to the statement of loss and comprehensive loss, with an offsetting credit to reserves, over the vesting period. If and when the stock options are exercised, the applicable original amounts of reserves are transferred to share capital.

The fair value of a share-based compensation award is measured at the date of the grant. The estimated fair value of stock options is measured using the Black-Scholes Option Pricing Model. The Black-Scholes Option Pricing Model requires the input of subjective assumptions, including the expected term of the option and stock price volatility. The expected term of options granted is determined based on historical data on the average hold period before exercise, expiry or cancellation. Expected volatility is estimated with reference to the historical volatility of the stock price of the Company.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are to be measured at fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

j) Share capital

The Company records proceeds from share issuances net of issue costs and any tax effects. Common shares issued for consideration other than cash are valued based on their market value of the shares as of the date of issuance.

When equity offerings consist of common shares issued with attached share purchase warrants, if both instruments are classified as equity, the net proceeds are allocated based on the relative fair value of each component of equity. In determining the fair value of warrants that are not publicly traded, the Company uses the Black-Scholes option pricing model.

k) Recent accounting pronouncements

Certain other accounting pronouncements were issued but the Company anticipates that the application of these standards, amendments and interpretations in future periods will have no material impact on the results and financial position of the Company except for additional disclosures. The Company is assessing the impact of the new or revised IFRS standards on its financial position and financial performance.

l) Critical accounting estimates, judgments and assumptions

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, and contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates

Income taxes

The determination of income tax is inherently complex and requires making certain estimates and assumptions about future events. While income tax filings are subject to audits and reassessments, the Company has adequately provided for all income tax obligations. However, changes in facts and circumstances as a result of income tax audits, reassessments, jurisprudence and any new legislation may result in an increase or decrease in our provision for income taxes.

The estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company’s ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income, which in turn is dependent upon successful discovery, extraction, development and commercialization of mineral reserves.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

To the extent that management's assessment of the company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and deferred income tax provisions or recoveries could be affected.

Valuation of share-based payments

The assumptions used in the calculation for the value of share-based payments are inherently uncertain. The resulting value calculated is not necessarily the value that the holder of the equity compensation could receive in an arm's length transaction, given that there is no market for the options. Changes in these assumptions could materially affect the estimated fair values.

Valuation of shares issued in non-cash transactions

Generally, the valuation of non-cash transactions is based on the value of the goods or services received. When this cannot be determined, it is based on the fair value of the non-cash consideration. When non-cash transactions are entered into with employees and those providing similar services, the non-cash transactions are measured at the fair value of the consideration given up using market prices.

Determination of functional currency may involve certain judgments to determine the primary economic environment and the Company reconsiders the functional currency of its entities if there is a change in events and conditions that determined the primary economic environment.

Critical accounting judgments

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- going concern assessment; and
- the consideration of whether impairment indicators exist for financial assets.

4. SHARE CAPITAL AND RESERVES

a) Share capital

Authorized

The Company is authorized to issue an unlimited number of common shares without par value.

Issued

The Company issued one share to its director and officer upon incorporation of the Company.

b) Subscription liability

As of August 31, 2021, the Company received deposits of $270 for a non-brokered private placement that was completed during October 2021. The shares were repurchased, and the amount was returned in December 2021 (Note 9).

(Expressed in Canadian dollars, unless otherwise noted)

4. SHARE CAPITAL AND RESERVES (CONTINUED)

c) Subscription deposit

As of August 31, 2021, the Company collected $730 for a non-brokered private placement that was completed during October 2021 (Note 9).

5. RELATED PARTY TRANSACTIONS

The Company has identified its directors, officers and companies controlled by them as its key management personnel.

As at August 31, 2021, $30,000 is due to an officer of the Company for exploration expenditures paid on behalf of the Company. The payable is unsecured, non-interest bearing, and with no fixed terms of repayment.

6. EXPLORATION AND EVALUATION ASSETS AND EXPENDITURES

Subsequent to period end, on November 16, 2021, the Company purchased a 100% interest in the 26 unpatented claims situated in Eureka County and Nye County (the “Eli Property”) for $63,750 in cash and 100,000 common shares of the Company (Note 9).

The following table reflects the expenditures on the Eli Property for the period ending August 31, 2021:

	2021
	$
Eli Property	
Assays and soil sampling	**44,778**
Claims staking and maintenance	**40,310**
Travel and accommodation	**8,635**
General	**2,487**
Total expenditures	**96,210**

7. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company provides disclosures that enable users to evaluate (a) the significance of financial instruments for the entity’s financial position and performance; and (b) the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the date of the statement of financial position, and how the entity manages these risks.

The Company provides information about its financial instruments measured at fair value at one of three levels according to the relative reliability of the inputs used to estimate the fair value:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

7. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

The Company's financial instruments consist of cash, accounts payables and accrued liabilities, subscription liability and deposit and due to related parties. The carrying values of these financial instruments approximate their respective fair values due to the term of these instruments.

As at August 31, 2021, the Company did not have any financial instruments measured at fair value.

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

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. As at August 31, 2021, the Company had cash of $1,000 in a legal trust account. The Company assessed credit risk as low.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. As at August 31, 2021, the Company has current liabilities totaling $104,080 and cash of $1,000, and is exposed to significant liquidity risk at this time. However, since the Company is in the exploration stage, it will periodically have to raise funds to continue operations and intends to raise further financing through private placements.

Market risk

Market risk is the risk that changes in market prices such as commodity prices, foreign exchange rates and interest rates will affect the Company's income. The objective of market risk management is to manage and control market risk exposure within acceptable parameters. The Company does not use derivative instruments to reduce its insignificant exposure to market risks.

8. CAPITAL MANAGEMENT

The Company includes shareholders' equity and any debt it may issue, in the definition of capital. The Company's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

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

The Company's property is in the exploration stage and as such the Company is dependent upon external financings to fund activities. In order to carry out planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional funds required.

Management reviews its capital management approach on an ongoing basis and believes that this approach is reasonable given the relative size of the Company. There were no changes to the Company's approach to capital management during the period ending August 31, 2021. The Company is not subject to any external covenants.

9. SUBSEQUENT EVENTS

During October 2021, the Company closed a private placement for $0.02 per common share that resulted in the issuance of 4,119,200 common shares for gross proceeds of $82,384.

On November 16, 2021, pursuant to an asset purchase agreement, the Company purchased a 100% interest in 26 unpatented mining claims situated in Eureka County and Nye County (the “Eli Property”) for purchase consideration comprising US$50,000 cash and 100,000 common shares of the Company with a contractual value of US$50,000 (the “share contractual value”) or US$0.50 per share. In the event that the initial public sale or offering price (the “future share price”) of the Company’s shares is less than USD$0.50 per share, then the number of shares to be delivered to the seller shall be equal to the share contractual value divided by the future share price. The Company will also provide the seller with a gross returns mineral production royalty of two percent (2.0%) from the production of minerals from the Eli Property and any unpatented mining claims that the Company locates in an identified area of interest.

On December 20, 2021, the Company restructured the share capital by repurchasing and cancelling 750,465 shares by making a cash payment of $15,009.

On December 23, 2021, the Company issued 100,000 shares as part of the consideration price for the Eli Property.

On December 23, 2021, the Company completed a share purchase agreement (“SPA”) with Clear Sky Lithium Corp. (“Clear Sky”) whereby the shareholders of the Company sold all the outstanding shares of the Company in exchange for the issuance of 3,468,736 units (the "Compensation Units"), each Compensation Unit comprised of one Clear Sky share (the "Compensation Share") at a deemed price per Compensation Share of $0.10 and one common share purchase warrant of Clear Sky (the "Compensation Warrants"). Each Compensation Warrant shall be exercisable to acquire one Clear Sky share at a price of $0.10 for 36 months after the closing date.

APPENDIX C
PRO FORMA FINANCIAL STATEMENTS

CLEAR SKY LITHIUM CORP.

PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS

November 30, 2021 and August 31, 2021

(Expressed in Canadian Dollars – Unaudited)

CLEAR SKY LITIHIUM CORP.
Pro Forma Consolidated Statement of Financial Position
As at November 30, 2021
(Expressed in Canadian Dollars - Unaudited)

	Clear Sky Lithium Corp.	**1291455 B.C. Ltd.**	**Pro Forma adjustments**	**Note**	**Pro Forma consolidated**
	$	$	$		$
ASSETS					
Current					
Cash and cash equivalents	310,938	11,800	1,295,365	4f)	**1,551,391**
			(139,712)	4h)	
			73,000	4i)	
Unit subscription receivable	73,000	-	(73,000)	4i)	**-**
GST receivable	4,930	-	-		**4,930**
Due from related parties	59,103	-	(59,103)	4g)	**-**
Total current assets	447,971	11,800	1,096,550		**1,556,321**
Exploration and evaluation asset	-	127,500	-		**127,500**
Total assets	447,971	139,300	1,096,550		**1,683,821**
LIABILITIES					
Current					
Accounts payable and accrued liabilities	111,937	16,754	-		**128,691**
Deposits paid for shares and warrants	187,935	100	(187,935)	4f)	**100**
Subscription liability	139,712	-	(139,712)	4h)	**-**
Promissory note payable	-	25,146	-		**25,146**
Due to related parties	-	89,103	(59,103)	4g)	**30,000**
Total current liabilities	439,584	131,103	(386,750)		**183,937**
Total liabilities	439,584	131,103	(386,750)		**183,937**
EQUITY					
Share capital	163,183	82,385	49,730	4d)	**1,165,532**
			(82,385)	4e)	**-**
			925,119	4f)	**-**
			27,500	4c)	**-**
Shares to be issued	-	63,750	(63,750)	4e)	**-**
Reserves	95,571	-	19,645	4d)	**645,897**
			558,181	4f)	**-**
			(27,500)	4c)	**-**
Deficit	(250,367)	(137,938)	76,760	4e)	**(311,545)**
Total shareholders' equity	8,387	8,197	1,483,300		**1,499,884**
TOTAL LIABILITIES AND EQUITY	447,971	139,300	1,096,550		**1,683,821**

Approved on behalf of the Board of Directors on XX

Director **Director**

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

CLEAR SKY LITIHIUM CORP.
Pro Forma Consolidated Statement of Loss and Comprehensive Loss
For the three months ended November 30 2021
(Expressed in Canadian Dollars, except number of shares - Unaudited)

	Clear Sky Lithium Corp.	**1291455 B.C. Ltd.**	**Pro Forma Adjustments**	**Note**	**Pro Forma Consolidated**
	$	$	$		**$**
Operating expenses					
Exploration expenses	-	25,243	-		**25,243**
Advertising	12,500	-	-		**12,500**
Bank charges	60	154	-		**214**
General and administrative	21,032	-	-		**21,032**
Legal and professional fees	77,918	6,818	-		**84,736**
Listing fees	0	-	-		**-**
Salaries and wages	38,144	-	-		**38,144**
Share-based compensation	3,931	-	-		**3,931**
Listing expense	-	-	61,178	4e)	**61,178**
Net loss from operations	153,585	32,215	61,178		**246,978**
Other expense					
Foreign exchange	-	2,643	-		**2,643**
Net loss and comprehensive loss for the period	153,585	34,858	61,178		**249,621**
Loss per share					
Basic and diluted	0.01	0.01			**0.01**
Weighted average number of shares outstanding					
Basic and diluted	11,366,104	4,119,200	5,557,736	5	**21,043,040**

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

CLEAR SKY LITIHIUM CORP.
Pro Forma Consolidated Statement of Financial Position
As at August 31, 2021
(Expressed in Canadian Dollars - Unaudited)

	Clear Sky Lithium Corp.	1291455 B.C. Ltd.	Pro Forma adjustments	Note	Pro Forma consolidated
	$	$	$		**$**
ASSETS					
Current					
Cash and cash equivalents	156,408	1,000	179,364	4b)	**1,703,071**
			1,483,300	4f)	
			(119,001)	4h)	
			2,000	4i)	
Unit subscription receivable	2,000	1	(2,000)	4i)	**1**
GST receivable	560	-	-		**560**
Total current assets	158,968	1,001	1,543,663		**1,703,632**
Total assets	158,968	1,001	1,543,663		**1,703,632**
LIABILITIES					
Current					
Accounts payable and accrued liabilities	61,290	73,080	-		**134,370**
Deposits paid for shares and warrants	73,458	270	(45,958)	4b)	**270**
			(27,500)	4c)	**-**
Subscription liability	119,001	730	(119,001)	4h)	**730**
Due to related parties	-	30,000	-		**30,000**
Total current liabilities	253,749	104,080	(192,459)		**165,370**
Total liabilities	253,749	104,080	(192,459)		**165,370**
EQUITY					
Share capital	1,437	1	161,746	4b)	**1,165,532**
			(1)	4e)	**-**
			27,500	4c)	**-**
			49,730	4d)	**-**
			925,119	4f)	**-**
Reserves	564	-	3,931	4a)	**645,897**
			63,576	4b)	**-**
			19,645	4d)	**-**
			558,181	4f)	**-**
Deficit	(96,782)	(103,080)	(73,305)	4e)	**(273,167)**
Total shareholders' equity	(94,781)	(103,079)	1,736,122		**1,538,262**
TOTAL LIABILITIES AND EQUITY	158,968	1,001	1,543,663		**1,703,632**

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

CLEAR SKY LITIHIUM CORP.
Pro Forma Consolidated Statement of Loss and Comprehensive Loss
For the year ended August 31, 2021
(Expressed in Canadian Dollars, except number of shares - Unaudited)

	Clear Sky Lithium Corp.	1291455 B.C. LTD.	Pro Forma Adjustments	Note	Pro Forma Consolidated
	$	$	$		$
Operating expenses					
Exploration expenses	-	96,210	-		**96,210**
Advertising	21,000	-	-		**21,000**
Bank charges	99	-	-		**99**
Legal and professional fees	11,365	6,870	-		**18,235**
Listing fees	5,400	-	-		**5,400**
Salaries and wages	53,767	-	-		**53,767**
Share-based compensation	-	-	3,931	4a)	**3,931**
Listing expense	-	-	172,454	4e)	**172,454**
Loss from operations	91,631	103,080	176,385		**371,096**
Loss per share					
Basic and diluted	0.46	103,080.00	-		**0.02**
Weighted average number of shares outstanding					
Basic and diluted	200,000	1	20,843,039	5	**21,043,040**

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

1. BASIS OF PRESENTATION

These unaudited pro forma consolidated financial statements of Clear Sky Lithium Corp. (the "Company") as at November 30, 2021 and August 31, 2021 have been prepared by management in accordance with International Financial Reporting Standards ("IFRS") from information derived from the financial statements of the Company and the financial statements of 1291455 B.C. Ltd. ("1291455") to give effect to the proposed transaction (the "Acquisition Transaction") as described in Note 3.

These unaudited pro forma consolidated financial statements of the Company are compiled from and include, and should be read in conjunction with the following:

a) The unaudited interim financial statements of Clear Sky as at November 30, 2021 and for the three months then ended;

b) The unaudited consolidated interim financial statements of 1291455 as at November 30, 2021 and for the three months then ended;

c) The audited financial statements of Clear Sky at August 31, 2021 and for the year then ended;

d) The audited financial statements of 1291455 at August 31, 2021 and for the year then ended.

The unaudited pro forma consolidated statements of financial position as at August 31, 2021 and November 30, 2021 have been prepared as if the transactions in Note 4 had occurred on each August 31, 2021 and November 30, 2021, respectively. The unaudited pro forma consolidated statement of loss and comprehensive loss for the period ended November 30, 2021 and the year ended August 31, 2021 have been prepared as if the transactions had occurred on November 30, 2021 and August 31, 2021, respectively.

These unaudited pro forma consolidated financial statements are not necessarily indicative of the financial position that would have been achieved if the proposed transaction had been completed on the dates indicated, nor do they purport to project the financial position or results of operations of the combined entity for any future period. In the opinion of the management of the Company and 1291455, these unaudited pro forma consolidated statements include all adjustments necessary for the fair presentation, in all material respects, of the transaction described in Note 3. These unaudited pro forma consolidated financial statements do not reflect any cost savings that could result from the combination of the operations of the Company and 1291455, as management does not anticipate any material cost savings as a result of the Transaction.

The pro forma adjustments are based in part on estimates, including the fair values of the assets acquired and liabilities assumed, as applicable. For purposes of the pro forma consolidated statement of financial position, it is assumed that there are no tax consequences, and no income tax effect is being recorded. The Company has incurred losses since inception and when combined with 1291455 is not expected to generate profits in the immediate future, therefore neither entity carries any deferred tax assets in its most recent financial statements.

The Company is in the process of applying for a listing (the "Listing") of its Common Shares on the Canadian Securities Exchange (the "Exchange"). As of the date hereof, the Exchange has not conditionally approved the Listing, and there is no assurance that it will do so. The Listing will be subject to the Company fulfilling all of the listing requirements of the Exchange, including meeting all minimum listing requirements, which cannot be guaranteed.

2. SIGNIFICANT ACCOUNTING POLICIES

These unaudited pro forma consolidated financial statements have been compiled using significant accounting policies consistent with those set out in the audited financial statements of the Company and 1291455 BC LTD. for the year ended August 31, 2021. These unaudited pro forma consolidated financial statements should be read in conjunction with the above described annual financial statements and the notes thereto. In preparing these unaudited pro forma consolidated financial statements, a review was undertaken to identify accounting policy differences between Clear Sky and 1291455 where the impact was potentially material. The significant accounting policies of 1291455 conform in all material respects to those of Clear Sky.

3. DESCRIPTION OF ACQUISITION TRANSACTION

On December 23, 2021, the Company completed a share purchase agreement with the shareholders of 1291455 whereby the Company purchased all the outstanding shares of 1291455 in exchange for the issuance of 3,468,736 units, each unit comprised of one post-consolidation common share and one common share purchase warrant. Each warrant is exercisable to acquire one post-consolidation common share at a price of $0.10 for 36 months after the closing date. 1291455BC is a private company controlled by individuals related to the Company, was incorporated under the Business Corporation Act of British Columbia and is in the business of the exploration and evaluation of mineral properties.

4. PRO FORMA ADJUSTMENTS

The unaudited pro forma consolidated financial statements reflect the following adjustments:

a) On September 28, 2021, the Company granted 1,000,000 irrevocable common share purchase options (the "Options") to a service provider and a former officer of the Company. Each Option entitles the holder to purchase one common share at an exercise price of $0.05. All the Options were vested and exercisable upon issuance. The Options expire on September 28, 2024. The fair value of the Options was determined to be $3,931 using the Black-Scholes option pricing model with the following assumptions: expected life of 3 years, risk-free interest rate of 0.6% based on the bond rate of the Bank of Canada, expected volatility of 114% and 0% expected dividend yield.

b) On September 28, 2021, the Company issued 22,532,200 units at a price of $0.01 for gross proceeds of $225,322, of which $45,958 had been received as at August 31, 2021 and was included in deposit paid for shares and warrants. Each unit consists of one common share of the Company and one common share purchase warrant, with each warrant entitling the holder thereof to purchase one additional common share of the Company at a price of $0.05 per share for a period of thirty-six months from the issuance date. The warrants were valued using the Black-Scholes Option Pricing Model with the following assumptions for the warrants: expected life of three (3) years, risk-free interest rate of 0.6%, expected volatility of 114% and 0% expected dividend yield. Applying the relative fair value approach, the fair value of share capital on the date of issuance was $161,746 and fair value allocated to the warrant reserve was $63,576.

c) On October 15, 2021, the Company issued 550,000 special warrants at the price of $0.05 per special warrant. The proceeds of $27,500 were received during the year ended August 31, 2021. Each special warrant, upon exercise, entitles the holder to receive one common share of the Company for no additional consideration. The special warrants will, if not exercised earlier, be deemed to be exercisable on the earlier of (i) the fifth business day after the date on which the Company obtains a receipt from the applicable securities commission in Canada for the final prospectus qualifying the distribution of the Company's shares to be issued upon the exercise or deemed exercise of the special warrants, and (ii) February 16, 2022. These warrants converted to common shares on February 16, 2022.

d) On December 23, 2021, the Company completed a share purchase agreement with the shareholders of 1291455 whereby the Company purchased all the outstanding shares of 1291455 in exchange for the issuance of 3,468,736 units, each unit comprised of one post-consolidation common share and one common share purchase warrant. Each warrant is exercisable to acquire one post-consolidation common share at a price of $0.10 for 36 months after the closing date. The warrants were valued using a Black-Scholes Option Pricing Model with the following assumptions: share price on date of grant of $0.02, exercise price of $0.10, estimated weighted average life of three years, volatility of 114%, and risk-free interest rate of 0.94%. Applying the relative fair value approach, the fair value of share capital on the date of issuance was $49,730 and fair value allocated to the warrant reserve was $19,645.

(Expressed in Canadian Dollars, except number of shares - Unaudited)

4. PRO FORMA ADJUSTMENTS (Continued)

e) Consideration paid and fair value of net assets acquired:

	November 30, 2021	August 31, 2020
Assets acquired:	$	$
Trust accounts and cash	11,800	1,000
Exploration assets	127,500	1
	139,300	1,001
Liabilities assumed:		
Accounts payable and accrued liabilities	(16,754)	(73,080)
Deposit paid for shares and warrants	(100)	(270)
Subscription liability	-	(730)
Promissory note payable	(25,146)	-
Due to related parties	(89,103)	(30,000)
	(131,103)	(104,080)
Fair value of net identifiable assets acquired	8,197	(103,079)
Purchase consideration		
Unit consideration – Share capital potion	49,730	49,730
Unit consideration – Warrant portion	19,645	19,645
	69,375	69,375
Listing Expense	**61,178**	**172,454**

The Acquisition Transaction is considered a purchase of 1291455's net assets by the Clear Sky. As 1291455 did not qualify as a business according to the definition in IFRS 3, Business Combinations, the Acquisition Transaction was be accounted for in accordance with guidance provided in IFRS 2, Share-Based Payment. The fair value of the consideration is $69,375, which is greater than the fair value of the net assets acquired. Because the Company cannot specifically identify any goods or services that relate to this excess, IFRS 2 requires that the difference be recognized as a transaction cost. Consequently, at November 30, 2021 and August 31, 2021 $61,178 and $172,454, respectively, was recorded as a listing expense and included in deficit.

As part of the elimination entries on consolidation the share capital and shares to be issued of 1291455 were eliminated, being $1 and $nil as at August 31, 2021 and $82,385 and $63,750 as at November 30, 2021.

f) On January 17, 2022, the Company completed non-brokered private placements for 5,933,200 units at a price of $0.25 for gross proceeds of $1,483,300, of which $187,935 had been received as at November 30, 2021 and was included in deposit paid for shares and warrants. Each unit consists of one post-consolidation common share of the Company and one common share purchase warrant, with each warrant entitling the holder to purchase one post-consolidation common share of the Company at a price of $0.40 per share for a period of thirty-six months from their date of issue. The warrants were valued using a Black-Scholes Option Pricing Model with the following assumptions: share price on date of grant of $0.25, exercise price of $0.40, estimated weighted average life of three years, volatility of 114%, and risk-free interest rate of 1.20%. Applying the relative fair value approach, the fair value of share capital on the date of issuance was $925,119 and fair value allocated to the warrant reserve was $558,181.

g) $59,103 of due to related party balances held by the Company owed by 1291455 at November 30, 2021 have been eliminated from the Pro Forma Consolidated Statement of Financial Position.

h) As at November 30, 2021, the Company has received deposits of $139,712 (August 31, 2021 - $119,001) for a financing that did not close. The deposits were returned to the subscribers in the subsequent period.

i) Unit subscription receivable balances of $73,000 at November 30, 2021 and $2,000 at August 31, 2021 were received in December 2021.

(Expressed in Canadian Dollars, except number of shares - Unaudited)

5. PRO FORMA SHARE CAPTAL

Share capital as at November 30, 2021 and August 31, 2021 after giving effect to the pro forma adjustments and assumptions discussed in Note 4 is as follows:

	Common Shares	Amount
	#	$
Total shares outstanding as at August 31, 2021	**200,000**	**1,437**
September 28, 2021 - private placement of units (Note 4b)	22,532,200	161,746
Total shares outstanding as at November 30, 2021	**22,732,200**	**163,183**
December 22, 2021 - 2:1 basis share consolidation	(11,366,096)	-
Units issued - Share Purchase Acquisition, December 23, 2021 (Note 4d)	3,468,736	49,730
1291455 BD LTD shares outstanding as at November 30, 2021	4,119,200	82,384
Acquisition adjustment – to eliminate 1291455 common shares	(4,119,200)	(82,384)
January 17, 2022 - private placement of units (Note 4f)	5,933,200	925,119
February 16, 2022 - conversion of special warrants (Note 4c)	275,000	27,500
Pro forma resulting issuer common shares outstanding	**21,043,040**	**1,165,532**

Warrants outstanding as at November 30, 2021 and August 31, 2021 after giving effect to the pro forma adjustments and assumptions discussed in Note 4 is as follows:

	Number of warrants outstanding	Weighted average exercise price
	#	$
Total warrants outstanding as at August 31, 2021	**200,000**	**0.05**
September 28, 2021 - private placement of units (Note 4b)	22,532,200	0.05
October 15, 2021 - issuance of special warrants (Note 4c)	550,000	0.05
Total warrants outstanding as at November 30, 2021	**23,282,200**	**0.05**
December 22, 2021 - 2:1 basis share consolidation	(11,641,096)	0.10
Units issued - Share Purchase Acquisition, December 23, 2021 (Note 4d)	3,468,736	0.06
January 17, 2022 - private placement of units (Note 4f)	5,933,200	0.40
February 16, 2022 - conversion of special warrants (Note 4c)	(275,000)	-
Pro forma resulting issuer warrants outstanding	**20,768,040**	**0.40**

Stock options outstanding as at November 30, 2021 and August 31, 2021 after giving effect to the pro forma adjustments and assumptions discussed in Note 4 is as follows:

	Number of options outstanding	Weighted average exercise price
	#	$
Beginning balance at August 31, 2021	-	-
Granted, September 28, 2021 (Note 4a)	1,000,000	0.05
December 22, 2021 - 2:1 basis share consolidation	(500,000)	0.10
Pro forma resulting issuer options outstanding	**500,000**	**0.10**

Basic and Diluted Loss per Share

The loss per share stated on the Pro Forma Consolidated Statement of Loss and Comprehensive Loss for the periods ended November 30, 2021, and August 31, 2021 have been computed based on the commons shares outstanding on closing of the Transaction. For purposes of these pro forma consolidated financial statements, all stock options and warrants have been excluded from the diluted weighted average number of shares calculation, as their effect would have been anti-dilutive.

APPENDIX D
AUDIT COMMITTEE CHARTER

(ATTACHED)

AUDIT COMMITTEE CHARTER

(*Approved by the Board of Directors on February 28, 2022)*

Clear Sky Lithium Corp.

AUDIT COMMITTEE CHARTER

1. PURPOSE

The main purpose of the Audit Committee (the **"Committee"**) of the Board of Directors (the **"Board"**) of Clear Sky Lithium Corp. (**"Clear Sky"** or the **"Company"**) is to assist the Board in fulfilling its statutory responsibilities in relation to internal control and financial reporting, and to carry out certain oversight functions on behalf of the Board, including the oversight of:

(a) the integrity of the Company's financial statements and other financial information provided by the Company to securities regulators, governmental bodies and the public to ensure that the Company's financial disclosures are complete, accurate, in accordance with International Financial Reporting Standards (**"IFRS"**) as issued by the International Accounting Standards Board (**"IASB"**) and interpretations by the International Financial Reporting Interpretations Committee (**"IFRIC"**), and fairly present the financial position and risks of the Company;

(b) assessing the independence, qualifications and performance of the Company's independent auditor (the **"Auditor"**), appointing and replacing the Auditor, overseeing the audit and non-audit services provided by the Auditor, and approving the compensation of the Auditor;

(c) Senior Management (as defined below) responsibility for assessing and reporting on the effectiveness of internal controls;

(d) financial matters and management of financial risks;

(e) the prevention and detection of fraudulent activities; and

(f) investigation of complaints and submissions regarding accounting or auditing matters and unethical or illegal behavior.

The Committee provides an avenue for communication between the Auditor, the Company's executive officers and other senior managers (**"Senior Management"**) and the Board, and has the authority to communicate directly with the Auditor. The Committee shall have a clear understanding with the Auditor that they must maintain an open and transparent relationship with the Committee. The Auditor is ultimately accountable to the Committee and the Board, as representatives of the Company's shareholders.

2. COMPOSITION

The Committee shall be comprised of three directors. Each Committee member shall:

(a) satisfy the laws governing the Company;

(b) be "independent" in accordance with Sections 1.4 and 1.5 of National Instrument 52-110 *Audit Committees* (**"NI 52-110"**), which sections are reproduced in Appendix "A" of this charter; and

(c) be "financially literate" in accordance with the definition set out in Section 1.6 of NI 52-110, which definition is reproduced in Appendix "A" of this charter.

For purposes of subparagraph (b) above, the position of non-executive Chair of the Board is considered to be an executive officer of the Company.

Committee members and the chair of the Committee (the **"Committee Chair"**) shall be appointed annually by the Board at the first Board meeting that is held after every annual general meeting of the Company's shareholders. The Board may remove a Committee member at any time in its sole discretion by a resolution of the Board.

If a Committee member simultaneously serves on the audit committees of more than three public companies, the Committee shall seek the Board's determination as to whether such simultaneous service would impair the ability of such member to effectively serve on the Committee and ensure that such determination is disclosed.

3. MEETINGS

The Committee shall meet at least once per financial quarter and as many additional times as the Committee deems necessary to carry out its duties effectively.

The Committee shall meet:

(a) within 60 days following the end of each of the first three financial quarters to review and discuss the unaudited financial results for the preceding quarter and the related management's discussion and analysis (**"MD&A"**); and

(b) within 120 days following the end of the Company's fiscal year end to review and discuss the audited financial results for the year and related MD&A.

As part of its job to foster open communication, the Committee shall meet at least once each financial quarter with Senior Management and the Auditor in separate executive sessions to discuss any matters that the Committee or each of these groups believe should be discussed privately.

A majority of the members of the Committee shall constitute a quorum for any Committee meeting. No business may be transacted by the Committee except at a meeting of its members at which a quorum of the Committee is present or by unanimous written consent of the Committee members.

The Committee Chair shall preside at each Committee meeting. In the event the Committee Chair is unable to attend or chair a Committee meeting, the Committee will appoint a chair for that meeting from the other Committee members.

The Corporate Secretary of the Company, or such individual as appointed by the Committee, shall act as secretary for a Committee meeting (the **"Committee Secretary"**) and, upon receiving a request to convene a Committee meeting from any Committee member, shall arrange for such meeting to be held.

The Committee Chair, in consultation with the other Committee members, shall set the agenda of items to be addressed at each Committee meeting. The Committee Secretary shall ensure that the agenda and any supporting materials for each upcoming Committee meeting are circulated to each Committee member in advance of such meeting.

The Committee may invite such officers, directors and employees of the Company, the Auditor, and other advisors as it may see fit from time to time to attend at one or more Committee meetings and assist in the discussion and consideration of any matter. For purposes of performing their duties, members of the Committee shall, upon request, have immediate and full access to all corporate information and shall be permitted to discuss such information and any other matters relating to the duties and responsibilities of the Committee with officers, directors and employees of the Company, with the Auditor, and with other advisors subject to appropriate confidentiality agreements being in place.

Unless otherwise provided herein or as directed by the Board, proceedings of the Committee shall be conducted in accordance with the rules applicable to meetings of the Board.

4. DUTIES AND RESPONSIBILITIES

Subject to the powers and duties of the Board and the Articles of the Company, in order to carry out its oversight responsibilities, the Committee shall:

4.1 Financial Reporting Process

(a) Review with Senior Management and the Auditor any items of concern, any proposed changes in the selection or application of accounting principles and policies and the reasons for the change, any identified risks and uncertainties, and any issues requiring the judgement of Senior Management, to the extent that the foregoing may be material to financial reporting.

(b) Consider any matter required to be communicated to the Committee by the Auditor under generally accepted auditing standards, applicable law and listing standards, if applicable, including the Auditor's report to the Committee (and the response of Senior Management thereto) on:

- (i) accounting policies and practices used by the Company;
- (ii) alternative accounting treatments of financial information that have been discussed with Senior Management, including the ramifications of the use of such alternative treatments and disclosures and the treatment preferred by the Auditor; and
- (iii) any other material written communications between the Auditor and Senior Management.

(c) Discuss with the Auditor their views about the quality, not just the acceptability, of accounting principles and policies used by the Company, including estimates and judgements made by Senior Management and their selection of accounting principles.

(d) Discuss with Senior Management and the Auditor:

- (i) any accounting adjustments that were noted or proposed (immaterial or otherwise) by the Auditor but were not reflected in the financial statements;

(ii) any material correcting adjustments that were identified by the Auditor in accordance with generally accepted accounting principles ("**GAAP**") or applicable law;

(iii) any communication reflecting a difference of opinion between the audit team and the Auditor's national office on material auditing or accounting issues raised by the engagement; and

(iv) any "management" or "internal control" letter issued, or proposed to be issued, by the Auditor to the Company.

(e) Discuss with Senior Management and the Auditor any significant financial reporting issues considered during the fiscal period and the method of resolution, and resolve disagreements between Senior Management and the Auditor regarding financial reporting.

(f) Review with Senior Management and the Auditor:

(i) any off-balance sheet financing mechanisms being used by the Company and their effect on the Company's financial statements; and

(ii) the effect of regulatory and accounting initiatives on the Company's financial statements, including the potential impact of proposed initiatives.

(g) Review with Senior Management and the Auditor and legal counsel, if necessary, any litigation, claim or other contingency, including tax assessments, that could have a material effect on the financial position or operating results of the Company, and the manner in which these matters have been disclosed or reflected in the financial statements.

(h) Review with the Auditor any audit problems or difficulties experienced by the Auditor in performing the audit, including any restrictions or limitations imposed by Senior Management, and the response of Senior Management, and resolve any disagreements between Senior Management and the Auditor regarding these matters.

(i) Review the results of the Auditor's work, including findings and recommendations, Senior Management's response, and any resulting changes in accounting practices or policies and the impact such changes may have on the financial statements.

(j) Review and discuss with Senior Management the audited annual financial statements and related MD&A and make recommendations to the Board with respect to approval thereof before their release to the public.

(k) Review and discuss with Senior Management and the Auditor all interim unaudited financial statements and related interim MD&A.

(l) Approve interim unaudited financial statements and related interim MD&A prior to their filing and dissemination.

(m) In connection with Sections 4.1 and 5.1 of National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* (**"NI 52-109"**), obtain confirmation from the

Chief Executive Officer (**“CEO”**) and the Chief Financial Officer (**“CFO”**) (and considering the Auditor’s comments, if any, thereon) to their knowledge:

(i) that the audited financial statements, together with any financial information included in the annual MD&A and annual information form, fairly present in all material respects the Company’s financial condition, financial performance and cash flows; and

(ii) that the interim financial statements, together with any financial information included in the interim MD&A, fairly present in all material respects the Company’s financial condition, financial performance and cash flows.

(n) Review news releases to be issued in connection with the audited annual financial statements and related MD&A and the interim unaudited financial statements and related interim MD&A, before being disseminated to the public, if the Company is required to do so under applicable securities laws, paying particular attention to any use of “pro-forma” or “adjusted” non-GAAP, information.

(o) Review any news release containing earnings guidance or financial information based upon the Company’s financial statements prior to the release of such statements, if the Company is required to disseminate such news releases under applicable securities laws.

(p) Review the appointment of the CFO and have the CFO report to the Committee on the qualifications of new key financial personnel involved in the financial reporting process.

4.2 <u>Internal Controls</u>

(a) Consider and review with Senior Management and the Auditor the adequacy and effectiveness of internal controls over accounting and financial reporting within the Company and any proposed significant changes in them.

(b) Consider and discuss any Auditor’s comments on the Company’s internal controls, together with Senior Management responses thereto.

(c) Discuss, as appropriate, with Senior Management and the Auditor any major issues as to the adequacy of the Company’s internal controls and any special audit steps in light of material internal control deficiencies.

(d) Review annually the disclosure controls and procedures.

(e) Receive confirmation from the CEO and the CFO of the effectiveness of disclosure controls and procedures, and whether there are any significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company’s ability to record, process, summarize and report financial information or any fraud, whether or not material, that involves Senior Management or other employees who have a significant role in the Company’s internal control over financial reporting. In addition, receive confirmation from the CEO and the CFO that they are prepared to sign the annual and quarterly certificates required by Sections 4.1 and 5.1 of NI 52-109, as amended from time to time.

4.3 The Auditor

Qualifications and Selection

(a) Subject to the requirements of applicable law, be solely responsible to select, retain, compensate, oversee, evaluate and, where appropriate, replace the Auditor. The Committee shall be entitled to adequate funding from the Company for the purpose of compensating the Auditor for authorized services.

(b) Instruct the Auditor that:

(i) they are ultimately accountable to the Board and the Committee, as representatives of shareholders; and

(ii) they must report directly to the Committee.

(c) Ensure that the Auditor have direct and open communication with the Committee and that the Auditor meet with the Committee once each financial quarter without the presence of Senior Management to discuss any matters that the Committee or the Auditor believe should be discussed privately.

(d) Evaluate the Auditor's qualifications, performance, and independence. As part of that evaluation:

(i) at least annually, request and review a formal report by the Auditor describing: the firm's internal quality-control procedures; any material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues;

(ii) annually review and confirm with Senior Management and the Auditor the independence of the Auditor, including all relationships between the Auditor and the Company, including the amount of fees received by the Auditors for the audit services, the extent of non-audit services and fees therefor, the extent to which the compensation of the audit partners of the Auditor is based upon selling non-audit services, the timing and process for implementing the rotation of the lead audit partner, reviewing partner and other partners providing audit services for the Company, and whether there should be a regular rotation of the audit firm itself; and

(iii) annually review and evaluate senior members of the audit team of the Auditor, including their expertise and qualifications. In making this evaluation, the Committee should consider the opinions of Senior Management.

Conclusions on the independence of the Auditor should be reported by the Committee to the Board.

(e) Approve and review, and verify compliance with, the Company's policies for hiring of employees and former employees of the Auditor and former auditors. Such policies shall include, at minimum, a one-year hiring "cooling off" period.

Other Matters

(a) Meet with the Auditor to review and approve the annual audit plan of the Company's financial statements prior to the annual audit being undertaken by the Auditor, including reviewing the year-to-year co-ordination of the audit plan and the planning, staffing and extent of the scope of the annual audit. This review should include an explanation from the Auditor of the factors considered by the Auditor in determining their audit scope, including major risk factors. The Auditor shall report to the Committee all significant changes to the approved audit plan.

(b) Review and pre-approve all audit and non-audit services and engagement fees and terms in accordance with applicable law, including those provided to the Company's subsidiaries by the Auditor or any other person in its capacity as independent auditor of such subsidiary. Between scheduled Committee meetings, the Committee Chair, on behalf of the Committee, is authorized to pre-approve any audit or non-audit services and engagement fees and terms up to $50,000. At the next Committee meeting, the Committee Chair shall report to the Committee any such pre-approval given.

(c) Establish and adopt procedures for such matters.

4.4 <u>Compliance</u>

(a) Monitor compliance by the Company with all payments and remittances required to be made in accordance with applicable law, where the failure to make such payments could render the Company's directors personally liable.

(b) Receive regular updates from Senior Management regarding compliance with laws and regulations and the process in place to monitor such compliance, excluding, however, legal compliance matters subject to the oversight of the Corporate Governance and Nominating Committee of the Board, if any. Review the findings of any examination by regulatory authorities and any observations by the Auditor relating to such matters.

(c) Establish and oversee the procedures in the Company's Whistleblower Policy to address:

- (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting or auditing matters or unethical or illegal behaviour; and
- (ii) confidential, anonymous submissions by employees of concerns regarding questionable accounting and auditing matters or unethical or illegal behaviour.

(d) Ensure that political and charitable donations conform with policies and budgets approved by the Board.

(e) Monitor management of hedging, debt and credit, make recommendations to the Board respecting policies for management of such risks, and review the Company's compliance therewith.

(f) Approve the review and approval process for the expenses submitted for reimbursement by the CEO.

(g) Oversee Senior Management's mitigation of material risks within the Committee's mandate and as otherwise assigned to it by the Board.

4.5 Financial Oversight

(a) Assist the Board in its consideration and ongoing oversight of matters pertaining to:

(i) capital structure and funding including finance and cash flow planning;

(ii) capital management planning and initiatives;

(iii) property and corporate acquisitions and divestitures including proposals which may have a material impact on the Company's capital position;

(iv) the Company's annual budget;

(v) the Company's insurance program;

(vi) directors' and officers' liability insurance and indemnity agreements; and

(vii) matters the Board may refer to the Committee from time to time in connection with the Company's capital position.

4.6 Other

(a) Perform such other duties as may be assigned to the Committee by the Board.

(b) Annually review and assess the adequacy of its charter and recommend any proposed changes to the Corporate Governance and Nominating Committee.

(c) Review its own performance annually, and provide the results of such evaluation to the Board for its review.

5. AUTHORITY

The Committee shall have the resources and authority appropriate to discharge its duties and responsibilities, including the authority to:

a. select, retain, terminate, set and approve the fees and other retention terms of special or independent counsel, accountants or other experts, as it deems appropriate; and

b. obtain appropriate funding to pay, or approve the payment of, such approved fees, without seeking approval of the Board or Senior Management.

6. ACCOUNTABILITY

The Committee Chair shall make periodic reports to the Board, as requested by the Board, on matters that are within the Committee's area of responsibility.

The Committee shall maintain minutes of its meetings with the Company's Corporate Secretary and shall provide an oral report to the Board at the next Board meeting that is held after a Committee meeting.

Appendix “A”

Definitions from National Instrument 52-110 Audit Committees

Section 1.4 Meaning of Independence

(1) An audit committee member is independent if he or she has no direct or indirect material relationship with the issuer.

(2) For the purposes of subsection (1), a “material relationship” is a relationship which could, in the view of the issuer’s board of directors, be reasonably expected to interfere with the exercise of a member’s independent judgement.

(3) Despite subsection (2), the following individuals are considered to have a material relationship with an issuer:

- (a) an individual who is, or has been within the last three years, an employee or executive officer of the issuer;
- (b) an individual whose immediate family member is, or has been within the last three years, an executive officer of the issuer;
- (c) an individual who:
  - (i) is a partner of a firm that is the issuer’s internal or external auditor,
  - (ii) is an employee of that firm, or
  - (iii) was within the last three years a partner or employee of that firm and personally worked on the issuer’s audit within that time;
- (d) an individual whose spouse, minor child or stepchild, or child or stepchild who shares a home with the individual:
  - (i) is a partner of a firm that is the issuer’s internal or external auditor,
  - (ii) is an employee of that firm and participates in its audit, assurance or tax compliance (but not tax planning) practice, or
  - (iii) was within the last three years a partner or employee of that firm and personally worked on the issuer’s audit within that time;
- (e) an individual who, or whose immediate family member, is or has been within the last three years, an executive officer of an entity if any of the issuer’s current executive officers serves or served at that same time on the entity’s compensation committee; and
- (f) an individual who received, or whose immediate family member who is employed as an executive officer of the issuer received, more than $75,000 in direct compensation from the issuer during any 12 month period within the last three years.

(4) Despite subsection (3), an individual will not be considered to have a material relationship with the issuer solely because

(a) he or she had a relationship identified in subsection (3) if that relationship ended before March 30, 2004; or

(b) he or she had a relationship identified in subsection (3) by virtue of subsection (8) if that relationship ended before June 30, 2005.

(5) For the purposes of clauses (3)(c) and (3)(d), a partner does not include a fixed income partner whose interest in the firm that is the internal or external auditor is limited to the receipt of fixed amounts of compensation (including deferred compensation) for prior service with that firm if the compensation is not contingent in any way on continued service.

(6) For the purposes of clause (3)(f), direct compensation does not include:

(a) remuneration for acting as a member of the board of directors or of any board committee of the issuer, and

(b) the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the issuer if the compensation is not contingent in any way on continued service.

(7) Despite subsection (3), an individual will not be considered to have a material relationship with the issuer solely because the individual or his or her immediate family member

(a) has previously acted as an interim chief executive officer of the issuer, or

(b) acts, or has previously acted, as a chair or vice-chair of the board of directors or of any board committee of the issuer on a part-time basis.

(8) For the purpose of Section 1.4, an issuer includes a subsidiary entity of the issuer and a parent of the issuer.

Section 1.5 Additional Independence Requirements

(1) Despite any determination made under Section 1.4, an individual who

(a) accepts, directly or indirectly, any consulting, advisory or other compensatory fee from the issuer or any subsidiary entity of the issuer, other than as remuneration for acting in his or her capacity as a member of the board of directors or any board committee, or as a part-time chair or vice-chair of the board or any board committee; or

(b) is an affiliated entity of the issuer or any of its subsidiary entities, is considered to have a material relationship with the issuer.

(2) For the purposes of subsection (1), the indirect acceptance by an individual of any consulting, advisory or other compensatory fee includes acceptance of a fee by

(a) an individual's spouse, minor child or stepchild, or a child or stepchild who shares the individual's home; or

(b) an entity in which such individual is a partner, member, an officer such as a managing director occupying a comparable position or executive officer, or occupies a similar position (except limited partners, non-managing members and those occupying similar positions who, in each case, have no active role in providing services to the entity) and which provides accounting, consulting, legal, investment banking or financial advisory services to the issuer or any subsidiary entity of the issuer.

(3) For the purposes of subsection (1), compensatory fees do not include the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the issuer if the compensation is not contingent in any way on continued service.

Section 1.6 Meaning of Financial Literacy

For the purposes of this Instrument, 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 issuer's financial statements.

CERTIFICATE OF THE COMPANY

Dated: February 28, 2022

This prospectus constitutes full, true, and plain disclosure of all material facts relating to the securities previously issued by the issuer as required by the securities legislation of the Provinces of British Columbia, Alberta and Ontario.

s/ "Craig Engelsman"	*s/ "Oliver Foeste"*
Craig Engelsman Chief Executive Officer and Director	Oliver Foeste Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

s/ "Robert Birmingham"	*s/ "Chris MacKay"*
Robert Birmingham Director	Chris Mackay Director